

Edgar Filing: EQUINIX INC - Form SC 13D/A

EQUINIX INC
Form SC 13D/A
November 15, 2005

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

SCHEDULE 13D
Under the Securities Exchange Act of 1934
(Amendment No. 6)

Equinix, Inc.

(Name of Issuer)

Common Stock, par value \$0.001 per share

(Title of Class of Securities)

2944U106

(CUSIP Number)

Pek Siok Lan
STT Communications Ltd
51 Cuppage Road
#10-11/17, StarHub Centre
229469 Singapore
Telephone (65) 6723 8668
Facsimile (65) 6720 7277

Copy to:

Michael W. Sturrock
Latham & Watkins LLP
80 Raffles Place, #14-20
UOB Plaza 2
Singapore 048624
Telephone (65) 6536 1161
Facsimile (65) 6536 1171

(Name, Address and Telephone Number of Person
Authorized to Receive Notices and Communications)

November 9, 2005

(Date of Event Which Requires Filing of This Statement)

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If the filing person has previously filed a statement on Schedule 13G to report the acquisition that is the subject of this Schedule 13D, and is filing this schedule because of Rule 13d-1(c), 13d-1(f) or 13d-1(g), check the following box [].

Note: Schedules filed in paper format shall include a signed original and five copies of the schedule, including all exhibits. See Rule 13d-7 for other parties to whom copies are to be sent.

(1) The remainder of this cover page shall be filled out for a reporting person's initial filing on this form with respect to the subject class of securities, and for any subsequent amendment containing information which would alter disclosures provided in a prior cover page.

The information required on the remainder of this cover page shall not be deemed to be "filed" for the purpose of Section 18 of the Securities Exchange Act of 1934 or otherwise subject to the liabilities of that section of the Act but shall be subject to all other provisions of the Act (however, see the Notes).

CUSIP No. 2944U106

13D

1 NAME OF REPORTING PERSONS:
I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (ENTITIES ONLY):

TEMASEK HOLDINGS (PRIVATE) LIMITED

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP* (a)
(b)

3 SEC USE ONLY

4 SOURCE OF FUNDS*
OO

5 CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEM 2 (D) OR 2 (E) .

6 CITIZENSHIP OR PLACE OF ORGANIZATION
SINGAPORE

NUMBER OF SHARES 7 SOLE VOTING POWER 11,718

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BENEFICIALLY
OWNED BY
EACH
REPORTING
PERSON WITH

8 SHARED VOTING POWER
10,189,549

9 SOLE DISPOSITIVE POWER
11,718

10 SHARED DISPOSITIVE POWER
10,189,549

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON
10,201,267 (1)

12 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES*

13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)
37.4%

14 TYPE OF REPORTING PERSON*
CO

(1) The Reporting Person expressly disclaims beneficial ownership of all shares
beneficially owned by i-STT Investments Pte. Ltd.

CUSIP No. 2944U106

13D

1 NAME OF REPORTING PERSONS:
I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (ENTITIES ONLY):

SINGAPORE TECHNOLOGIES TELEMEDIA PTE LTD

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP*

3 SEC USE ONLY

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4 SOURCE OF FUNDS*
OO

5 CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT
TO ITEM 2 (D) OR 2 (E) .

6 CITIZENSHIP OR PLACE OF ORGANIZATION
SINGAPORE

NUMBER OF 7 SOLE VOTING POWER
SHARES 0
BENEFICIALLY
OWNED BY
EACH
REPORTING
PERSON WITH

8 SHARED VOTING POWER
10,189,549

9 SOLE DISPOSITIVE POWER
0

10 SHARED DISPOSITIVE POWER
10,189,549

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON
10,189,549

12 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES*

13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)
37.4%

14 TYPE OF REPORTING PERSON*
CO

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1 NAME OF REPORTING PERSONS:
I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (ENTITIES ONLY):

STT COMMUNICATIONS LTD

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP*

3 SEC USE ONLY

4 SOURCE OF FUNDS*
OO

5 CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT
TO ITEM 2(D) OR 2(E).

6 CITIZENSHIP OR PLACE OF ORGANIZATION
SINGAPORE

NUMBER OF 7 SOLE VOTING POWER
SHARES 0
BENEFICIALLY
OWNED BY
EACH
REPORTING
PERSON WITH

8 SHARED VOTING POWER
10,189,549

9 SOLE DISPOSITIVE POWER
0

10 SHARED DISPOSITIVE POWER
10,189,549

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON
10,189,549

12 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES*

13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)
37.4%

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14 TYPE OF REPORTING PERSON*
CO

CUSIP No. 2944U106

13D

1 NAME OF REPORTING PERSONS:
I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (ENTITIES ONLY):

i-STT INVESTMENTS PTE. LTD.

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP*

(a)
(b)

3 SEC USE ONLY

4 SOURCE OF FUNDS*
OO

5 CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT
TO ITEM 2 (D) OR 2 (E) .

6 CITIZENSHIP OR PLACE OF ORGANIZATION
SINGAPORE

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	7	SOLE VOTING POWER 0
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8	SHARED VOTING POWER 10,189,549
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9 SOLE DISPOSITIVE POWER
0

10 SHARED DISPOSITIVE POWER
10,189,549

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON
10,189,549

12 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES*

13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)
37.4%

14 TYPE OF REPORTING PERSON*
CO

CUSIP No. 2944U106

13D

1 NAME OF REPORTING PERSONS:
I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (ENTITIES ONLY):

i-STT INVESTMENTS (BERMUDA) LTD.

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP*

3 SEC USE ONLY

4 SOURCE OF FUNDS*
OO

5 CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT
TO ITEM 2 (D) OR 2 (E) .

6 CITIZENSHIP OR PLACE OF ORGANIZATION

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SINGAPORE

	NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	7	SOLE VOTING POWER 0
		8	SHARED VOTING POWER 4,300,000
		9	SOLE DISPOSITIVE POWER 0
		10	SHARED DISPOSITIVE POWER 4,300,000
11	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON		4,300,000
12	CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES*		
13	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)		15.8%
14	TYPE OF REPORTING PERSON*		CO

Page 7 of 16 Pages

This Amendment No. 6 amends the Schedule 13D previously filed by STT Communications Ltd ("STT Comm") with the Securities and Exchange Commission on October 11, 2002, as amended and restated by Amendment No. 1 to Schedule 13D filed on January 3, 2003 by STT Comm, as further amended by Amendment No. 2 to Schedule 13D filed on December 22, 2003, as further amended by Amendment No. 3 to Schedule 13D filed on December 30, 2004, as further amended by Amendment No. 4 to Schedule 13D filed on January 14, 2005 and as further amended by Amendment No. 5 to Schedule 13D filed on October 7, 2005 (as amended, the "Statement") with respect to the common stock, par value \$0.001 per share (the "Common Stock") of Equinix, Inc., a Delaware corporation (the "Issuer"). Capitalized terms used but not defined herein have the meanings given to them in the Statement.

ITEM 2. IDENTITY AND BACKGROUND

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Item 2 is hereby amended to add the following:

i-STT Investments (Bermuda) Ltd. ("i-STT Bermuda")
Canon's Court, 22 Victoria Street
Hamilton HM12 Bermuda
(a Bermuda exempted company)
Principal business of i-STT Bermuda: Holding company

i-STT Bermuda is a wholly-owned subsidiary of i-STTI.

Schedule A, which contains information regarding the executive officers and directors of the Reporting Persons, is amended and restated in its entirety and is incorporated herein by reference.

ITEM 4. PURPOSE OF TRANSACTION

Item 4 is hereby amended to add the following:

STT Comm has decided to sell all of its shares of Common Stock, all as described in the Prospectus Supplement dated November 9, 2005 to the Prospectus dated October 28, 2005 filed by the Issuer on November 14, 2005. It has entered into various transactions described below in Item 6 to effectuate that sale.

In an underwritten secondary offering to the public, i-STTI agreed to sell 5,150,000 shares of Common Stock to the underwriters at the public offering price of \$35.64 per share (before deducting underwriting discount). This offering is expected to close on November 16, 2005 subject to customary closing conditions. In addition, i-STTI agreed to offer the underwriters an option to purchase up to 739,549 additional shares of Common Stock to cover over-allotments, if any.

Concurrently with the secondary offering, i-STT Bermuda entered into the pre-paid forward purchase agreement discussed in Item 6 herein with Credit Suisse First Boston Capital LLC whereby i-STT Bermuda agreed to sell up to 4,300,000 shares of Common Stock. In connection with such pre-paid forward purchase agreement, the Collateral Agreement discussed in Item 6 herein was also entered into. An affiliate of Credit Suisse First Boston Capital LLC intends to publicly offer securities exchangeable for the Common Stock agreed to be purchased pursuant to the pre-paid forward purchase agreement.

Page 8 of 16 Pages

ITEM 5. INTEREST IN SECURITIES OF THE ISSUER

Item 5 is hereby amended and restated in its entirety as follows:

i-STT Bermuda owns of record 4,300,000 shares of Common Stock representing 15.8% of the outstanding shares of Common Stock. i-STTI owns of record 5,889,549 shares of Common Stock, representing 21.6% of the outstanding shares of Common Stock. Because of the relationships described in Item 2 above, the direct and indirect parents of i-STTI and i-STT Bermuda may be deemed to beneficially own the shares owned of record by i-STTI and i-STT Bermuda representing a total of 37.4% of the outstanding shares of Common Stock. Temasek disclaims beneficial ownership of the shares owned of record by i-STTI and i-STT Bermuda.

In addition to the share amounts detailed in the preceding paragraph, Temasek may be deemed to beneficially own 11,718 additional shares of Common Stock, representing 0.04% of the outstanding shares of Common Stock. The additional 11,718 shares of Common Stock are owned beneficially and of record by Temasek's

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indirect, wholly-owned subsidiary, T.H.e Venture Pte Ltd.

On November 7, 2005, i-STTI elected to exercise its preferred stock warrant for 965,674 shares of the Issuer's series A preferred stock and elected to convert an aggregate of \$2,208,007.87 of the outstanding series A-1 convertible secured notes, including interest due through November 7, 2005, into 240,578 shares of the Issuer's series A preferred stock. In addition, on November 9, 2005, i-STTI elected to convert all of its series A preferred stock into an aggregate 3,074,919 shares of Common Stock. The series A preferred stock each converted into Common Stock on a 1 for 1 basis.

Concurrently with the above mentioned conversions, and pursuant to an internal restructuring, i-STTI contributed to i-STT Bermuda, a newly formed subsidiary, 4,300,000 shares of Common Stock which i-STT Bermuda now owns directly. As a result of the transfer, i-STTI now directly owns 5,889,549 shares of Common Stock.

The calculation of the percentages in the foregoing paragraphs is based on the number of shares of Common Stock disclosed as outstanding as of September 30, 2005, in the Form 10-Q filed by the Issuer on October 26, 2005 and the number of shares issued upon the above mentioned conversions (i.e. an aggregate of 27,263,658 shares of Common Stock). Except as set forth in this Statement, to the knowledge of the Reporting Persons, no director or executive officer of any of the Reporting Persons beneficially owns any other securities of the Issuer.

Except as described in this Statement, there have been no transactions by the Reporting Persons in securities of the Issuer during the past sixty days. To the knowledge of the Reporting Persons, there have been no transactions by any director or executive officer of any of the Reporting Persons in securities of the Issuer during the past sixty days.

ITEM 6. CONTRACTS, ARRANGEMENTS, UNDERSTANDINGS OR RELATIONSHIPS WITH RESPECT TO SECURITIES OF THE ISSUER

To effectuate the sale of its holding in Equinix, STT Comm planned the sale of two tranches of Common Stock. i-STTI entered into an Underwriting Agreement with the Issuer and Citigroup Global Market Inc., Credit Suisse First Boston LLC and Goldman, Sachs & Co., as representatives of the several underwriters named in Schedule A thereto, to underwrite the secondary offering of 5,150,000 shares of Common Stock to the public. In addition, i-STTI agreed to offer the underwriters an option to purchase up to 739,549 additional shares of Common Stock to cover over-allotments, if any.

Page 9 of 16 Pages

To sell the second tranche, i-STTI restructured internally and transferred 4,300,000 shares of Common Stock to i-STT (Bermuda), a newly formed subsidiary. Under a Collateral Agreement with Credit Suisse First Boston Capital LLC and Credit Suisse First Boston LLC, as collateral agent, i-STT (Bermuda) pledged those shares of Common Stock to Credit Suisse First Boston Capital LLC. Concurrently, i-STT (Bermuda) entered into the pre-paid forward purchase agreement with Credit Suisse First Boston Capital LLC whereby i-STT (Bermuda) agreed to sell up to 4.3 million shares of Common Stock.

Pursuant to a Terms Agreement with i-STT (Bermuda), the Issuer, Credit Suisse First Boston LLC, as representative of the several underwriters named in Schedule A thereto, and Credit Suisse First Boston (USA) Inc., an affiliate of Credit Suisse First Boston Capital LLC ("CSFB (USA)"), CSFB (USA) intends to publicly offer securities exchangeable for the Common Stock agreed to be

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purchased pursuant to the pre-paid forward purchase agreement.

ITEM 7. MATERIAL TO BE FILED AS EXHIBITS

1. Underwriting Agreement by and among i-STT Investments Pte. Ltd., Equinix, Inc., and Citigroup Global Market Inc., Credit Suisse First Boston LLC and Goldman, Sachs & Co., as representatives of the several underwriters named in Schedule A thereto, dated as of November 9, 2005 (1).
2. Terms Agreement by and among Credit Suisse First Boston (USA) Inc., i-STT Investments (Bermuda) Ltd., Equinix, Inc. and Credit Suisse First Boston LLC acting severally on behalf of itself and on behalf of the underwriters named in Schedule A thereto dated as of November 9, 2005 (2).
3. Forward Purchase Agreement between i-STT Investments (Bermuda) Ltd., as seller, and Credit Suisse First Boston Capital LLC, as purchaser, dated as of November 9, 2005.
4. Collateral Agreement among i-STT Investments (Bermuda) Ltd., as pledgor, Credit Suisse First Boston LLC, as collateral agent, and Credit Suisse First Boston Capital LLC dated as of November 9, 2005.

- (1) Incorporated by reference to Exhibit 10.1 to the Form 8-K filed by Equinix, Inc. on November 14, 2005
- (2) Incorporated by reference to Exhibit 10.2 to the Form 8-K filed by Equinix, Inc. on November 14, 2005

Page 10 of 16 Pages

After reasonable inquiry and to the best of its knowledge and belief, the undersigned certifies that the information set forth in this statement is true, complete and correct.

Dated: November 14, 2005

TEMASEK HOLDINGS (PRIVATE) LIMITED

By: /s/ Chia Yue Joo

Name: Chia Yue Joo (Ms.)
Title: Managing Director, Legal & Regulations

SINGAPORE TECHNOLOGIES TELEMEDIA PTE LTD

By: /s/ Pek Siok Lan

Name: Pek Siok Lan
Title: Company Secretary

STT COMMUNICATIONS LTD

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By: /s/ Pek Siok Lan

Name: Pek Siok Lan
Title: Company Secretary

i-STT INVESTMENTS PTE. LTD.

By: /s/ Pek Siok Lan

Name: Pek Siok Lan
Title: Director

i-STT INVESTMENTS (BERMUDA) LTD.

By: /s/ Stephen Geoffrey Miller

Name: Stephen Geoffrey Miller
Title: Director

Page 11 of 16 Pages

EXHIBIT INDEX

1. Underwriting Agreement by and among i-STT Investments Pte. Ltd., Equinix, Inc., and Citigroup Global Market Inc., Credit Suisse First Boston LLC and Goldman, Sachs & Co., as representatives of the several underwriters named in Schedule A thereto, dated as of November 9, 2005 (1).
2. Terms Agreement by and among Credit Suisse First Boston (USA) Inc., i-STT Investments (Bermuda) Ltd., Equinix, Inc. and Credit Suisse First Boston LLC acting severally on behalf of itself and on behalf of the underwriters named in Schedule A thereto dated as of November 9, 2005 (2).
3. Forward Purchase Agreement between i-STT Investments (Bermuda) Ltd., as seller, and Credit Suisse First Boston Capital LLC, as purchaser, dated as of November 9, 2005.
4. Collateral Agreement among i-STT Investments (Bermuda) Ltd., as pledgor, Credit Suisse First Boston LLC, as collateral agent, and Credit Suisse First Boston Capital LLC dated as of November 9, 2005.

- (1) Incorporated by reference to Exhibit 10.1 to the Form 8-K filed by Equinix, Inc. on November 14, 2005
- (2) Incorporated by reference to Exhibit 10.2 to the Form 8-K filed by Equinix, Inc. on November 14, 2005

Page 12 of 16 Pages

SCHEDULE A

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The name, present principal occupation and business address of each director and executive officer of the Reporting Persons is set forth below

The following is a list of the executive officers and directors of Temasek Holdings (Private) Limited ("Temasek"):

Name, Business Address and Position at Temasek	Present Principal Occupation	Citizenship
S Dhanabalan 60B Orchard Road #06-18 Tower 2 The Atrium@Orchard Singapore 238891 (Chairman of Temasek)	Chairman, DBS Group Holdings Ltd	Singaporean
Kwa Chong Seng 1 Harbourfront Place #06-00 Harbourfront Tower One Singapore 098633 (Deputy Chairman of Temasek)	Chairman/Managing Director, ExxonMobil Asia Pacific Pte Ltd	Singaporean
Lim Siong Guan 100 High Street #09-01 Singapore 179434 (Deputy Chairman of Temasek)	Permanent Secretary, Ministry of Finance	Singaporean
Sim Kee Boon 60B Orchard Road #06-18 Tower 2 The Atrium@Orchard Singapore 238891 (Director of Temasek)	Member, Council of Presidential Advisers	Singaporean
Koh Boon Hwee 1 Kim Seng Promenade #10-06 Great World City East Tower Singapore 237994 (Director of Temasek)	Executive Chairman, Sunningdale Tech Ltd	Singaporean
Kua Hong Pak 205 Braddell Road West Wing 5(th) Floor Singapore 579701 (Director of Temasek)	Managing Director/Group CEO, ComfortDelgro Corporation Limited	Singaporean
Ho Ching 60B Orchard Road #06-18 Tower 2 The Atrium@Orchard Singapore 238891 (Executive Director and CEO of Temasek)	Executive Director & CEO, Temasek Holdings (Private) Limited	Singaporean

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Name, Business Address and Position at Temasek	Present Principal Occupation	Citizenship
Goh Yew Lin 50 Raffles Place #33-00 Singapore 048623 (Director of Temasek)	Executive Director, G.K. Goh Holdings Limited	Singaporean
Simon Claude Israel 1 Temasek Avenue #34-02/03/04 Millenia Tower Singapore 039192 (Director of Temasek)	Director, Danone Asia Pte Ltd	New Zealander Singapore Permanent Resident

The following is a list of the executive officers and directors of Singapore Technologies Telemedia Pte Ltd ("STT"):

Name, Business Address and Position at STT	Present Principal Occupation	Citizenship
Tan Guong Ching 51 Cuppage Road #10-11/17 StarHub Centre Singapore 229469 (Chairman and Director, STT)	Corporate Director	Singaporean
Peter Seah Lim Huat 51 Cuppage Road #09-01 StarHub Centre Singapore 229469 (Deputy Chairman and Director, STT)	Corporate Director	Singaporean
Lee Theng Kiat 51 Cuppage Road #10-11/17 StarHub Centre Singapore 229469 (Director, President & CEO, STT)	President and CEO, STT and STT Comm	Singaporean
Sum Soon Lim 51 Cuppage Road #10-11/17 StarHub Centre Singapore 229469 (Director, STT)	Corporate Director	Singaporean
Lim Ming Seong No. 2 Ubi View Singapore 408556 (Director, STT)	Corporate Director	Singaporean
Sio Tat Hiang 51 Cuppage Road #10-11/17 StarHub Centre Singapore 229469 (Executive Vice President, STT)	Executive Vice President, STT and STT Comm	Singaporean

Name, Business Address and Position at STT	Present Principal Occupation	Citizenship
Pek Siok Lan 51 Cuppage Road #10-11/17 StarHub Centre Singapore 229469 (Company Secretary, STT)	Senior Vice President, Legal and General Counsel, STT and STT Comm	Singaporean
Stephen Geoffrey Miller 51 Cuppage Road #09-01 StarHub Centre Singapore 229469 (Chief Financial Officer, STT)	Chief Financial Officer, STT and STT Comm	Australian
Anupam Garg 51 Cuppage Road #09-01 StarHub Centre Singapore 229469 (Senior Vice President, International Business Development, STT)	Senior Vice President, International Business Development, STT and STT Comm	Indian
Kek Soon Eng 51 Cuppage Road #10-11/17 StarHub Centre Singapore 229469 (Senior Vice President, Management of Investee Companies, STT)	Senior Vice President, Management of Investee Companies, STT and STT Comm	Singaporean

The following is a list of the executive officers and directors of STT Communications Ltd ("STT Comm"):

Name, Business Address and Position at STT Comm	Present Principal Occupation	Citizenship
Tan Guong Ching 51 Cuppage Road #10-11/17 StarHub Centre Singapore 229469 (Chairman and Director, STT Comm)	Corporate Director	Singaporean
Peter Seah Lim Huat 51 Cuppage Road #09-01 StarHub Centre Singapore 229469 (Deputy Chairman and Director, STT Comm)	Corporate Director	Singaporean
Lee Theng Kiat	President and CEO, STT and STT	Singaporean

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51 Cuppage Road #10-11/17
 StarHub Centre
 Singapore 229469
 (Director, President & CEO, STT
 Comm)

Page 15 of 16 Pages

Name, Business Address and Position at STT Comm	Present Principal Occupation	Citizenship
Sum Soon Lim 51 Cuppage Road #10-11/17 StarHub Centre Singapore 229469 (Director, STT Comm)	Corporate Director	Singaporean
Lim Ming Seong No. 2 Ubi View Singapore 408556 (Director, STT Comm)	Corporate Director	Singaporean
Sio Tat Hiang 51 Cuppage Road #10-11/17 StarHub Centre Singapore 229469 (Executive Vice President, STT Comm)	Executive Vice President, STT and STT Comm	Singaporean
Pek Siok Lan 51 Cuppage Road #10-11/17 StarHub Centre Singapore 229469 (Company Secretary, STT Comm)	Senior Vice President, Legal & General Counsel, STT and STT Comm	Singaporean
Stephen Geoffrey Miller 51 Cuppage Road #09-01 StarHub Centre Singapore 229469 (Chief Financial Officer, STT Comm)	Chief Financial Officer, STT and STT Comm	Australian
Anupam Garg 51 Cuppage Road #09-01 StarHub Centre Singapore 229469 (Senior Vice President, International Business Development, STT Comm)	Senior Vice President, International Business Development, STT and STT Comm	Indian
Kek Soon Eng 51 Cuppage Road #10-11/17 StarHub Centre Singapore 229469 (Senior Vice President, Management of Investee Companies, STT Comm)	Senior Vice President, Management of Investee Companies, STT and STT Comm	Singaporean

The following is a list of the executive officers and directors of i-STT

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Investments Pte. Ltd. ("i-STTI"):

Name, Business Address and Position at i-STTI	Present Principal Occupation	Citizenship
Lee Theng Kiat 51 Cuppage Road, #10-11/17 StarHub Centre Singapore 229469 (Director, i-STTI)	President and CEO, STT and STT Comm	Singaporean

Page 16 of 16 Pages

Name, Business Address and Position at i-STTI	Present Principal Occupation	Citizenship
Sio Tat Hiang 51 Cuppage Road, #10-11/17 StarHub Centre Singapore 229469 (Director, i-STTI)	Executive Vice President, STT and STT Comm	Singaporean
Pek Siok Lan 51 Cuppage Road #10-11/17 StarHub Centre Singapore 229469 (Director, i-STTI)	Senior Vice President, Legal & General Counsel, STT and STT Comm	Singaporean

The following is a list of the executive officers and directors of i-STT Investments (Bermuda) Ltd. ("i-STT Bermuda")

Name, Business Address and Position at i-STT Bermuda	Present Principal Occupation	Citizenship
Stephen Geoffrey Miller 51 Cuppage Road, #09-01 StarHub Centre Singapore 229469 (Director, i-STT Bermuda)	Chief Financial Officer, STT and STT Comm	Australian
Kek Soon Eng 51 Cuppage Road #10-11/17 StarHub Centre Singapore 229469 (Director, i-STT Bermuda)	Senior Vice President, Management of Investee Companies, STT and STT Comm	Singaporean

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Net revenues

198,488 59,198

Vessel operating expenses

(59,126) (32,823)

Depreciation and amortization

(32,893) (16,042)

General and administrative expenses

(6,285) (4,069)

Income from operations

100,184 6,264

Interest income

149 472

Interest expense

(22,308) (9,175)

Other expenses

(2,227) (681)

Net income (loss)

75,798 (3,120)

Table of Contents

Net Revenues. Net revenue increased to \$198.5 million for 2015 from \$59.2 million for 2014 primarily due to:

an increase of \$62.4 million from more revenue days in 2015 compared to 2014 due to the addition of two VLCCs, six Aframax tankers and two LR2 product tankers acquired in 2014;

an increase of \$26.0 million from the acquisition of six Suezmax tankers in 2015;

an increase of \$21.2 million resulting from higher average TCE rates earned by TIL's Suezmax tankers in 2015 compared to 2014;

an increase of \$12.0 million resulting from higher average TCE rates earned by TIL's VLCCs in 2015 compared to 2014;

an increase of \$11.0 million resulting from higher average TCE rates earned by TIL's Aframax tankers in 2015 compared to 2014; and

an increase of \$4.0 million resulting from higher average TCE rates earned by TIL's LR2 product tankers in 2015 compared to 2014.

Vessel Operating Expenses. Vessel operating expenses increased to \$59.1 million for 2015 from \$32.8 million for 2014 primarily due to the addition of two VLCCs, six Suezmax tankers, six Aframax tankers and two LR2 product tankers acquired in 2014 and six Suezmax tankers acquired in 2015.

Depreciation and Amortization. Depreciation and amortization increased to \$32.9 million for 2015 from \$16.0 million for 2014. The increase primarily relates to the addition of two VLCCs, six Suezmax tankers, six Aframax tankers and two LR2 product tankers acquired in 2014 and six Suezmax tankers acquired in 2015.

General and Administrative Expenses. General and administrative expenses increased to \$6.3 million for 2015 from \$4.1 million for 2014. The increase primarily relates to an increase of \$2.2 million as a result of higher corporate expenses incurred during 2015 relating to the two VLCCs, six Suezmax tankers, six Aframax tankers and two LR2 product tankers acquired in 2014 and six Suezmax tankers acquired in 2015.

Interest Expense. Interest expense increased to \$22.3 million for 2015 from \$9.2 million for 2014, primarily due to additional interest incurred from new debt drawn in 2014 and 2015 to finance the acquisition of vessels.

Other Expenses. Other expenses were \$2.2 million in 2015, compared to \$0.7 million in 2014. The increase is primarily due to an increase of TIL's estimate of freight tax expense for the year ended December 31, 2015, due to higher vessel activity as compared to the prior year.

Liquidity and Capital Resources

Liquidity and Cash Needs

TIL's primary sources of liquidity are cash and cash equivalents, cash flows provided by TIL's operations, TIL's undrawn credit facilities, proceeds from sales of vessels, and capital raised through financing transactions. TIL's total liquidity, including cash, cash equivalents and undrawn credit facilities, was \$116.6 million as at March 31, 2017, \$109.9 million as at December 31, 2016 and \$68.4 million as at December 31, 2015. The increase in liquidity during the first quarter of 2017 was primarily due to net operating cash flow net of scheduled debt repayments during this period. The increase in liquidity during 2016 was primarily due to net operating cash flow net of scheduled debt repayments during this period as well as the additional liquidity generated from the sale of two VLCCs in January 2016 net of debt repayments. TIL anticipates that its primary sources of funds for its liquidity needs will be cash flows from operations, existing cash and cash equivalents and undrawn long-term borrowings, which TIL believes will be sufficient to meet its existing liquidity needs for at least the 12 months following March 31, 2017.

- 62 -

Table of Contents

TIL's short-term liquidity requirements include the payment of operating expenses, dry-docking expenditures, debt servicing costs, scheduled repayments of long-term debt, as well as funding TIL's other working capital requirements. TIL has not paid any dividends since its incorporation on January 10, 2014. TIL's short-term charters and spot market tanker operations contribute to the volatility of TIL's net operating cash flow, and thus TIL's ability to generate sufficient cash flows to meet TIL's short-term liquidity needs. Historically, the tanker industry has been cyclical, experiencing volatility in profitability and asset values resulting from changes in the supply of, and demand for, vessel capacity. In addition, tanker spot markets historically have exhibited seasonal variations in charter rates. Tanker spot markets are typically stronger in the winter months as a result of increased oil consumption in the northern hemisphere and unpredictable weather patterns that tend to disrupt vessel scheduling.

TIL's long-term capital needs are primarily for capital expenditures and debt repayment. Generally, TIL expects that its long-term sources of funds will be cash balances, long-term bank borrowings and other debt or equity financings. TIL expects that it will rely upon external financing sources, including bank borrowings and the issuance of debt and equity securities, to fund acquisitions and expansion capital expenditures.

TIL's revolving credit facilities and term loans are described in Note 2 Long-Term Debt to TIL's consolidated financial statements for the three months ended March 31, 2017 included in this joint proxy statement/prospectus. TIL's revolving credit facilities and term loans contain covenants and other restrictions TIL believes are typical of debt financing collateralized by vessels, including those that restrict the relevant subsidiaries from incurring or guaranteeing additional indebtedness, making certain negative pledges or granting certain liens, and selling, transferring, assigning or conveying assets. Some of the covenants and restrictions in TIL's financing agreements could restrict TIL's ability to pay dividends on its common stock. However, as of the date of this joint proxy statement/prospectus, TIL does not expect that these covenants will have such an effect. TIL's revolving credit facilities and term loans require TIL to maintain financial covenants. Should TIL not meet these financial covenants, the lender may declare TIL's obligations under the agreements immediately due and payable and terminate any further loan commitments, which would significantly affect TIL's short-term liquidity requirements. As at March 31, 2017, TIL was in compliance with all covenants in respect of these credit facilities.

Passage of any climate control legislation or other regulatory initiatives that restrict emissions of greenhouse gases could have a significant financial and operational impact on TIL's business, which TIL cannot predict with certainty at this time. Such regulatory measures could increase TIL's costs related to operating and maintaining TIL's vessels and require TIL to install new emission controls, acquire allowances or pay taxes related to TIL's greenhouse gas emissions, or administer and manage a greenhouse gas emissions program. In addition, increased regulation of greenhouse gases may, in the long-term, lead to reduced demand for oil and reduced demand for TIL's services.

Cash Flow

Operating Activities

Net cash flow provided by operating activities in each period is primarily impacted by the size of TIL's fleet, the TCE rates TIL's vessels earn and the number of vessels required to enter drydock for regularly scheduled inspection and maintenance. In addition, due to the volatility of TCE rates and the lag between monthly net pool revenue and receipt of monthly cash distributions, there can be a significant amount of the change in non-cash working capital items related to operating activities.

TIL's net cash flow provided by operating activities increased from an outflow of \$16.4 million in 2014 to inflows of \$86.2 million in 2015 and \$92.5 million in 2016. The increases over this three-year period were primarily due to the following:

TIL's first vessel purchase was four vessels in February 2014; TIL's fleet increased to 14 vessels by December 31, 2014. During 2015, TIL acquired six additional vessels and sold two vessels in early

- 63 -

Table of Contents

2016. The increase in fleet size over this three year period has resulted in an increase in net cash flow provided by operating activities over this period.

The average TCE rate across TIL's fleet strengthened in 2015 but weakened in 2016. The average TCE rate increased from \$20,807 in 2014 to \$35,782 in 2015, and decreased to \$24,072 in 2016.

The number of scheduled dry dockings for TIL's vessels consisted of seven vessels in 2014, three vessels in 2015 and one vessel in 2016. As a result, cash used for dry-docking expenditures was \$15.9 million in 2014, \$6.6 million in 2015 and \$0.8 million in 2016.

TIL's net cash flow provided by operating activities decreased from \$41.9 million in the first quarter of 2016 to \$19.0 million in the first quarter of 2017. Such decrease was primarily due to lower TCE rates.

Financing Activities

TIL raised \$408.1 million from the issuance of shares of TIL common stock in 2014 and borrowed \$181.1 million in 2014 and \$347.1 million in 2015 in order to finance the acquisition of 14 vessels in 2014 and 6 vessels in 2015.

TIL's loan agreements typically require TIL to repay amounts borrowed on a scheduled basis over the term of the loan. Scheduled repayments of long-term debt were \$14.6 million in 2014, \$38.7 million in 2015, \$41.8 million in 2016, \$9.5 million in the first quarter of 2017 and \$10.8 million in the first quarter of 2016.

TIL's loan agreements typically enable TIL to prepay amounts borrowed and TIL would typically use excess cash generated from operations or vessel sales to make such prepayments. Prepayments of long-term debt were \$59.7 million in 2015, \$178.3 million in 2016, \$5.0 million in the first quarter of 2017 and \$148.3 million in the first quarter of 2016.

The TIL Board authorized the repurchase of shares of TIL common stock in the open market of up to \$30 million in October 2014, \$30 million in September 2015 and \$60 million in February 2016. Pursuant to these authorizations, TIL used \$15.3 million to repurchase 1.5 million shares in 2014, \$40.6 million to repurchase 3.3 million shares in 2015, and \$31.8 million to repurchase 3.3 million shares in 2016.

Investing Activities

TIL spent \$473.4 million in 2014 and \$320.5 million in 2015 to acquire two VLCCs, four Suezmax tankers, six Aframax tankers and two coated Aframax tankers in 2014 and six Suezmax tankers in 2015. In January 2016, TIL sold two 2010-built VLCCs, the *Hemsedal Spirit* and *Voss Spirit*, for net proceeds of \$151.5 million.

Commitments and Contingencies

The following table summarizes TIL's long-term contractual obligations as at March 31, 2017:

(in millions of U.S. dollars)	Total	Remainder of 2017	2018	2019	2020	2021
U.S. Dollar-Denominated Obligations						

Scheduled repayments of revolving facilities and term loans ⁽¹⁾	351.6	28.6	38.2	113.2	91.1	80.5
Total	351.6	28.6	38.2	113.2	91.1	80.5

(1) Excludes all expected interest payments of \$10.6 million (remainder of 2017), \$12.7 million (2018), \$9.3 million (2019), \$4.8 million (2020) and \$1.3 million (2021). Expected interest payments are based on the existing interest rates (fixed-rate loans) and LIBOR at March 31, 2017, plus margins on debt that has been drawn that range from 0.5% to 3.5%.

Table of Contents**Off-Balance Sheet Arrangements**

TIL has no off-balance sheet arrangements that have, or are reasonably likely to have, a current or future material effect on TIL's financial condition, results of operations, liquidity, capital expenditures or capital resources.

Critical Accounting Estimates

TIL prepares its consolidated financial statements in accordance with GAAP, which requires TIL to make estimates in the application of its accounting policies based on TIL's best assumptions, judgments and opinions. On a regular basis, management reviews the accounting policies, assumptions, estimates and judgments to ensure that TIL's consolidated financial statements are presented fairly and in accordance with GAAP. However, because future events and their effects cannot be determined with certainty, actual results could differ from TIL's assumptions and estimates, and such differences could be material. Accounting estimates and assumptions discussed in this section are those that TIL considers to be the most critical to an understanding of its financial statements because they inherently involve significant judgments and uncertainties. For a further description of TIL's material accounting policies, please read Note 3 Significant Accounting Policies to TIL's consolidated financial statements included in this joint proxy statement/prospectus.

Revenue Recognition

Description. TIL recognizes revenue from time charters daily over the term of the charter as the applicable vessel operates under the charter. TIL does not recognize revenues during days that the vessel is off hire. When the time charter contains a profit-sharing agreement, TIL recognizes the profit-sharing or contingent revenues when the contingency is resolved. All revenues from voyage charters are recognized on a proportional performance method. TIL uses a discharge-to-discharge basis in determining the proportional performance for all spot voyages. TIL does not begin recognizing revenue until a charter has been agreed to by the customer and TIL, even if the vessel has discharged its cargo and is sailing to the anticipated load port on its next voyage. The consolidated balance sheets reflect the deferred portion of revenues and expenses, which will be earned in subsequent periods.

Judgments and Uncertainties. In applying the proportionate performance method, TIL believes that in most cases the discharge-to-discharge basis of calculating voyages more accurately reflects voyage results than the load-to-load basis. At the time of cargo discharge, TIL generally has information about the next load port and expected discharge port, but at the time of loading TIL is typically less certain what the next load port will be. TIL uses this method of revenue recognition for all spot voyages. However TIL does not begin recognizing revenue for any of its vessels until a charter has been agreed to by the customer and TIL, even if the vessel has discharged its cargo and is sailing to the anticipated load port on its next voyage.

Effect if Actual Results Differ from Assumptions. If actual results are not consistent with TIL's estimates in applying the proportionate performance method, TIL's revenues could be overstated or understated for any given period by the amount of such difference.

Vessel Lives and Impairment

Description. TIL reviews vessels and equipment for impairment whenever events or circumstances indicate the carrying value of an asset, including the carrying value of the charter contract, if any, under which the vessel is employed, may not be recoverable. This occurs when the asset's carrying value is greater than the future undiscounted cash flows the asset is expected to generate over its remaining useful life. If the estimated future undiscounted cash flows of an asset exceed the asset's carrying value, no impairment is recognized even though the fair value of the asset

may be lower than its carrying value. If the estimated future undiscounted cash flows of an asset are less than the asset's carrying value and the fair value of the asset is less than its carrying value, the

Table of Contents

asset is written down to its fair value. Fair value is calculated as the net present value of estimated future cash flows, which, in certain circumstances, will approximate the estimated market value of the vessel. For a vessel under charter, the discounted cash flows from that vessel may exceed its market value, as market values may assume the vessel is not employed on an existing charter.

Judgments and Uncertainties. Depreciation is calculated using an estimated useful life of 25 years for conventional crude oil and product tankers, commencing at the date the vessel was originally delivered from the shipyard. However, the actual life of a vessel may be different than the estimated useful life, with a shorter actual useful life resulting in an increase in quarterly depreciation and potentially resulting in an impairment loss. The estimated useful life of TIL's vessels takes into account design life, commercial considerations and regulatory restrictions. TIL's estimates of future cash flows involve assumptions about future charter rates, vessel utilization, operating expenses, dry-docking expenditures, vessel residual values and the remaining estimated life of TIL's vessels. TIL's estimated charter rates are based on rates under existing vessel contracts and market rates at which TIL expects it can re-charter its vessels. TIL's estimates of vessel utilization, including estimated off-hire time, are based on historical experience and TIL's projections of the number of future conventional tanker voyages. TIL's estimates of operating expenses and dry-docking expenditures are based on historical operating and dry-docking costs and TIL's expectations of future inflation and operating requirements. Vessel residual values are a product of a vessel's lightweight tonnage and an estimated scrap rate. The remaining estimated lives of TIL's vessels used in TIL's estimates of future cash flows are consistent with those used in the calculations of depreciation.

In TIL's experience, certain assumptions relating to TIL's estimates of future cash flows are more predictable by their nature, including estimated revenue under existing contract terms, on-going operating costs and remaining vessel life. Certain assumptions relating to TIL's estimates of future cash flows require more discretion and are inherently less predictable, such as future charter rates beyond the firm period of existing contracts and vessel residual values, due to factors such as the volatility in vessel charter rates and vessel values. TIL believes that the assumptions used to estimate future cash flows of its vessels are reasonable at the time they are made. TIL can make no assurances, however, as to whether its estimates of future cash flows, particularly future vessel charter rates or vessel values, will be accurate.

Effect if Actual Results Differ from Assumptions. If TIL concludes that a vessel or equipment is impaired, TIL recognizes a loss in an amount equal to the excess of the carrying value of the asset over its fair value at the date of impairment. The written-down amount becomes the new lower cost basis and will result in a lower annual depreciation expense than for periods before the vessel impairment.

Dry docking

Description. TIL capitalizes a substantial portion of the costs TIL incurs during dry docking and amortizes those costs on a straight-line basis from the completion of a dry docking to the estimated date of completion of the next dry docking. TIL immediately expenses costs for routine repairs and maintenance performed during dry docking that do not improve or extend the useful lives of the assets.

Judgments and Uncertainties. Amortization of capitalized dry-docking expenditure requires TIL to estimate the period of the next dry docking. While TIL typically dry docks each vessel every two and a half to five years, TIL may dry dock the vessels at an earlier date. The actual life of a vessel may be different, with a shorter life resulting in an increase in the quarterly depreciation and potentially resulting in an impairment loss. The estimates and assumptions regarding expected cash flows require considerable judgment and are based upon existing contracts, historical experience, financial forecasts and industry trends and conditions. TIL is not aware of any indicators of impairments nor any regulatory changes or environmental liabilities that it anticipates will have a material impact on its current or

future operations.

- 66 -

Table of Contents

Effect if Actual Results Differ from Assumptions. If TIL changes its estimate of the next dry dock date, TIL will adjust its annual amortization of dry-docking expenditures.

Quantitative and Qualitative Disclosures About Market Risk

TIL is exposed to market risk from changes in interest rates, foreign currency fluctuations and spot market rates. As of March 31, 2017 and during previous periods, TIL has not used financial instruments to manage these market risks.

- 67 -

Table of Contents

RELATED PARTY TRANSACTIONS

Described below are related party transactions between TIL and Teekay Tankers or its affiliates, including Teekay Corporation, the controlling shareholder of Teekay Tankers. The following should be read in conjunction with the other information in this joint proxy statement/prospectus and the information incorporated by reference into this joint proxy statement/prospectus.

TIL Officers and Certain of its Directors

William Hung, Scott Gayton and Edith Robinson, TIL's Chief Executive Officer, Chief Financial Officer and Secretary, respectively, are also employees of Teekay Corporation or its subsidiaries. Mr. Hung also serves as Executive Vice President, Strategic Development, of Teekay Corporation; Mr. Gayton also serves as Vice President, Finance, of Teekay Corporation; and Ms. Robinson also serves as Secretary of Teekay Tankers and of the general partner of each of Teekay LNG Partners L.P. and Teekay Offshore Partners L.P, which are affiliates of Teekay Corporation.

Kenneth Hvid, a director of TIL, is also the President and Chief Executive Officer of Teekay Corporation and a director of Teekay Tankers and the general partner of Teekay Offshore Partners L.P.

William Lawes, a director of TIL, is also a director of Teekay Tankers.

Shareholdings in TIL

As of the date of this joint proxy statement/prospectus, Teekay Tankers owned approximately 11.3% of the outstanding TIL common stock and the sole share of Series A-2 preferred stock of TIL and Teekay Corporation owned approximately 8.2% of the outstanding shares of TIL common stock and the sole share of Series A-1 preferred stock of TIL. In addition, directors and executive officers of Teekay Tankers and Teekay Corporation and their affiliates owned (directly or indirectly) and had the right to vote approximately []% of the TIL common stock entitled to be voted at the TIL Special Meeting.

Transactions Relating to TIL's January 2014 Formation and Private Placement

In January 2014, Teekay Corporation and Teekay Tankers jointly created TIL and TIL effected a \$250 million private placement of shares of its common stock, in which private placement each of Teekay Corporation and Teekay Tankers invested \$25 million. In connection with TIL's formation and the January 2014 private placement, Teekay Tankers or Teekay Corporation or its affiliates entered into the transactions with TIL described below.

Renunciation of Business Opportunities and Noncompetition Agreement

Renunciation of Business Opportunities. Article VI of TIL's Articles of Incorporation provides that, unless otherwise agreed in writing and to the fullest extent permitted by law, Teekay Corporation, Teekay Tankers and certain of their affiliates may engage in the same or similar activities or lines of business as TIL, and that TIL is deemed to have no interest or expectancy in any business opportunity, transaction or other matter (including, without limitation, any opportunity to charter out, charter in, lease or acquire oil or product tankers or to acquire oil or product tanker businesses) (each a *Business Opportunity*) in which any of Teekay Corporation, Teekay Tankers and such affiliates engages or seeks to engage merely because TIL engages in the same or similar activities or lines of business as any of those involved in or implicated by such Business Opportunity. In addition, if any of Teekay Corporation, Teekay Tankers or certain of their affiliates acquires knowledge of a potential Business Opportunity, it has no duty to

communicate or offer such Business Opportunity to TIL. This provision effectively limits the fiduciary duties TIL or its shareholders otherwise may be owed regarding these Business Opportunities by the TIL directors and officers who also serve as directors or officers of Teekay Corporation, Teekay Tankers or their other affiliates.

- 68 -

Table of Contents

Article VI of TIL's Articles of Incorporation will automatically terminate with respect to Teekay Corporation and its applicable affiliates or Teekay Tankers and its applicable affiliates if Teekay Corporation and such affiliates or Teekay Tankers and such affiliates, as applicable, no longer retain beneficial ownership of at least (a) an aggregate of 5.0 million shares of TIL common stock, if Teekay Corporation and Teekay Tankers remain affiliates, or (b) 2.5 million shares of TIL common stock, if Teekay Corporation and Teekay Tankers no longer are affiliates. Holders of over 80% of TIL's voting shares may amend Article VI of TIL's Articles of Incorporation.

Noncompetition Agreement. In January 2014, TIL entered into a noncompetition agreement with Teekay Corporation and Teekay Tankers, in which TIL agreed that until January 2029, it would not (a) own, lease, operate or charter any (i) dynamically-positioned shuttle tanker, (ii) floating storage and offtake unit, (iii) floating production, storage and offloading unit or (iv) liquefied natural gas or liquefied petroleum gas carrier or (b) engage in or acquire or invest in any business (each a *Restricted Business*) that owns, leases, operates or charters any such tanker, unit or carrier; provided, however, that the acquisition of up to a 9.9% equity ownership, voting or profit participation interest in any publicly traded entity that engages in a Restricted Business is permitted. This provision of the noncompetition agreement will automatically terminate if Teekay Corporation and its affiliates no longer retain beneficial ownership of at least (a) an aggregate of 5.0 million shares of TIL common stock, so long as Teekay Corporation and Teekay Tankers remain affiliates, or (b) 2.5 million shares of TIL common stock, if Teekay Corporation and Teekay Tankers no longer are affiliates.

The noncompetition agreement also includes allocations of Business Opportunities and TIL renunciations of Business Opportunities in favor of Teekay Corporation and Teekay Tankers and their affiliates similar to the allocations and renunciations in Article VI of TIL's Articles of Incorporation.

These Business Opportunity provisions of the noncompetition agreement will automatically terminate on the date that (i) Teekay Corporation and its affiliates no longer hold the applicable minimum TIL shareholdings described above and (ii) no person who is a director or officer of TIL or its subsidiaries is also a director or officer of any of Teekay Corporation or certain of its affiliates or Teekay Tankers or certain of its affiliates.

Preferred Share Issuance

TIL has two series of preferred stock outstanding: Series A-1 preferred stock and Series A-2 preferred stock. The authorized number of shares of Series A-1 preferred stock and Series A-2 preferred stock is each one share. In January 2014, TIL issued the one share of Series A-1 preferred stock to Teekay Corporation and the one share of Series A-2 preferred stock to Teekay Tankers.

So long as Teekay Corporation and its affiliates retain beneficial ownership of at least (a) an aggregate of 5.0 million shares of TIL common stock, as long as Teekay Corporation and Teekay Tankers remain affiliates, or (b) 2.5 million shares of TIL common stock, if Teekay Corporation and Teekay Tankers no longer are affiliates, the holder of the one share of Series A-1 preferred stock, voting as a single class, is entitled to elect one director. Pursuant to this right, Teekay Corporation has elected its Chief Executive Officer, Kenneth Hvid, as a director of TIL.

So long as Teekay Tankers and its affiliates retain beneficial ownership of at least (a) an aggregate of 5.0 million shares of TIL common stock, as long as Teekay Corporation and Teekay Tankers remain affiliates, or (b) 2.5 million shares of TIL common stock, if Teekay Corporation and Teekay Tankers no longer are affiliates, the holder of the one share of Series A-2 preferred stock, voting as a single class, is entitled to elect one director. Pursuant to this right, Teekay Tankers has elected William Lawes, a Teekay Tankers director, also as a director of TIL.

The shares of TIL preferred stock have no other voting rights except as required by law, including to vote on the Merger as a separate class of shares; provided, however, that the Merger Agreement requires the affirmative

Table of Contents

vote of each outstanding share of TIL preferred stock in favor of the Merger Agreement. Pursuant to the Voting and Support Agreement, each of Teekay Corporation and Teekay Tankers has agreed to vote its respective share of preferred stock in favor of approval of the Merger Agreement. Please see the Voting and Support Agreement included in this joint proxy statement/prospectus as Appendix B and the section of this joint proxy statement/prospectus entitled The Voting and Support Agreement. The shares of TIL preferred stock are not entitled to any dividends or distributions.

Warrants for TIL Common Stock

During January 2014, TIL issued to Teekay Corporation and Teekay Tankers warrants entitling the holders to purchase, in the aggregate, up to 1.5 million shares of TIL common stock. The warrants entitle the holders to purchase the shares of TIL common stock at a fixed price of \$10.00 per share, which price was equivalent to NOK 61.67 on the date the warrants were issued. Alternatively, the holders may also exercise the warrants at NOK 61.67 per share using a cashless exercise procedure. The warrants expire on January 23, 2019. For purposes of vesting, the stock purchase warrants are divided into four equally sized tranches. If shares of TIL common stock trade on a National Stock Exchange or over-the-counter market denominated in NOK, each tranche vests and become exercisable when and if the fair market value of a share of TIL common stock equals or exceeds NOK 77.08, NOK 92.50, NOK 107.91 and NOK 123.33 for such tranche for any 10 consecutive trading days in which there is a cumulative trading volume of at least NOK 12.333 million. The warrants will automatically and fully vest and become exercisable immediately prior to (a) certain mergers or consolidations involving TIL, (b) the sale or other disposition of all or substantially all of TIL's assets or (c) the acquisition by a person, entity or affiliated group (other than Teekay Corporation, Teekay Tankers or any of their affiliates) of over 50% of the then outstanding shares of TIL common stock. As of June 30, 2017, the first two tranches of the stock purchase warrants had vested.

Each of Teekay Corporation and Teekay Tankers have agreed that the warrants will cease to be outstanding, be canceled without any conversion thereof or payment of any consideration therefor and cease to exist immediately prior to the Merger. Based on the share price of TIL's common stock as of the date of this joint proxy statement/prospectus, Teekay Corporation and Teekay Tankers do not intend to exercise any of the stock purchase warrants prior to the Merger, given they are currently out-of-the-money.

License Agreement

In January 2014, Teekay Corporation entered into a trademark license agreement with TIL pursuant to which Teekay Corporation has granted to TIL a non-exclusive, non-transferable, royalty-free, worldwide right to use the registered and unregistered trademarks of Teekay Corporation in connection with the use of TIL's vessels for the shipping of crude oil and refined oil products. The license may be terminated by either TIL or Teekay Corporation with 30 days written notice.

Management Agreement

In January 2014, TIL entered into a comprehensive, long-term management agreement (the *TIL Management Agreement*) with the Manager, pursuant to which the Manager provides to TIL and its subsidiaries substantially all required services and personnel in exchange for management services fees.

Services Provided. Under the TIL Management Agreement, the Manager, as the exclusive manager, is responsible for providing to TIL the following services:

commercial management services, including marketing and securing and administering charters and revenue sharing or pooling arrangements for vessel employment;

Table of Contents

ship management services, which include: technical management; crew management; insurance; dry-docking repairs and improvements; and regulatory compliance services; and

corporate services, which include, among others: accounting; financial and tax reporting; budgets and corporate planning; legal and securities compliance; cash management; acquisitions and finance; pre-delivery services; and other corporate services.

The Manager also provides TIL's personnel, including its officers.

Agreement Term and Termination. Subject to the termination rights described below, the initial term of the TIL Management Agreement ends in January 2029. If notice of termination is not provided by TIL in the first quarter of the year immediately preceding the end of the initial term or a renewal term, as applicable, the TIL Management Agreement will automatically renew for consecutive five-year terms.

TIL has limited rights to terminate the TIL Management Agreement. TIL may terminate the TIL Management Agreement prior to the end of the initial term or a renewal term, as applicable, under any of the following circumstances:

if the Manager materially breaches the TIL Management Agreement and the matter is unresolved after 90 days following delivery by TIL to the Manager of a notice of breach;

if (i) the Manager has been convicted of, or has entered into a plea bargain, plea of guilty, or plea of *nolo contendere* or settlement admitting guilt for a crime, which conviction, plea bargain or settlement is demonstrably and materially injurious to TIL and (ii) the holders of a majority of the outstanding shares of TIL common stock elect to terminate the TIL Management Agreement;

if the Manager becomes insolvent, declares bankruptcy or commences reorganization, dissolution or similar proceedings; or

if any person or persons, other than Teekay Corporation, Teekay Tankers and their respective affiliates, acquires control of the Manager.

The Manager may terminate the TIL Management Agreement prior to the end of the initial term or a renewal term, as applicable, under the following circumstances:

after the fifth anniversary of the date of the TIL Management Agreement with 12 months' prior notice to TIL;

if at any time TIL materially breaches the TIL Management Agreement and the matter is unresolved after 90 days following delivery by the Manager to TIL of a notice of breach; or

after a change of control (as defined in the TIL Management Agreement) of TIL, provided that the Manager terminates the TIL Management Agreement no later than 180 days after having received a written notice from TIL or its successor. A change of control excludes certain transactions with or involving Teekay Corporation, Teekay Tankers, Blue Mountain Capital Management LLC, Tennenbaum Capital Partners LLC or Greywolf Capital Management LP or any their respective affiliates.

In connection with any termination due to a breach of the TIL Management Agreement by TIL as described in the second bullet point above, TIL will be required to pay to the Manager (in addition to all amounts owing to the Manager under the TIL Management Agreement) as a termination payment, an amount equal to the product of (a) the number of vessels in TIL's fleet at the time of termination multiplied by (b) \$160,000 multiplied by (c) the lesser of (i) five and (ii) the number of years then remaining during the term of the TIL Management Agreement (without giving effect to the early termination). Such payment shall be payable within 30 days following the date the TIL Management Agreement terminates.

Table of Contents

Fees for Services. In return for the services provided under the TIL Management Agreement, TIL pays the Manager management services fees comprised of the following components:

Commercial management services fee. As of the date of this joint proxy statement/prospectus, TIL pays a fee to the Manager for commercial services it provides to TIL equal to: between \$275 and \$350 per vessel per day plus 1.25% of the gross revenue attributable to the vessel. This fee is not payable in relation to a vessel that is managed as part of a revenue sharing or pooling arrangement under which an affiliate of the Manager or a third party collects a commercial management fee. The amount of this fee is subject to adjustment each year based on market rates for similar services provided by comparable third-party managers of comparable vessels.

Ship management services fee. As of the date of this joint proxy statement/prospectus, TIL pays a fee to the Manager for the ship management services it provides to TIL equal to: \$21,850 per vessel per month. The amount of this fee is subject to adjustment each year based on the percentage change in a consumer price index from the prior year and market rates for similar services provided by comparable third-party managers of comparable vessels.

Corporate services fee. As of the date of this joint proxy statement/prospectus, TIL pays a fee to the Manager for the corporate services it provides to TIL equal to: \$839 per vessel per day. This fee is subject to adjustment each year based on the percentage change in a consumer price index from the prior year.

Transaction fee. If TIL enters into (a) a definitive agreement for the construction of a vessel or (b) a definitive agreement for the direct or indirect purchase, acquisition, sale or disposition of any vessel (and also including a definitive agreement for the capital lease of a vessel or similar transaction), TIL is required to pay to the Manager a fee in the amount of 1% of the aggregate consideration payable by or to TIL under the applicable definitive agreement for the vessel transaction.

TIL pays the management services fees in advance on a monthly basis. The management services fees do not include any reasonable out-of-pocket costs and expenses incurred by the Manager and its affiliates in providing the management services. TIL pays the Manager such costs and expenses on a monthly basis, in advance, and the TIL Management Agreement provides a mechanism for any necessary reimbursement of such costs and expenses at the end of each quarter. TIL does not reimburse the Manager for personnel expenses other than certain crew employment and support expenses. TIL also pays a reasonable profit mark-up for vessel pre-delivery services.

Vessel Transactions; Vessel Financing Guarantee

In January 2014, TIL entered into a purchase agreement with Teekay Corporation to acquire four single-ship wholly-owned subsidiaries, each of which owns one 2009-built Suezmax tanker and is a borrower under a term loan facility. The acquisition was completed in February 2014 for a final purchase price of \$11.0 million, consisting of \$163.2 million for the vessels and \$10.9 million for working capital, less \$163.1 million for assumption of indebtedness under the term loan. TIL paid the net purchase price of \$11.0 million in April 2014.

Teekay Corporation is a guarantor to the borrowers' obligations under the term loan TIL assumed as part of the January 2014 vessel acquisition transaction. TIL has agreed to pay to Teekay Corporation, for its continuing guarantee

of the term loan, an annual fee of 0.25% of the outstanding balance under the loan. TIL has also agreed to indemnify Teekay Corporation for any losses Teekay Corporation may suffer for claims made against it pursuant to the guarantee. As a guarantor under the term loan, Teekay Corporation is required to maintain certain financial covenants. A breach by Teekay Corporation of its financial covenants would constitute an event of default under the term loan. The guarantee fee paid to Teekay Corporation was \$0.3 million, \$0.4 million and \$0.3 million for the years ended December 31, 2016 and 2015, and the period from the date of TIL's incorporation of January 10, 2014 to December 31, 2014, respectively. The balance of the term loan was \$129.2 million, \$141.1 million and \$152.9 million at December 31, 2016, December 31, 2015 and December 31, 2014, respectively.

Table of Contents

In January 2014, Teekay Corporation transferred to TIL binding purchase agreements for the acquisition from a third party of four Aframax tankers. The four vessels were delivered between April and June 2014. The purchase price paid by TIL to the third party for the four vessels was an aggregate of \$116.0 million.

In May 2014, TIL entered into a purchase agreement with Teekay Tankers to acquire two single-ship wholly-owned subsidiaries, each of which owns one 2009-built VLCC, in exchange for \$155.7 million, which consisted of \$154.0 million for the vessels and \$1.7 million for working capital. TIL paid \$154.0 million of the purchase price in May 2014 and the remainder of the purchase price in July 2014.

Revenue Sharing Arrangements

TIL and the Manager intend that all of TIL's Suezmax, Aframax and LR2 product tankers participate in commercial revenue sharing or pooling arrangements managed by affiliates of Teekay Corporation (or the *Pool Operators*), except for the vessels which are employed on time charter contracts. These arrangements include the Teekay Suezmax RSA (which replaced the Gemini Tankers Suezmax Pool beginning in November 2015), the Teekay Aframax RSA, the Teekay Aframax Classic RSA (which is for vessels over 15 years of age) and the Taurus RSA. Suezmax-class oil tankers that operate in the spot market or under time charters of less than one year participate in the Suezmax RSA; Aframax-class oil tankers 15 years of age or less that operate in the spot market or under time charters of less than 90 days participate in the Aframax RSA; Aframax-class oil tankers over 15 years of age that operate in the spot market or under time charters of less than 90 days participate in the Aframax Classic RSA; and LR2 product tankers that operate in the spot market or under time charters of less than one year participate in the Taurus RSA.

As of June 30, 2017, the Teekay Suezmax RSA included a total of 26 Suezmax tankers, the Teekay Aframax RSA included a total of 32 Aframax tankers, the Teekay Aframax Classic RSA included a total of 3 Aframax tankers and the Taurus RSA included a total of 11 product tankers.

Revenue Sharing

The revenue sharing arrangements provide a revenue sharing mechanism whereby aggregate revenues and related expenses of the arrangement are distributed to participants based on an allocation formula. Revenues generated by vessels operating in the arrangements less voyage expenses (such as fuel and port charges) incurred by these vessels and other applicable expenses are pooled and allocated according to a specified weighting system that recognizes each vessel's earnings capability based on its characteristics, speed and bunker consumption, as well as actual on-hire performance. The allocation for each vessel participating in the arrangement is established based on observations and historical consumption and performance measures of the individual vessel. Payments based on net cash flow applicable to each tanker are made on a monthly basis to participants and adjusted every six months based on the weighting system.

Services, Fees and Working Capital Advances

The Pool Operators provide commercial services to participants in the revenue sharing arrangements and otherwise administer the arrangement in exchange for a fee. The vessel owners remain responsible for the technical management of their vessels in the revenue sharing arrangements, and the Manager provides these technical services with respect to TIL's vessels pursuant to the TIL Management Agreement. The current commercial management fees for participants in the revenue sharing arrangements equal 1.25% of the gross revenues attributable to the participant's vessels plus a fixed fee per vessel per day equal to \$350 (or \$275 for the Taurus RSA).

Upon delivery of each of TIL's vessels to the revenue sharing arrangements, TIL is required to advance working capital in an aggregate amount of between \$0.85 million and \$1.5 million, depending upon the applicable revenue sharing arrangement and subject to adjustments made at the discretion of the applicable Pool

- 73 -

Table of Contents

Operator. TIL may be required to advance additional working capital funds from time to time. Working capital advances are returned when a vessel no longer participates in the revenue sharing arrangement, less any set-offs for outstanding liabilities or contingencies.

Term and Termination

Generally a participating vessel will no longer participate in the applicable revenue sharing arrangement if it becomes subject to a time charter with a term exceeding one year (or 90 days for vessels in the Teekay Aframax RSA or the Teekay Aframax Classic RSA), unless otherwise agreed by all participants. In addition, vessels no longer participate in the applicable arrangement if they suffer an actual or constructive total loss or if they are sold to or become controlled by a person who is not an affiliate of a party to the applicable revenue sharing arrangement.

There is no specific expiration date for the Teekay Suezmax RSA, the Taurus RSA or the Teekay Aframax Classic RSA. Subject to certain termination rights, the initial term of the Teekay Aframax RSA expires on December 31, 2022 and is subject to potential five-year renewal periods. The revenue sharing arrangements may be wound up if there are no participants. A participant in the arrangement may withdraw from these arrangements upon at least 90 days notice and will cease to participate in the applicable revenue sharing arrangement if, among other things, it materially breaches the applicable governing agreement and fails to resolve the breach within a specified cure period or it experiences certain bankruptcy events.

Certain Payment Amounts

Fees incurred by TIL for services rendered under the TIL Management Agreement and the revenue sharing arrangements for the periods indicated below were as follows:

	Year Ended December 31, 2016	Year Ended December 31, 2015	Date of Incorporation January 10, 2014 to December 31, 2014
<i>(in thousands of US Dollars)</i>	\$	\$	\$
Voyage expenses commercial management services	5,184	5,607	2,563
Vessel operating expenses ship management services	4,768	4,185	2,464
General and administrative corporate services	5,436	4,885	2,676
Vessels and equipment transaction services	1,550	3,150	4,507

In addition, TIL had advanced \$20.5 million and \$25.3 million as at December 31, 2016 and December 31, 2015, respectively, to the Pool Operators for working capital purposes under the revenue sharing arrangements.

As at December 31, 2016 and 2015, totals of \$1.8 million and \$3.0 million, respectively, were payable by TIL to a subsidiary of Teekay Corporation for reimbursement pursuant to the TIL Management Agreement of crewing and manning costs to operate TIL's vessels. As at December 31, 2016 and 2015, TIL had advanced \$1.6 million and \$2.9 million, respectively, to a subsidiary of Teekay Corporation to cover future non-manning vessel operating costs under the TIL Management Agreement.

Table of Contents**THE MERGER****Background of the Merger**

The TIL Board has regularly monitored the shipping and financial markets for opportunities that may be available to achieve TIL's objective of opportunistically purchasing, operating and selling modern secondhand tankers to benefit from cyclical fluctuations in the tanker market. As part of the ongoing oversight of TIL's business, the TIL Board regularly reviews and discusses with TIL management the company's performance, future growth prospects and overall strategic direction, and considers ways to strengthen its business and enhance shareholder value. These reviews and discussions have included, among other things, the business environment facing the tanker industry, the market for crude oil and refined petroleum product transportation services, and the market value of TIL's vessels.

In October 2015, TIL received an unsolicited proposal from a special purpose acquisition company (or *SPAC*) for a merger with TIL. In connection with its consideration of this unsolicited proposal, the TIL Board contacted Evercore to provide financial advice. The TIL Board decided to review the strategic alternatives available to it, based on its belief that the SPAC's unsolicited proposal had a high level of execution risk given the typical special purpose acquisition company structure and process. After further discussions, the SPAC declined to proceed further with a possible acquisition. On January 29, 2016, TIL engaged Evercore as its financial advisor in connection with a broader review of strategic alternatives, including, but not limited to, a sale of TIL. At the time of Evercore's engagement, Teekay and its affiliates, including Teekay Tankers, had informed the TIL Board that Teekay and its affiliates were not interested in exploring a business combination with TIL. TIL also asked Sullivan & Cromwell to advise TIL as its outside legal counsel with respect to its review of strategic alternatives.

Between February and April 2016, at the direction of the TIL Board, Evercore contacted selected strategic counterparties unaffiliated with Teekay Corporation or Teekay Tankers to gauge their interest in a potential transaction with TIL, while at the same time advising the TIL Board regarding TIL continuing to follow its current business plan. This limited process and the discussions with selected strategic counterparties did not lead to any formal offer or indication of interest. Based on market feedback, the TIL Board determined that there were not any available strategic alternatives that were more attractive than TIL's current business plan at that time and that TIL should focus on executing on its current business plan.

In August 2016, representatives of TIL management asked Evercore to present to the TIL Board at the next board meeting an update with respect to TIL's potential strategic alternatives. On September 27, 2016, the TIL Board held a meeting with representatives of TIL management and Evercore in attendance. During the meeting, representatives of Evercore presented to the TIL Board its views on various strategic alternatives, including (i) executing TIL's current business plan, (ii) finding a strategic merger partner, (iii) selling the vessels owned by TIL in the sale and purchase market, (iv) increasing TIL's share repurchase program authorization, initially authorized on February 8, 2016 to repurchase up to \$60 million of outstanding TIL common stock or (v) finding a buyer to take TIL private. Following the meeting, the TIL Board decided to continue monitoring the market and remained open to potential strategic transactions should they arise.

Between October 17, 2016 and December 2, 2016, Evercore received five non-binding proposals from potential strategic counterparties that expressed an interest in engaging in a business combination with TIL. Two of the five non-binding proposals were from potential strategic counterparties that valued TIL's access to a public listing and understood that TIL might be willing to engage in a transaction that added significant scale to its existing platform and were unsolicited. As a result of these two unsolicited proposals and at the direction of TIL management, Evercore contacted a number of other tanker companies regarding their possible interest in considering a strategic transaction with TIL, of which three submitted non-binding proposals and two informally expressed interest in exploring a

possible business combination with TIL.

- 75 -

Table of Contents

On December 5, 2016, the TIL Board held a meeting with representatives of TIL management and Evercore in attendance. During the meeting, the representatives of Evercore reviewed with the TIL Board (i) the non-binding proposals received, (ii) other potential strategic partners that may also be interested in participating in a broader process, (iii) the benefits and considerations of the other alternatives available to TIL, and (iv) the financial and process implications should Teekay or any of its affiliates, including Teekay Tankers, decide to participate in the strategic alternatives process as a potential acquirer.

On December 16, 2016, the TIL Board held a meeting with representatives of TIL management, Evercore and Sullivan & Cromwell in attendance. During the meeting, the TIL Board and the representatives of Evercore and Sullivan & Cromwell discussed the implications of TIL engaging in a broader process of reviewing strategic alternatives, including the possibility of entering into a business combination transaction. The discussion included a recognition that a third party unaffiliated with Teekay Corporation or Teekay Tankers may require as a term of a possible transaction the termination of, or modification to, the TIL Management Agreement, through which Teekay Corporation and its affiliates manage the operations of TIL. The TIL Management Agreement does not provide TIL with the unilateral right to terminate the TIL Management Agreement, and therefore it was discussed that termination or modification of the TIL Management Agreement would likely require the consent of Teekay Corporation and/or the payment of a fee to Teekay Corporation. The TIL Board also considered the significant shareholdings that Teekay Tankers and its affiliate, Teekay Corporation, hold in TIL as well as that the members of TIL management are all representatives of Teekay Corporation. Taking into consideration that the interests of Teekay Tankers and the Teekay Tankers-affiliated directors would differ from those of the other TIL directors in light of the potential of Teekay Tankers participating in the strategic alternatives process as a potential acquirer as well as the TIL Management Agreement implications, the representative of Sullivan & Cromwell also discussed with the TIL Board the formation of a special committee of independent directors unaffiliated with Teekay Corporation or Teekay Tankers to oversee the strategic alternatives process.

On January 12, 2017, the TIL Board held a meeting with representatives of TIL management, Evercore and Sullivan & Cromwell in attendance. During the meeting, the TIL Board formed the TIL Special Committee comprised of directors Tim Gravely, Alan Carr and Øivind Solvang, each of whom is an independent director of TIL unaffiliated with Teekay Corporation and Teekay Tankers, in order to assist the TIL Board in evaluating strategic alternatives. The TIL Board delegated to the TIL Special Committee the full power and authority of the TIL Board to, as the TIL Special Committee deemed appropriate, receive, review, evaluate and negotiate proposals for a strategic transaction, either reject any such transaction or recommend that the TIL Board enter into any such transaction, and require that any such transaction be approved by a majority of the outstanding shares of TIL common stock held by non-Teekay Tankers affiliated shareholders (in addition to approval by a majority of the outstanding shares of TIL common stock).

On January 16, 2017, the TIL Special Committee held a meeting with representatives of Sullivan & Cromwell in attendance. During the meeting, the TIL Special Committee appointed Alan Carr to serve as the Chair of the TIL Special Committee and engaged Sullivan & Cromwell to act as the TIL Special Committee's legal counsel.

On January 19, 2017, the TIL Special Committee held a meeting with representatives of Evercore and Sullivan & Cromwell in attendance. The TIL Special Committee and the representatives of Evercore discussed the considerations involved in (i) approaching companies that may be interested in considering a strategic transaction with TIL, including the companies that had previously provided non-binding written proposals or had otherwise expressed interest in TIL during the fall of 2016, (ii) how to address issues that may arise with respect to the TIL Management Agreement, (iii) the role of TIL management given their relationship with Teekay Corporation and Teekay Tankers, and (iv) the implications should Teekay Corporation or any of its affiliates, including Teekay Tankers, chose to participate in the strategic alternatives process as a potential acquirer.

Table of Contents

On January 26, 2017, the TIL Special Committee held a meeting with representatives of Evercore and Sullivan & Cromwell in attendance. During the meeting, the TIL Special Committee formally engaged Evercore as its financial advisor, subject to the execution of an engagement letter between the TIL Special Committee and Evercore.

On February 13, 2017, the TIL Special Committee held a meeting with representatives of Evercore and Sullivan & Cromwell in attendance. During the meeting, the TIL Special Committee and representatives of Evercore discussed the proposal communicated by Teekay Corporation to Evercore regarding the financial terms upon which TIL or a prospective counterparty could terminate the TIL Management Agreement in connection with a third party transaction. The TIL Special Committee members determined that the termination fee proposed by Teekay Corporation was high and directed the representatives of Evercore to communicate this back to Teekay Corporation.

On February 17, 2017, the TIL Special Committee held a meeting with representatives of Evercore and Sullivan & Cromwell in attendance. During the meeting, the TIL Special Committee directed Evercore to begin engaging with selected strategic counterparties in order to determine if such counterparties would be interested in exploring a potential transaction with TIL.

Beginning on February 17, 2017, Evercore contacted twelve potential strategic counterparties, including Teekay Tankers and each other company that had expressed interest in TIL between October and December 2016. The counterparties were selected based on discussions with the TIL Special Committee and Evercore's understanding of each such institution's business similarity, potential interest and financial capacity to complete a possible business combination with TIL. Six of the potential strategic counterparties (other than Teekay Tankers) contacted by Evercore expressed an interest in participating, and each executed a non-disclosure agreement (or the *NDA*) with TIL between February 28, 2017 and March 9, 2017. Each *NDA* executed during the process contained a standstill provision that prevents the counterparty from requesting a waiver or amendment of the standstill. During this time period, Teekay Tankers continued to evaluate whether or not it was interested in participating in the strategic alternatives process as a bidder.

At the direction of the TIL Special Committee, Evercore sent a process letter to each of the potential counterparties that had signed an *NDA* in order to solicit non-binding written proposals for a potential strategic transaction with TIL. The letter outlined the process for submitting proposals and indicated a deadline for submission of March 24, 2017. Each potential counterparty that had signed an *NDA* was also provided access to certain non-public information regarding TIL through an electronic data room. Over the next few weeks, at the direction of the TIL Special Committee, representatives of Evercore worked with representatives of the potential counterparties and their respective financial advisors, as applicable, to facilitate each potential counterparty's investigation of TIL's business in order to submit a proposal for a potential strategic transaction.

On February 23, 2017, TIL publicly announced in its Q4 2016 earnings release that it intended to monitor and explore consolidation opportunities that would benefit its business, market position and shareholders.

During this time period, at the direction of the TIL Special Committee, Evercore had a number of discussions with Teekay Tankers regarding Teekay Tankers' consideration of participating in the strategic alternatives process. Teekay Tankers decided to participate in the process, according to Teekay Tankers, because TIL's assets were of strategic importance to Teekay Tankers and because Teekay Tankers believed the timing to be attractive given historically low valuations for tanker assets. Teekay Tankers further saw the potential for significant financial and operational synergies arising from an acquisition. On February 28, 2017, Teekay Tankers submitted to Evercore and Sullivan & Cromwell a revised draft of the *NDA* proposed by TIL.

On March 17, 2017, the TIL Special Committee held a meeting with representatives of Evercore and Sullivan & Cromwell in attendance. During the meeting, the representatives of Evercore provided the TIL Special Committee with a further update on the status of the strategic alternatives process, including the due

- 77 -

Table of Contents

diligence and other activities being conducted by the potential counterparties. The representatives of Sullivan & Cromwell also reviewed with the TIL Special Committee the status of its ongoing negotiations with Teekay Tankers regarding entering into an NDA in order for Teekay Tankers to participate in the strategic alternatives process as a bidder.

On March 21, 2017, TIL and Teekay Tankers executed an NDA in connection with Teekay Tankers' consideration of a strategic transaction between TIL and Teekay Tankers.

On March 24, 2017, TIL received non-binding written proposals from four potential counterparties, Teekay Tankers and three additional tanker companies (or *Party A*, *Party B*, and *Party C*, respectively). Teekay Tankers proposed to acquire TIL through a merger transaction for all stock consideration at an exchange ratio of 2.847 shares of Teekay Tankers Class A Common Stock per share of TIL common stock, which represented a premium of approximately 15.7% over the closing price of TIL common stock on the OSE on such date. Teekay Tankers' proposal contemplated maintaining the existing Teekay Tankers board of directors and corporate structure, with TIL becoming a wholly owned subsidiary of Teekay Tankers. Party A proposed to acquire TIL through a merger transaction for all stock consideration at an exchange ratio that represented a premium of approximately 7.6% over the closing price of TIL common stock on the OSE on such date. Party A's proposal noted that TIL would be permitted to nominate one new director to the Party A board of directors. Party B proposed to acquire TIL through a merger transaction for all stock consideration at an exchange ratio that represented a discount of approximately 5% below the closing price of TIL common stock on the OSE on such date. Party B's proposal contemplated maintaining the existing Party B board of directors and corporate structure. Party C, a private tanker company, proposed that TIL acquire Party C at net asset value, with TIL's shareholders owning 78% of the pro forma combined company and Party C retaining the right to appoint at least two out of the five board members of the combined company. The other three potential counterparties that had executed an NDA declined to submit proposals.

On March 27, 2017, the TIL Special Committee held a meeting with representatives of Evercore and Sullivan & Cromwell in attendance. During the meeting, the representatives of Evercore reviewed and discussed with the TIL Special Committee each of the four proposals received, both individually and in comparison to the other proposals and to TIL continuing to conduct its operations based on its current business plan. The TIL Special Committee, Evercore and Sullivan & Cromwell then discussed potential next steps to be taken in connection with the strategic alternatives process and determined to reconvene later in the week to discuss further.

On March 29, 2017, the TIL Special Committee held a meeting with representatives of Evercore and Sullivan & Cromwell in attendance. During the meeting, the TIL Special Committee continued its review and evaluation of the four proposals received. Following extensive discussion, the TIL Special Committee determined that (i) the proposal submitted by Party C for TIL to acquire Party C was not an attractive proposal and should no longer be considered and (ii) none of the other three proposals was sufficiently attractive to TIL's shareholders to pursue in light of the fact that the premiums offered were insufficient, the loss of board representation and, for the proposals submitted by parties other than Teekay Tankers, the uncertainties and potential costs related to obtaining Teekay Corporation's consent to terminate or modify the TIL Management Agreement. The TIL Special Committee also discussed whether the combined companies that would result from the proposed transactions would be large enough to provide sufficient trading liquidity benefits to TIL's shareholders. The TIL Special Committee members and the representatives of Evercore and Sullivan & Cromwell discussed various alternatives for moving forward, including continuing to engage with the bidders and ending the strategic alternatives process without pursuing any of the proposed transactions. The TIL Special Committee determined to reconvene again to discuss further.

On April 7, 2017, the TIL Special Committee held a meeting with representatives of Evercore and Sullivan & Cromwell in attendance. During the meeting, the TIL Special Committee members and the representatives of Evercore

and Sullivan & Cromwell continued their discussion of next steps to be taken in

Table of Contents

connection with the strategic alternatives process. Following extensive discussions, the TIL Special Committee determined to inform each of Teekay Tankers, Party A and Party B that their respective proposals need to be improved in order for the TIL Special Committee to continue to engage with them and to request revised proposals. The TIL Special Committee decided to evaluate the revised proposals, if any, received following such request and then determine whether to proceed with or terminate the strategic alternatives process. The TIL Special Committee directed Evercore to communicate its request for revised proposals to Teekay Tankers, Party A and Party B. During this meeting, the TIL Special Committee and Evercore also discussed the status of discussions with an additional potential counterparty (or *Party D*) that had sent TIL an unsolicited proposal in the fall of 2016 and had been contacted by Evercore in February 2017 but had not yet signed an NDA. Party D ultimately declined to participate in the strategic alternatives process.

Following the TIL Special Committee meeting, Evercore communicated the TIL Special Committee's request for revised proposals to each of Teekay Tankers, Party A and Party B to be submitted by April 12, 2017.

On April 12, 2017, Evercore received revised non-binding written proposals from Teekay Tankers, Party A and Party B. Teekay Tankers proposed to acquire TIL through a merger transaction for all stock consideration at a revised exchange ratio of 3.21 shares of Teekay Tankers Class A Common Stock per share of TIL common stock, which represented a premium of approximately 30% over the closing price of TIL common stock on the OSE on such date. Teekay Tankers' proposal still contemplated maintaining the existing Teekay Tankers board of directors and corporate structure. Party A maintained its initial proposal to acquire TIL through a merger transaction for all stock consideration at the same exchange ratio, which exchange ratio now represented a higher premium (approximately 14.1% over the closing price of TIL common stock on the OSE on such date). Party B proposed to acquire TIL through a merger transaction for a mix of stock and cash consideration that represented a premium of approximately 2.1% over the closing price of TIL common stock on the OSE on such date. Party B's proposal noted that Party B was also open to discussing board representation and other governance matters with TIL.

Following discussions among the TIL Special Committee members, the TIL Special Committee determined that the proposals received from Party A and Party B were insufficient to continue engaging in further discussion with such parties. The TIL Special Committee directed Evercore to continue engaging with Teekay Tankers to negotiate an improved proposal.

On April 16, 2017, following additional discussions between Evercore and Teekay Tankers in which Evercore put forward additional demands on behalf of the TIL Special Committee, Teekay Tankers further revised its proposal to offer three alternative structures: (i) an exchange ratio of 3.21 shares of Teekay Tankers Class A Common Stock per share of TIL common stock, and TIL would be permitted to nominate two directors to the Teekay Tankers Board; (ii) an exchange ratio of 3.25 shares of Teekay Tankers Class A Common Stock per share of TIL common stock, and TIL would be permitted to nominate one director to the Teekay Tankers Board; and (iii) an exchange ratio of 3.30 shares of Teekay Tankers Class A Common Stock per share of TIL common stock, but TIL would not be permitted to nominate any directors to the Teekay Tankers Board.

On April 17, 2017, the TIL Special Committee held a meeting with representatives of Evercore and Sullivan & Cromwell in attendance. During the meeting, the TIL Special Committee, Evercore and Sullivan & Cromwell discussed the three proposal alternatives presented by Teekay Tankers with respect to an acquisition of TIL. Following extensive discussion, the TIL Special Committee directed Evercore to communicate to Teekay Tankers that the TIL Special Committee would consider continuing to engage with Teekay Tankers based upon a proposal at the highest valuation to be offered by Teekay Tankers (an exchange ratio of 3.30 shares of Teekay Tankers Class A Common Stock per share of TIL common stock) coupled with the right of TIL to designate an observer to the Teekay Tankers Board for a period of time to be agreed.

On April 18, 2017, following additional discussions between Evercore and Teekay Tankers, Teekay Tankers further revised its proposal to offer two alternative structures: (i) an exchange ratio of 3.275 shares of Teekay

Table of Contents

Tankers Class A Common Stock per share of TIL common stock, and TIL would be permitted to designate an observer to the Teekay Tankers Board; or (ii) an exchange ratio of 3.30 shares of Teekay Tankers Class A Common Stock per share of TIL common stock, but TIL would not be permitted to nominate any directors or designate a board observer to serve on the Teekay Tankers Board. Teekay Tankers also clarified in its proposal that the warrants to purchase shares of TIL common stock held by each of Teekay Tankers and Teekay would be cancelled in connection with the merger and that the TIL Management Agreement would remain in place with its current terms.

On April 19, 2017, Evercore and Teekay Tankers continued to negotiate the terms of Teekay Tankers' proposal throughout the day. Teekay Tankers ultimately proposed an exchange ratio of 3.30 shares of Teekay Tankers Class A Common Stock per share of TIL common stock and the right of TIL to designate an observer to the Teekay Tankers board of directors through December 2018 (or earlier if the Teekay Tankers stock price reaches a certain agreed threshold), with Teekay Tankers retaining certain approval rights as to the person designated to be the board observer. In connection with its proposal, Teekay Tankers requested that TIL agree to enter into an exclusivity agreement with Teekay Tankers providing for a 45-day exclusivity period during which to negotiate a definitive merger agreement.

Following additional discussion among the TIL Special Committee members, the TIL Special Committee concluded that the proposal from Teekay Tankers was the superior proposal at such time based upon, among other factors, the premium offered by Teekay Tankers, the greater trading liquidity available to holders of Teekay Tankers Class A Common Stock after the completion of the transaction, the right to designate a board observer on behalf of TIL's independent shareholders, the greater deal certainty of a deal with Teekay Tankers relative to the other proposals and the absence of any termination or other fees in connection with the TIL Management Agreement. The TIL Special Committee directed Evercore and Sullivan & Cromwell to continue exploring a transaction with Teekay Tankers, including by agreeing to enter into an exclusivity agreement with Teekay Tankers.

On April 19, 2017, Teekay Tankers proposed a draft exclusivity agreement to TIL providing for a 45-day exclusivity period. Following negotiations, on April 21, 2017 TIL and Teekay Tankers executed an exclusivity agreement providing for a 30-day exclusivity period through May 21, 2017. The exclusivity agreement contained mutual restrictions prohibiting TIL and Teekay Tankers from soliciting, discussing, or providing information with respect to, competing transactions with any third parties.

On April 25, 2017, representatives of Sullivan & Cromwell and Vinson & Elkins, outside legal counsel to Teekay Tankers, met telephonically to discuss the various work streams and legal documentation required in connection with a potential transaction between TIL and Teekay Tankers. During this meeting, Sullivan & Cromwell communicated to Vinson & Elkins that the TIL Special Committee expected Teekay Tankers and Teekay would agree to vote their TIL and Teekay Tankers shares to support the transaction. Sullivan & Cromwell also reiterated that, consistent with the resolutions forming the TIL Special Committee, the transaction would require the approval of a majority of the outstanding shares of TIL common stock held by non-Teekay Tankers affiliated shareholders. Representatives of Sullivan & Cromwell and Vinson & Elkins continued to engage in discussions and negotiations regarding the potential transaction through the signing date on May 31, 2017.

On May 2, 2017, TIL and Teekay Tankers executed a second NDA in order for TIL to conduct reverse due diligence with respect to Teekay Tankers. TIL subsequently received access to an electronic data room containing information regarding Teekay Tankers. Teekay Tankers also informed TIL that Teekay Tankers was engaging in separate discussions with Teekay to acquire the remaining 50% interest in Teekay Corporation's commercial and technical management operations, including the Manager under the TIL Management Agreement.

Table of Contents

On May 4, 2017, the members of the TIL Special Committee and a representative of Evercore met with representatives of Teekay Tankers in New York, New York to discuss the potential transaction between TIL and Teekay Tankers as well as the proposed acquisition by Teekay Tankers of the management operations.

On May 6, 2017, Vinson & Elkins, acting on behalf of Teekay Tankers, sent an initial draft of the Merger Agreement to Sullivan & Cromwell.

From May 6, 2017 through the signing on May 31, 2017, TIL and Teekay Tankers, with assistance from their respective legal counsel and, in the case of TIL, financial advisor, continued to exchange drafts of the Merger Agreement and negotiate the commercial and legal terms of the proposed transaction, including with respect to (i) each party's non-solicitation obligations and related fiduciary exceptions, including the ability of each party to change its recommendation that its shareholders vote in favor of the proposals requiring shareholder approval in connection with the Merger in different circumstances and (ii) the representations, warranties and interim operating covenants of TIL, including their relationship with knowledge gained, and actions taken, by Teekay Tankers affiliates pursuant to the TIL Management Agreement.

On May 21, 2017, in light of the ongoing discussions and negotiations, TIL and Teekay Tankers executed an amendment to the exclusivity agreement to extend its term through May 31, 2017.

On May 24, 2017, Vinson & Elkins, acting on behalf of Teekay Tankers, sent initial drafts of the Voting and Support Agreement and the Board Observer Agreement. TIL and Teekay Tankers, with assistance from their respective legal counsel and, in the case of TIL, financial advisor, continued to exchange drafts and negotiate the terms of the Voting and Support Agreement and the Board Observer Agreement through the signing on May 31, 2017.

On May 30, 2017, at 9:00 a.m. Eastern Daylight Time, the Teekay Tankers Board held a meeting, with representatives of Teekay Tankers management, Swedbank and Vinson & Elkins in attendance, to discuss the proposed transaction with TIL. At the meeting, representatives of Vinson & Elkins reviewed with the Teekay Tankers Board their fiduciary duties in connection with their consideration and possible approval of the proposed transaction with TIL. The representatives of Vinson & Elkins also discussed with the Teekay Tankers Board the key terms of the Merger Agreement, the Voting and Support Agreement, the Board Observer Agreement, the proposed Charter Amendment and the other transaction documents. A representative of Vinson & Elkins also discussed with the Teekay Tankers Board the outstanding issues that were subject to further negotiation between Teekay Tankers and the TIL Special Committee. Following the presentation made by representatives of Vinson & Elkins, representatives of Swedbank reviewed and discussed with the Teekay Tankers Board Swedbank's analysis with respect to the fairness, from a financial point of view, to Teekay Tankers of the Merger Consideration. Swedbank then rendered its oral opinion to the Teekay Tankers Board (which was subsequently confirmed in writing by delivery of Swedbank's written opinion to the Teekay Tankers Board dated May 30, 2017) that, as of the date of such opinion, and subject to and based on the assumptions, limitations and qualifications set forth therein, the exchange ratio of 3.30 shares of Teekay Tankers Class A Common Stock per share of TIL common stock was fair, from a financial point of view, to Teekay Tankers. Following the delivery of Swedbank's opinion, the Teekay Tankers Board reviewed and discussed the proposed transaction with TIL, and considered, among other things, the factors described under "The Merger Recommendations of the Teekay Tankers Board of Directors; Teekay Tankers' Reasons for the Merger." After extensive discussion, the Teekay Tankers Board determined to reconvene the following day in light of continued negotiations regarding the transaction documents.

On May 30, 2017, at 12:30 p.m. Eastern Daylight Time, the TIL Special Committee held a meeting, with representatives of Evercore and Sullivan & Cromwell in attendance, to discuss and consider the proposed transaction with Teekay Tankers. At the meeting, the representatives of Sullivan & Cromwell reviewed with the TIL Special

Committee members their fiduciary duties in connection with their consideration and possible approval of the proposed transaction with Teekay Tankers. Representatives of Watson Farley & Williams LLP,

Table of Contents

which was engaged by both TIL and Teekay Tankers to advise the companies on matters relating to the laws of the Republic of the Marshall Islands in connection with the proposed transaction, were also present solely during such discussion of fiduciary duties. The representatives of Sullivan & Cromwell also discussed with the TIL Special Committee the key terms of the Merger Agreement, the Voting and Support Agreement and the other transaction documents. The representatives of Evercore then reviewed and discussed with the TIL Special Committee members Evercore's valuation and other financial analyses with respect to TIL and the proposed transaction with Teekay Tankers. Evercore rendered its oral opinion to the TIL Special Committee (which was subsequently confirmed in writing by delivery of Evercore's written opinion to the TIL Special Committee dated May 30, 2017) as to, as of the date of such opinion, and based upon and subject to the various qualifications, assumptions and limitations set forth therein, the fairness, from a financial point of view, to the shareholders of TIL other than Teekay Tankers and its affiliates (or the *unaffiliated TIL shareholders*) of the exchange ratio of 3.30 shares of Teekay Tankers Class A Common Stock per share of TIL common stock in the Merger pursuant to the Merger Agreement. Following the delivery of Evercore's opinion, and extensive review and discussions among the TIL Special Committee members, including consideration of the factors described under *The Merger Recommendations of the TIL Special Committee and Board of Directors; TIL Reasons for the Merger*, the TIL Special Committee unanimously (i) determined that the Merger Agreement and the transactions contemplated thereby, including the Merger, were fair and advisable to, and in the best interests of, TIL and the unaffiliated TIL shareholders, (ii) approved the Merger Agreement and the transactions contemplated thereby, including the Merger, and (iii) determined to recommend that the TIL Board (a) approve the Merger Agreement and the transactions contemplated thereby, including the Merger, (b) recommend that the shareholders of TIL approve the Merger Agreement, and (c) approve the Voting and Support Agreement.

On May 31, 2017, at 1:00 p.m. Eastern Daylight Time, the TIL Board held a meeting, with representatives of Evercore, Sullivan & Cromwell and Watson Farley & Williams LLP in attendance. A representative of Sullivan & Cromwell informed the TIL Board that the TIL Special Committee had completed its review of strategic alternatives and, following the TIL Special Committee's review it was prepared to recommend the proposed transaction with Teekay Tankers to the TIL Board. The representative of Sullivan & Cromwell then reviewed with the TIL Board their fiduciary duties in connection with their consideration and possible approval of the proposed transaction with Teekay Tankers. The representatives of Sullivan & Cromwell also discussed with the TIL Board the key terms of the Merger Agreement, the Voting and Support Agreement and the other transaction documents. The Chair of the TIL Special Committee and a representative of Evercore then reviewed and discussed with the TIL Board the various strategic alternatives explored by the TIL Special Committee, the process undertaken by the TIL Special Committee, and the reasons why the TIL Special Committee had decided to recommend the proposed transaction with Teekay Tankers. Evercore distributed a copy of the fairness opinion and the presentation of its valuation and other financial analyses with respect to TIL and the proposed transaction with Teekay Tankers, in each case that it had delivered to the TIL Special Committee on May 30, 2017, to the TIL Board in advance of the board meeting, and the representatives of Evercore and the TIL Board discussed Evercore's analysis at the meeting. The TIL Special Committee then confirmed its recommendation that the TIL Board (a) approve the Merger Agreement and the transactions contemplated thereby, including the Merger, (b) recommend that the shareholders of TIL approve the merger agreement, and (c) approve the voting and support Agreement. Following additional discussion, including consideration of the factors described under *The Merger Recommendations of the TIL Special Committee and Board of Directors; TIL Reasons for the Merger*, the TIL Board unanimously (i) determined that the Merger Agreement and the transactions contemplated thereby, including the Merger, were fair and advisable to, and in the best interests of, TIL and the unaffiliated TIL shareholders, (ii) approved the Merger Agreement and the transactions contemplated thereby, including the Merger, (iii) recommended that the shareholders of TIL approve the Merger Agreement, and (iv) approved the Voting and Support Agreement. The TIL Board then directed the members of TIL management to execute and deliver a definitive Merger Agreement in substantially the same form presented to the TIL Board at the board meeting, and directed that the Merger Agreement be submitted to the shareholders of TIL for approval.

On May 31, 2017, at 5:00 p.m. Eastern Daylight Time, the Teekay Tankers Board held a meeting, with representatives of Teekay Tankers management and Vinson & Elkins in attendance, to discuss and consider the

Table of Contents

proposed transaction with TIL. The representatives of Vinson & Elkins provided an update to the Teekay Tankers Board with respect to the negotiation of the transaction documents and the resolution of the outstanding issues discussed in the prior meeting of the Teekay Tankers Board. Following a discussion regarding such matters and the proposed transaction with TIL, including the factors described under The Merger Recommendations of the Teekay Tankers Board of Directors; Teekay Tankers Reasons for the Merger, the Teekay Tankers Board unanimously (a) determined that the Merger was fair and advisable to, and in the best interests of, Teekay Tankers and the shareholders of Teekay Tankers, (b) approved the Merger Agreement and the transactions contemplated thereby, including the Merger and the Charter Amendment, (c) directed that the Charter Amendment be submitted to a vote of the Teekay Tankers shareholders and (d) recommended to the Teekay Tankers shareholders that the Teekay Tankers shareholders approve the Charter Amendment. The Teekay Tankers Board then directed the members of Teekay Tankers management to execute and deliver a definitive Merger Agreement in substantially the same form presented to the Teekay Tankers Board at the board meeting, and directed that the proposed Charter Amendment be submitted to the shareholders of Teekay Tankers for approval.

Following the Teekay Tankers board meeting, TIL and Teekay Tankers executed the Merger Agreement. Concurrently with the execution of the Merger Agreement, TIL, Teekay Tankers, Teekay Corporation and certain of its affiliates executed the Voting and Support Agreement.

At approximately 6:45 p.m. Eastern Daylight Time on May 31, 2017, TIL and Teekay Tankers each issued a press release announcing the execution of the Merger Agreement.

Recommendations of the TIL Special Committee and Board of Directors; TIL Reasons for the Merger***Determination of the TIL Special Committee***

At a meeting held on May 30, 2017, the TIL Special Committee, consisting entirely of independent directors who are not affiliated with Teekay Tankers or Teekay Corporation, unanimously (i) determined that the Merger Agreement and the transactions contemplated thereby, including the Merger, were fair and advisable to, and in the best interests of the TIL shareholders other than Teekay Tankers and its affiliates, (ii) approved the Merger Agreement and the transactions contemplated thereby, including the Merger, and (iii) recommended that the TIL Board (a) approve the Merger Agreement and the transactions contemplated thereby, including the Merger, (b) recommend that the shareholders of TIL approve the Merger Agreement, and (c) approve the Voting and Support Agreement.

In the course of making the determinations described above, the TIL Special Committee consulted with its independent financial advisor, Evercore, and outside legal counsel, Sullivan & Cromwell, and carefully considered numerous factors relating to TIL, its business and prospects, and the risks and challenges facing it, and to the Merger Agreement and the transactions contemplated thereby, including the Merger. The TIL Special Committee considered several factors weighing positively in favor of the merger, including but not limited to the following material factors:

the value to be received by the shareholders of TIL in the Merger, including the fact that the Merger Consideration represents a significant premium over the trading price of TIL common stock. The Merger Consideration represented a premium of approximately 24% over the closing share price of the TIL common stock on the OSE on May 26, 2017 (the last trading date prior to the May 30, 2017 TIL Special Committee meeting), and a premium of approximately 29% based on Teekay Tankers 30-day volume weighted average trading price on the NYSE for the period ended May 26, 2017;

the belief of the TIL Special Committee that, as a result of the arms-length negotiations between the parties which resulted in an increase of the Merger Consideration from Teekay Tankers initial proposed exchange ratio of 2.847 shares of Teekay Tankers Class A Common Stock per share of TIL common stock to the final agreed exchange ratio of 3.30 shares of Teekay Tankers Class A Common

Table of Contents

Stock per share of TIL common stock, the Merger Consideration was the highest price per share for TIL common stock that Teekay Tankers was willing to pay at the time of those negotiations;

that, if the TIL Special Committee did not accept Teekay Tankers' offer at such time, it was unlikely that any other parties would be willing to propose to acquire TIL at a value as high or higher than the Merger Consideration (as demonstrated by the fact that the proposals received from third parties during the strategic alternatives process were at values significantly lower than the Merger Consideration) or propose a more attractive business combination for TIL shareholders;

the consideration that, if TIL did not enter into the Merger Agreement, it was highly uncertain as to when or even whether the trading price of the TIL common stock on the OSE would reach and sustain a price per share equal to the value of the Merger Consideration;

the extensive strategic review undertaken by the TIL Special Committee, with the assistance of its financial advisor, and its understanding with respect to (i) TIL's performance, future growth prospects and overall strategic direction, including a review of the business environment facing the tanker industry, the market for crude oil and refined petroleum product transportation services, and the market value of TIL's vessels, and (ii) TIL's strategic outlook and the strategic alternatives available to TIL, including reaching out to twelve potential strategic counterparties regarding a transaction with TIL, and the TIL Special Committee's determination following such review that the transaction with Teekay Tankers was more favorable to the shareholders of TIL than the potential value that might result from other alternatives reasonably available to TIL if it did not pursue the Merger;

the valuation and other financial analyses reviewed and discussed with the TIL Special Committee by representatives of Evercore, and the opinion of Evercore, rendered orally to the TIL Special Committee on May 30, 2017 (and subsequently confirmed in writing by delivery of Evercore's written opinion dated May 30, 2017), that, as of the date of such opinion, and based upon and subject to the various qualifications, assumptions and limitations set forth in the opinion, the exchange ratio of 3.30 shares of Teekay Tankers Class A common stock for each share of TIL common stock is fair, from a financial point of view, to the unaffiliated TIL shareholders, as more fully described under "Opinion of the Financial Advisor to the TIL Special Committee, Evercore Group L.L.C.;"

the fact that, since the merger consideration will consist of Teekay Tankers Class A Common Stock, the shareholders of TIL will own approximately 30% of the Combined Company and have the opportunity to participate in the future earnings and expected growth of the Combined Company and any future appreciation in the value of the Combined Company's Class A Common Stock should they decide to retain the Class A Common Stock payable in the Merger;

the fact that the transaction is expected to be significantly accretive to TIL's earnings per share and net asset value and that TIL shareholders who retain the Class A Common Stock payable in the Merger will receive the quarterly dividend paid by Teekay Tankers;

the synergies that could result from the Merger, including the potential for the Combined Company to realize approximately \$3 million in annual cost savings;

the benefits to the shareholders of TIL and the Combined Company, which would be one of the largest publicly-traded tanker operators and the largest operator/owner of medium-size tankers, that could result from the Merger, including but not limited to:

an enhanced competitive and financial position;

a lower execution risk, as an affiliate of Teekay Tankers manages and is expected to continue to manage, TIL's tanker vessels;

improved shareholder alignment resulting from a combination with major shareholders (Teekay Corporation and Teekay Tankers) and the management operations under the TIL Management Agreement;

Table of Contents

the likelihood of receiving more attention from capital market participants;

a higher share float and improved trading liquidity for the shareholders of TIL, including as a result of the NYSE listing; and

the elimination of foreign exchange fluctuation for the non-Norwegian shareholders of TIL due to the shares of TIL common stock trading on the OSE in NOK;

the right of the TIL Special Committee to designate, on behalf of TIL's independent shareholders, a board observer to the Teekay Tankers Board effective as of the closing for a period after closing;

the unique benefits of a business combination transaction with Teekay Tankers rather than a third party unaffiliated with Teekay Tankers or Teekay Corporation, including but not limited to:

greater certainty that the Merger will be consummated as a result of Teekay Tankers' and Teekay Corporation's relationship with TIL, including as (i) significant shareholders of TIL that have committed in the Merger Agreement (in the case of Teekay Tankers) and in the Voting and Support Agreement (in the case of Teekay Corporation) to vote in favor of proposals required to be approved by TIL and Teekay Tankers shareholders, as applicable, in connection with the Merger and (ii) the technical and commercial manager of the TIL vessels pursuant to the TIL Management Agreement;

the absence of any need on the part of TIL to terminate or modify the TIL Management Agreement or to pay any termination fees or other fees in connection with the TIL Management Agreement;

the acquisition by Teekay Tankers from Teekay Corporation on May 31, 2017 of the remaining 50% interest in Teekay's commercial and technical management operations, for approximately \$27 million in the form of Teekay Tankers Class B Common Stock, which acquisition is expected to further improve alignment for the Combined Company and its shareholders;

Teekay Tankers' purchase of the management operations fully integrates Teekay Tankers' tanker operation and makes it one of the largest fully integrated public shipping platforms offering full-service commercial and technical operations, as well as owning and managing the commercial pools; and

the representations, warranties and interim operating covenants of TIL are more limited as a result of, and are qualified by, their relationship with knowledge gained, and actions taken, by Teekay Tankers affiliates pursuant to the TIL Management Agreement;

the ability of TIL and Teekay Tankers to complete the Merger in a timely manner, including TIL's ability to specifically enforce Teekay Tankers' obligations under the Merger Agreement, and the contractual commitments of both parties with respect to the regulatory approvals required to complete the Merger;

the TIL Special Committee's view of the capability and likelihood for other potential counterparties to emerge, and that while the Merger Agreement contains a covenant prohibiting TIL from soliciting third party acquisition proposals, it permits the TIL Board to entertain acquisition proposals and change or withdraw its recommendation in favor of the Merger Agreement in certain circumstances and subject to compliance with certain procedural requirements, which may include the payment by TIL of a \$5 million termination fee (and in some circumstances the obligation to reimburse Teekay Tankers' expenses up to cap of \$2 million);

the fact that the Merger Agreement contains a covenant prohibiting Teekay Tankers from soliciting third party acquisition proposals, and while the Merger Agreement permits the Teekay Tankers Board to entertain acquisition proposals and change or withdraw its recommendation in favor of the Charter Amendment in certain circumstances and subject to compliance with certain procedural requirements, Teekay Tankers cannot terminate the Merger Agreement even in connection with the receipt of an

Table of Contents

unsolicited superior proposal or an intervening event and would still be required to hold a shareholders meeting to bring the Charter Amendment to a vote. In addition, in certain circumstances Teekay Tankers may be required to pay TIL a \$7.5 million termination fee and/or reimburse TIL's expenses up to cap of \$2 million;

the TIL Special Committee's determination, based on discussions with its financial advisor and outside legal counsel, that the payment by TIL in certain circumstances of a \$5 million termination fee (and in some circumstances the obligation to reimburse Teekay Tankers' expenses up to cap of \$2 million) is reasonable and customary in size in transactions similar to the Merger and would not preclude other parties from making an acquisition proposal for TIL;

the other material terms and conditions of the Merger Agreement, including, among other things, the covenants of the parties, the conditions to closing of the Merger and the parties' termination rights;

the thorough, independent process run by the TIL Special Committee, with the assistance of its financial advisor and outside legal counsel, and other procedural safeguards enacted by the TIL Special Committee, to ensure the fairness of the Merger and permit the TIL Special Committee to represent effectively the interests of the TIL shareholders other than Teekay Tankers and its affiliates;

the fact that, based on the determination of the TIL Special Committee, the Merger is subject to the approval of the Merger Agreement by both (i) the affirmative vote of the holders of a majority of the issued and outstanding shares of TIL common stock and (ii) the affirmative vote of the holders of a majority of the issued and outstanding shares of TIL common stock held by the TIL shareholders other than Teekay Tankers and its affiliates; and

the TIL Special Committee's belief that it was fully informed about the extent to which the interests of the directors and officers affiliated with Teekay Corporation and Teekay Tankers in the Merger differ from those of TIL and the unaffiliated TIL shareholders.

In the course of its deliberations, the TIL Special Committee also considered a variety of risks, uncertainties and other countervailing factors weighing negatively against the Merger, but concluded that the anticipated benefits of the Merger were likely to substantially outweigh these risks. These factors included, but were not limited to:

the risk that the synergies and other benefits expected to result from the transaction may not be fully realized;

the fact that restrictions on the conduct of TIL's business prior to the consummation of the Merger could prevent TIL from undertaking business opportunities, including strategic transactions, that arise pending completion of the Merger, which opportunities might be lost to TIL even if the Merger is not consummated;

the fact that the exchange ratio of the Merger Consideration is fixed and the risk that Teekay Tankers financial profile could change between the date of the Merger Agreement and the completion of the Merger, which could impact the value of the Teekay Tankers Class A Common Stock that TIL shareholders will receive as Merger Consideration;

the fact that the Merger Agreement contains a covenant prohibiting TIL from soliciting third party acquisition proposals or entering into discussions concerning or provide confidential information to third parties in connection with third party acquisition proposals, and TIL cannot terminate the Merger Agreement even in connection with the receipt of an unsolicited superior proposal or an intervening event and would still be required to hold a shareholders meeting to bring the Merger proposal to a vote;

the risk that the termination fee of \$5 million to be paid to Teekay Tankers under circumstances specified in the Merger Agreement may discourage other parties that may otherwise have an interest in a business combination with TIL;

Table of Contents

the risk that the unaffiliated TIL shareholders may vote against approval of the Merger Agreement;

the possibility that all conditions to the closing of the Merger may not be satisfied or waived, such that the Merger may not be consummated, even if the unaffiliated TIL shareholders vote to approve the Merger Agreement;

the risk associated with transaction-related costs incurred by TIL;

the risk that Teekay Tankers shareholders may vote against approval of the Charter Amendment, approval of which is required in order for Teekay Tankers to have a sufficient number of shares of Teekay Tankers Class A Common Stock authorized to issue the aggregate Merger Consideration to TIL shareholders;

the risk that, while TIL and Teekay Tankers desire the Merger to qualify as a tax-free reorganization for U.S. federal income tax purposes, obtaining tax-free treatment is not a predicate for or condition to the Merger and may not be achieved;

the risk that governmental entities may impose conditions on TIL and Teekay Tankers that may adversely impact the ability of the Combined Company to realize the expected synergies and other benefits to the Combined Company;

the fact that the directors and officers of TIL, especially those affiliated with Teekay Tankers and Teekay Corporation, have interests in the Merger that differ from the interests of the unaffiliated TIL shareholders (see the section entitled "The Merger - Certain Effects of the Merger - Interests of Certain Persons in the Merger"); and

the risks of the type and nature described in the section of this joint proxy statement/prospectus entitled "Risk Factors".

Although the foregoing discussion sets forth the material factors considered by the TIL Special Committee in reaching its determinations, it is not intended to be exhaustive and may not include all of the factors considered by the TIL Special Committee, and each director may have considered different factors or given different weight to each factor. The above factors are not presented in any order of priority. In view of the variety of factors, the amount of information and the complexity of the matters considered, the TIL Special Committee members did not find it practicable to, and did not, make specific assessments of, or assign relative weights to, the specific factors considered in reaching their respective recommendations. The explanation of the reasoning of the TIL Special Committee and certain information presented in this section are forward-looking in nature and should be read in light of the factors discussed in the section of this joint proxy statement/prospectus entitled "Cautionary Statement Concerning Forward-Looking Statements".

Recommendation of the TIL Board of Directors

At a meeting held on May 31, 2017, the TIL Board, on the basis of the TIL Special Committee's recommendations and the other factors described below, unanimously (i) determined that the Merger Agreement and the transactions contemplated thereby, including the Merger, were fair and advisable to, and in the best interests of, TIL and the unaffiliated TIL shareholders, (ii) approved the Merger Agreement and the transactions contemplated thereby, including the Merger, (iii) resolved to recommend that the shareholders of TIL approve the Merger Agreement, and (iv) approved the Voting and Support Agreement.

In the course of making the determinations described above, the TIL Board considered the following material factors:

the TIL Special Committee's analyses, conclusions and unanimous recommendation to the TIL Board described above in Recommendations of the TIL Special Committee and Board of Directors; TIL Reasons for the Merger Determination of the TIL Special Committee ;

Table of Contents

the fact that the TIL Special Committee consists of three independent directors of TIL who are not affiliated with Teekay Tankers or Teekay Corporation;

the value to be received by the shareholders of TIL in the Merger, including the fact that the Merger Consideration represents a significant premium over the trading price of TIL common stock. The Merger Consideration represented a premium of approximately 21% over the closing share price of the TIL common stock on the OSE on May 30, 2017 (the last trading date prior to the TIL Board meeting), and a premium of approximately 29% based on Teekay Tankers' 30-day volume weighted average trading price on the NYSE for the period ended May 30, 2017;

the opinion of Evercore dated May 30, 2017 that, as of the date of such opinion, and based upon and subject to the various qualifications, assumptions and limitations set forth therein, the exchange ratio of 3.30 shares of Teekay Tankers Class A Common Stock for each share of TIL common stock is fair, from a financial point of view, to the unaffiliated TIL shareholders, as more fully described under "Opinion of the Financial Advisor to the TIL Special Committee, Evercore Group L.L.C. "; and

the other factors, both positive and negative, considered by the TIL Special Committee in connection with the Merger Agreement and the transactions contemplated thereby, including the Merger, as described above in "Recommendations of the TIL Special Committee and Board of Directors; TIL Reasons for the Merger Determination of the TIL Special Committee.

Although the foregoing discussion sets forth the material factors considered by the TIL Board in reaching its recommendations, it is not intended to be exhaustive and may not include all of the factors considered by the TIL Board, and each director may have considered different factors or given different weight to each factor. The above factors are not presented in any order of priority. In view of the variety of factors, the amount of information and the complexity of the matters considered, the TIL Board did not find it practicable to, and did not, make specific assessments of, or assign relative weights to, the specific factors considered in reaching their respective recommendations. The explanation of the reasoning of the TIL Board and certain information presented in this section are forward-looking in nature and should be read in light of the factors discussed in the section of this joint proxy statement/prospectus entitled "Cautionary Statement Concerning Forward-Looking Statements.

The TIL Board unanimously recommends that the shareholders of TIL vote FOR the proposal to approve the Merger Agreement.

Opinion of the Financial Advisor to the TIL Special Committee, Evercore Group L.L.C.

In connection with the Merger, the TIL Special Committee retained Evercore to act as its financial advisor. On May 30, 2017, Evercore delivered its oral opinion to the TIL Special Committee, confirmed by its delivery of a written opinion dated May 30, 2017, that, as of the date thereof, and based upon and subject to the various qualifications, assumptions and limitations set forth in its opinion, the Exchange Ratio of 3.30 shares of Teekay Tankers Class A Common Stock for each share of TIL common stock was fair, from a financial point of view, to the holders of shares of TIL common stock (other than Teekay Tankers and its affiliates).

The full text of the written opinion of Evercore, dated May 30, 2017, which sets forth, among other things, the procedures followed, assumptions made, matters considered, and qualifications and limitations on the scope of review undertaken in rendering its opinion, is attached as Appendix E to this joint proxy statement/prospectus and is

incorporated herein by reference in its entirety. You are urged to read Evercore's opinion carefully and in its entirety.

Evercore's opinion was addressed to, and provided for the information and benefit of, the TIL Special Committee in connection with its evaluation of the proposed Merger and addresses only the fairness, from a financial point of view, of the Exchange Ratio to the holders of shares of TIL common stock (other than Teekay Tankers and its affiliates). Evercore's written opinion provides that the opinion is also for the information and

Table of Contents

benefit of the TIL Board, in connection with its evaluation of the proposed Merger. The opinion does not address any other aspect of the transaction and does not constitute a recommendation to the TIL Special Committee or to any other persons in respect of the Merger, including as to how any holder of shares of TIL common stock should vote or act in respect of the Merger. Evercore's opinion does not address the relative merits of the Merger as compared to other business or financial strategies that might be available to TIL, nor does it address the underlying business decision of TIL to engage in the Merger.

In connection with rendering its opinion, Evercore has, among other things:

reviewed certain publicly available business and financial information relating to TIL and Teekay Tankers that Evercore deemed to be relevant, including publicly available research analysts' estimates;

reviewed certain non-public historical financial statements and other non-public historical financial data relating to TIL and Teekay Tankers, prepared and furnished to Evercore by management of TIL and Teekay Tankers, respectively;

reviewed certain non-public projected financial data relating to TIL (or the *TIL Management Projections*) and Teekay Tankers (or the *Teekay Tankers Management Projections*) under alternative business assumptions prepared and furnished to Evercore by management of TIL and Teekay Tankers, respectively;

reviewed certain non-public historical and projected operating data relating to TIL and Teekay Tankers, prepared and furnished to Evercore by management of TIL and Teekay Tankers, respectively;

discussed the past and current operations, financial projections and current financial condition of TIL and Teekay Tankers with management of TIL and Teekay Tankers (including their views on the risks and uncertainties of achieving such projections);

reviewed the reported prices and the historical trading activity of TIL common stock and Teekay Tankers Class A Common Stock;

compared the financial performance of TIL and Teekay Tankers and their respective stock market trading multiples with those of certain other publicly traded companies that Evercore deemed relevant;

compared the financial performance of TIL and the valuation multiples relating to the Merger with those of certain other transactions that Evercore deemed relevant;

reviewed certain third-party charter free vessel appraisals of TIL and Teekay Tankers as provided to Evercore by management of TIL and Teekay Tankers, respectively;

considered the potential pro forma impact of the Merger on the Combined Company;

reviewed a draft of the Merger Agreement, dated May 28, 2017, which Evercore assumed was in substantially final form and from which Evercore assumed the final form would not vary in any respect material to Evercore's analysis;

reviewed a draft of the Voting and Support Agreement, dated May 26, 2017, by and among TIL, Teekay Tankers, Teekay Corporation, Teekay Finance Limited (or *TFL*), and THL, which Evercore assumed was in substantially final form and from which Evercore assumed the final form would not vary in any respect material to Evercore's analysis; and

performed such other analyses and examinations and considered such other factors that Evercore deemed appropriate.

For purposes of its analysis and opinion, Evercore assumed and relied upon, without undertaking any independent verification of, the accuracy and completeness of all of the information publicly available, and all of the information supplied or otherwise made available to, discussed with, or reviewed by Evercore, and Evercore assumed no liability therefor. Management of TIL and Teekay Tankers provided the financial projections of TIL.

Table of Contents

and Teekay Tankers, respectively, through year-end 2019. Furthermore, management of TIL and Teekay Tankers provided to Evercore assumptions upon which Evercore, at the direction of management of TIL and with the input of management of Teekay Tankers and TIL, extrapolated the financial projections of TIL and Teekay Tankers, respectively, through year-end 2021. With respect to the projected financial and operating data relating to TIL and Teekay Tankers referred to above, Evercore assumed that they have been reasonably prepared on bases reflecting the best currently available estimates and good faith judgments of the managements of TIL and Teekay Tankers as to the future financial performance of TIL and Teekay Tankers, as applicable, under the alternative business assumptions reflected therein. Evercore expressed no view as to any projected financial data relating to TIL or Teekay Tankers or the assumptions on which they were based. Evercore relied, at the TIL Special Committee's direction, without independent verification, upon the assessments of the management of each of TIL and Teekay Tankers as to the future operational performance of TIL and Teekay Tankers (both on an individual and combined basis), including but not limited to, charter revenues, commissions, operating expenses, administrative expenses and voyage fees and expenses. For all purposes of its analysis, at the TIL Special Committee's direction, Evercore assumed that the terms of the time charter agreements were valid and will remain in full force and effect for the term provided therein and that all charterer's obligations will be performed for both TIL and Teekay Tankers.

For purposes of rendering its opinion, Evercore assumed, in all respects material to its analysis, subject to the limitations and qualifications set forth therein and the disclosure schedules delivered by each of TIL and Teekay Tankers in connection therewith, that the representations and warranties of each party contained in the Merger Agreement were true and correct, that each party will perform all of the covenants and agreements required to be performed by it under the Merger Agreement and that all conditions to the consummation of the Merger will be satisfied without material waiver or modification thereof. Evercore further assumed that all governmental, regulatory or other consents, approvals or releases necessary for the consummation of the Merger will be obtained without any material delay, limitation, restriction or condition that would have an adverse effect on TIL or the consummation of the Merger or materially reduce the benefits to the holders of TIL common stock of the Merger.

Evercore did not make nor assume any responsibility for making any independent valuation or appraisal of the assets or liabilities of TIL or Teekay Tankers, nor did Evercore evaluate the solvency or fair value of TIL or Teekay Tankers under any state or federal laws relating to bankruptcy, insolvency or similar matters. Evercore's opinion was necessarily based upon information made available to it as of the date of the opinion and financial, economic, market and other conditions as they existed and as could be evaluated on the date of the opinion. Subsequent developments may affect Evercore's opinion, but Evercore does not have any obligation to update, revise or reaffirm its opinion.

Evercore was not asked to pass upon, and expressed no opinion with respect to, any matter other than the fairness to the holders of TIL common stock (other than Teekay Tankers and its affiliates), from a financial point of view, of the Exchange Ratio as of May 30, 2017. Evercore did not express any view on, and its opinion did not address, the fairness of the proposed transaction to, or any consideration received in connection therewith by, the holders of any other securities, the creditors or other constituencies of TIL, 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 TIL, or any class of such persons, whether relative to the Exchange Ratio or otherwise. Evercore assumed that any modification to the structure of the transaction will not vary in any respect material to its analysis.

Evercore expressed no opinion as to the price at which shares of TIL or Teekay Tankers will trade at any time. Evercore is not a legal, regulatory, accounting or tax expert and Evercore assumed the accuracy and completeness of assessments by TIL and its advisors with respect to legal, regulatory, accounting and tax matters.

Evercore's opinion was only one of many factors considered by the TIL Special Committee in its evaluation of the Merger and should not be viewed as determinative of the views of the TIL Special Committee with respect to the

Merger or the Exchange Ratio.

- 90 -

Table of Contents

Set forth below is a summary of the material financial analyses reviewed by Evercore on May 30, 2017, in connection with rendering its opinion. The following summary, however, does not purport to be a complete description of the analyses performed by Evercore. The order of the analyses described and the results of these analyses do not represent relative importance or weight given to these analyses by Evercore. Except as otherwise noted, the following quantitative information, to the extent that it is based on market data, is based on market data that existed on or before May 30, 2017, and is not necessarily indicative of current market conditions.

Selected Peer Group Trading Analyses

In performing a selected publicly traded companies analysis of TIL and Teekay Tankers, Evercore reviewed publicly available financial and market information for both companies and the selected public companies listed in the table below (or the *Selected Peer Group Companies*), which Evercore deemed most relevant to consider in relation to TIL and Teekay Tankers, respectively, based on its professional judgment and experience, because they are public companies with operations that for purposes of this analysis Evercore considered similar to the operations of one or more of the business lines of TIL and Teekay Tankers. The same Selected Peer Group Companies were used in the selected publicly traded companies analysis for each of TIL and Teekay Tankers.

Evercore reviewed, among other things, (i) the enterprise value (or *EV*) of each of the Selected Peer Group Companies as a multiple of estimated earnings before interest, taxes, depreciation and amortization (or *EBITDA*) for calendar years 2017 and 2018 and (ii) the closing price (or *Price*) of common stock of each of the Selected Peer Group Companies as a multiple of the current net asset value per share (or *NAV Per Share*) of each of the Selected Peer Group Companies based on the average of Wall Street research analysts' estimates of NAV Per Share. EV was calculated for purposes of this analysis as equity value (based on the per share closing price of each Selected Peer Group Company on May 26, 2017, multiplied by the fully diluted number of such company's outstanding equity securities on such date), plus debt, plus preferred stock, plus remaining newbuild obligations and less cash and cash equivalents (in the case of debt, cash and cash equivalents, as set forth on the most recent publicly available balance sheet of such company). The financial data of the Selected Peer Group Companies used by Evercore for this analysis were based on publicly available SEC filings and consensus projections provided by FactSet Research Systems Inc. Evercore also considered for purposes of its analysis (i) in the case of TIL, the TIL Management Projections for EBITDA estimates and (ii) in the case of Teekay Tankers, the Teekay Tankers Management Projections for EBITDA estimates. The Price/NAV Per Share multiple analysis for both TIL and Teekay Tankers was based on (i) Teekay Tankers' assessment of asset value for both TIL and Teekay Tankers, respectively, and (ii) the average of broker appraisals as provided by two internationally well-known companies for both TIL and Teekay Tankers, respectively. The EV/EBITDA and Price/NAV Per Share multiples for each of the Selected Peer Group Companies and comparison metrics for each of TIL and Teekay Tankers are set forth in the tables below.

Selected Peer Companies: TIL and Teekay Tankers

Selected Company	EV/EBITDA 2017E	EV/EBITDA 2018E	Price/ NAV Per Share
Nordic American Tanker Ltd.	10.6x	7.4x	1.59x
Gener8 Maritime Inc.	9.7x	8.5x	0.64x
Euronav NV	8.5x	7.0x	0.82x
DHT Holdings Inc.	7.6x	6.5x	0.79x
Frontline Ltd.	11.4x	8.5x	1.26x
	10.2x	9.6x	1.44x

Navios Maritime Acquisition
Corporation

Tsakos Energy Navigation	9.0x	7.9x	0.87x
International Seaways Inc.	6.8x	5.8x	0.86x
TIL	8.7x	7.2x	0.67x
Teekay Tankers	7.8x	6.2x	0.72x

- 91 -

Table of Contents

Based on its review of the Selected Peer Group Companies and its experience and professional judgment, Evercore then applied (i) a reference range of EV/EBITDA multiples of 7.5x to 10.0x to the estimated EBITDA for each of TIL and Teekay Tankers for the calendar year 2017, (ii) a reference range of EV/EBITDA multiples of 6.5x to 8.5x to the estimated EBITDA for each of TIL and Teekay Tankers for the calendar year 2018 and (iii) a reference range of Price/NAV Per Share multiples of 0.65x to 1.00x to the NAV Per Share for each of TIL and Teekay Tankers.

This analysis indicated an implied equity value per share reference range for TIL of approximately \$3.06 to \$7.50, \$3.57 to \$7.83 and \$4.98 to \$7.65, using the TIL 2017 EV/EBITDA multiples, 2018 EV/EBITDA multiples and Price/NAV Per Share multiples, respectively. The analysis indicated an implied equity value per share reference range for Teekay Tankers of approximately \$1.72 to \$3.77, \$2.21 to \$4.25 and \$1.75 to \$2.69, using the Teekay Tankers 2017 EV/EBITDA multiples, 2018 EV/EBITDA multiples and Price/NAV Per Share multiples, respectively.

Implied Relative Equity Value per Share

Evercore calculated an implied exchange ratio reference range by dividing the low end of the implied per share equity value reference range for TIL by the high end of the implied per share equity value reference range for Teekay Tankers indicated by the Selected Peer Group Company analyses and by dividing the high end of the implied per share equity value reference range for TIL by the low end of the implied per share equity value reference range for Teekay Tankers indicated by the Selected Peer Group Company analyses for each of calendar year 2017 and 2018 and current NAV Per Share. This analysis indicated an implied exchange ratio reference range of 0.810 to 4.368 shares of Teekay Tankers Class A Common Stock for each share of TIL common stock using 2017 EV/EBITDA multiples, an implied exchange ratio reference range of 0.840 to 3.548 shares of Teekay Tankers Class A Common Stock for each share of TIL common stock using 2018 EV/EBITDA multiples and an implied exchange ratio reference range of 1.852 to 4.384 shares of Teekay Tankers Class A Common Stock using Price/NAV Per Share multiples, in each case as compared to the Exchange Ratio of 3.30 shares of Teekay Tankers Class A Common Stock for each share of TIL common stock.

Discounted Cash Flow Analysis

TIL

3-Year Projections. Evercore, in performing the discounted cash flow analysis of TIL, applied discount rates ranging from 10.5% to 12.5%, which were chosen by Evercore based on an estimate of TIL's weighted average cost of capital calculated using the capital asset pricing model, to calculate the estimated present value as of March 31, 2017 of the stand-alone unlevered, after-tax free cash flows that TIL was projected to generate from April 1, 2017 through December 31, 2019, using information contained in the TIL Management Projections. The stand-alone unlevered, after-tax free cash flows that TIL was projected to generate from April 1, 2017 through December 31, 2019 were calculated by deducting drydock expenses from TIL's forecasted EBITDA figure, as derived from the TIL Management Projections. The terminal year EBITDA was adjusted to include replacement capex, based on the assumption that if the assets are depreciating by a set rate per year, investing the same amount would ensure a constant level of assets in the business for the terminal value calculation. The terminal value of TIL as of December 31, 2019 was calculated by applying terminal value EV/EBITDA multiples ranging from 5.5x to 7.5x to estimated 2019 EBITDA. Evercore selected the ranges of terminal EV/EBITDA multiples based on (i) TIL's fleet age for year-end 2019, (ii) TIL's historical EV/EBITDA multiple trading range since its initial public offering, (iii) historical EV/EBITDA multiples of certain selected companies over the last ten years and (iv) historical implied crude vessel purchase price/EBITDA multiples across different fleet ages over the last ten years. The present value of the free cash flows through 2019 were then added to the present value of the terminal value to determine a range of implied enterprise values of TIL. A range of implied equity values for TIL was then calculated by reducing the range of

implied enterprise values by the amount of TIL's net debt (calculated as debt less cash and cash equivalents) as of March 31, 2017. This analysis resulted in an implied per-share equity value reference range of approximately \$6.37 to \$11.40.

- 92 -

Table of Contents

5-Year Projections. Evercore, in performing the discounted cash flow analysis of TIL, applied discount rates ranging from 10.5% to 12.5%, which were chosen by Evercore based on an estimate of TIL's weighted average cost of capital calculated using the capital asset pricing model, to calculate the estimated present value as of March 31, 2017 of the stand-alone unlevered, after-tax free cash flows that TIL was projected to generate from April 1, 2017 through December 31, 2021, using information contained in the TIL Management Projections. The stand-alone unlevered, after-tax free cash flows that TIL was projected to generate from April 1, 2017 through December 31, 2021 were calculated by deducting drydock expenses from TIL's forecasted EBITDA figure, as derived from the TIL Management Projections. The terminal year EBITDA was adjusted to include replacement capex, based on the assumption that if the assets are depreciating by a set rate per year, investing the same amount would ensure a constant level of assets in the business for the terminal value calculation. The terminal value of TIL as of December 31, 2021 was calculated by applying terminal value EV/EBITDA multiples ranging from 5.0x to 7.0x to estimated 2021 EBITDA. Evercore selected the ranges of terminal EV/EBITDA multiples based on (i) TIL's fleet age for year-end 2021, (ii) TIL's historical EV/EBITDA multiple trading range since its initial public offering, (iii) historical EV/EBITDA multiples of certain selected companies over the last ten years and (iv) historical implied crude vessel purchase price/EBITDA multiples across different fleet ages over the last ten years. The present value of the free cash flows through 2021 were then added to the present value of the terminal value to determine a range of implied enterprise values of TIL. A range of implied equity values for TIL was then calculated by reducing the range of implied enterprise values by the amount of TIL's net debt (calculated as debt less cash and cash equivalents) as of March 31, 2017. This analysis resulted in an implied per-share equity value reference range of approximately \$7.28 to \$11.98.

Teekay Tankers

3-Year Projections. Evercore, in performing the discounted cash flow analysis of Teekay Tankers, applied discount rates ranging from 9.5% to 11.5%, which were chosen by Evercore based on an estimate of Teekay Tankers' weighted average cost of capital calculated using the capital asset pricing model, to calculate the estimated present value as of March 31, 2017 of the stand-alone unlevered, after-tax free cash flows that Teekay Tankers was projected to generate from April 1, 2017 through December 31, 2019, using information contained in the Teekay Tankers Management Projections. The stand-alone unlevered, after-tax free cash flows that Teekay Tankers was projected to generate from April 1, 2017 through December 31, 2019 were calculated by adding back cash dividends from Teekay Tankers' joint ventures and other investments and deducting drydock expenses, from Teekay Tankers' forecasted EBITDA figure, as derived from the Teekay Tankers Management Projections. The terminal year EBITDA was adjusted to include replacement capex, based on the assumption that if the assets are depreciating by a set rate per year, investing the same amount would ensure a constant level of assets in the business for the terminal value calculation. The terminal value of Teekay Tankers as of December 31, 2019 was calculated by applying terminal value EV/EBITDA multiples ranging from 5.0x to 7.0x to estimated 2019 EBITDA. Evercore selected the ranges of terminal EV/EBITDA multiples based on (i) Teekay Tankers' fleet age for year-end 2019, (ii) Teekay Tankers' historical EV/EBITDA multiple trading range since its initial public offering, (iii) historical EV/EBITDA multiples of certain selected companies over the last ten years and (iv) historical implied crude vessel purchase price/EBITDA multiples across different fleet ages over the last ten years. The present value of the free cash flows through 2019 were then added to the present value of the terminal value to determine a range of implied enterprise values of Teekay Tankers. A range of implied equity values for Teekay Tankers was then calculated by reducing the range of implied enterprise values by the amount of Teekay Tankers' net debt (calculated as debt less cash and cash equivalents) as of March 31, 2017. This analysis resulted in an implied per-share equity value reference range of approximately \$2.48 to \$4.61.

5-Year Projections. Evercore, in performing the discounted cash flow analysis of Teekay Tankers, applied discount rates ranging from 9.5% to 11.5%, which were chosen by Evercore based on an estimate of Teekay Tankers' weighted average cost of capital calculated using the capital asset pricing model, to calculate the estimated present value as of

March 31, 2017 of the stand-alone unlevered, after-tax free cash flows that Teekay Tankers was projected to generate from April 1, 2017 through December 31, 2021, using information contained in the Teekay Tankers Management Projections. The stand-alone unlevered, after-tax free cash flows that Teekay

Table of Contents

Tankers was projected to generate from April 1, 2017 through December 31, 2021 were calculated by adding back cash dividends from Teekay Tankers' joint ventures and other investments and deducting drydock expenses, from Teekay Tankers' forecasted EBITDA figure, as derived from the Teekay Tankers Management Projections. The terminal year EBITDA was adjusted to include replacement capex, based on the assumption that if the assets are depreciating by a set rate per year, investing the same amount would ensure a constant level of assets in the business for the terminal value calculation. The terminal value of Teekay Tankers as of December 31, 2021 was calculated by applying terminal value EV/EBITDA multiples ranging from 4.5x to 6.5x to estimated 2021 EBITDA. Evercore selected the ranges of terminal EV/EBITDA multiples based on (i) Teekay Tankers' fleet age for year-end 2021, (ii) Teekay Tankers' historical EV/EBITDA multiple trading range since its initial public offering, (iii) historical EV/EBITDA multiples of certain selected companies over the last ten years and (iv) historical implied crude vessel purchase price/EBITDA multiples across different fleet ages over the last ten years. The present value of the free cash flows through 2021 were then added to the present value of the terminal value to determine a range of implied enterprise values of Teekay Tankers. A range of implied equity values for Teekay Tankers was then calculated by reducing the range of implied enterprise values by the amount of Teekay Tankers' net debt (calculated as debt less cash and cash equivalents) as of March 31, 2017. This analysis resulted in an implied per-share equity value reference range of approximately \$2.62 to \$4.49.

Implied Relative Equity Value per Share

Evercore calculated an implied exchange ratio reference range by dividing the low end of each implied share price reference range for TIL by the high end of each implied share price reference range for Teekay Tankers indicated by the discounted cash flow analyses and by dividing the high end of each implied share price reference range for TIL by the low end of each implied share price reference range for Teekay Tankers indicated by the discounted cash flow analyses. Utilizing the TIL Projections and Teekay Tankers Projections, this analysis indicated an implied exchange ratio reference range of 1.382 to 4.593 shares of Teekay Tankers Class A Common Stock for each share of TIL common stock when applied to the implied share price reference ranges calculated using the 3-year projections, and indicated an implied exchange ratio reference range of 1.623 to 4.573 shares of Teekay Tankers Class A Common Stock for each share of TIL common stock when applied to the implied share price reference ranges calculated using the 5-year projections, in each case as compared to the Exchange Ratio of 3.30 shares of Teekay Tankers Class A Common Stock for each share of TIL common stock.

Other Factors

Evercore also reviewed and considered other factors, which were not considered part of its financial analyses in connection with rendering its advice, but were referenced for informational purposes, including, among other things, the last 52-week trading range, research analyst price targets, the historical share price ratio and a contribution analysis. None of the foregoing constituted a valuation methodology for purposes of Evercore's financial analysis, and the foregoing were referenced for informational purposes only.

Last 52-Week Trading Range

Evercore reviewed historical trading prices of shares of TIL common stock and shares of Teekay Tankers Class A Common Stock during the twelve month period ended May 26, 2017, noting that the low and high closing prices during such period ranged from \$4.02 to \$6.74 for TIL and \$1.90 to \$3.76 for Teekay Tankers. Evercore calculated an implied exchange ratio reference range by dividing the low end of the historical trading price range for TIL by the high end of the historical trading price range for Teekay Tankers and by dividing the high end of the historical trading price range for TIL by the low end of the historical trading price range for Teekay Tankers. This indicated an implied exchange ratio reference range of 1.069 to 3.545 shares of Teekay Tankers Class A Common Stock for each share of

TIL common stock, as compared to the Exchange Ratio of 3.30 shares of Teekay Tankers Class A Common Stock for each share of TIL common stock.

Table of Contents*Research Analyst Price Targets*

Evercore reviewed publicly available share price targets of research analysts' estimates known to Evercore as of May 26, 2017, noting that the low and high share price targets ranged from \$5.01 to \$8.94 for TIL and that the low and high share price targets ranged from \$1.60 to \$3.50 for Teekay Tankers. Evercore calculated an implied exchange ratio reference range by dividing the low end of the share price target range for TIL by the high end of the share price target range for Teekay Tankers and by dividing the high end of the share price target range for TIL by the low end of the share price target range for Teekay Tankers. This indicated an implied exchange ratio reference range of 1.431 to 5.589 shares of Teekay Tankers Class A Common Stock for each share of TIL common stock, as compared to the Exchange Ratio of 3.30 shares of Teekay Tankers Class A Common Stock for each share of TIL common stock. The price targets published by equity research analysts do not necessarily reflect current market trading prices for TIL common stock and Teekay Tankers Class A Common Stock and these price targets are subject to numerous uncertainties, including the future financial performance of each company and market conditions.

Historical Share Price Ratio

Evercore reviewed the historical share price ratio of shares of TIL common stock to shares of Teekay Tankers Class A Common Stock for the three-year period ended May 26, 2017 by dividing the closing price for shares of TIL common stock by the closing price for shares of Teekay Tankers Class A Common Stock as of the end of each trading day during this period. This indicated a three-year ratio reference range of 1.482 to 3.076 shares of Teekay Tankers Class A Common Stock for each share of TIL common stock, as compared to the Exchange Ratio of 3.30 shares of Teekay Tankers Class A Common Stock for each share of TIL common stock.

Contribution Analysis

Evercore analyzed the respective contributions of TIL and Teekay Tankers to the EBITDA and net income of the Combined Company, based on the TIL Management Projections and Teekay Tankers Management Projections. For the purposes of the EBITDA contribution, Evercore analyzed such contributions on a levered basis by deducting each company's respective net debt contribution to the implied combined enterprise value and on an unlevered basis not adjusted by net debt of each company, as of the end of calendar years 2017, 2018 and 2019. This analysis indicated the relative contributions of TIL and Teekay Tankers and implied exchange ratios (which in each case Evercore compared to the Exchange Ratio of 3.30 shares of Teekay Tankers Class A Common Stock for each share of TIL common stock):

Contribution Analysis

		Contribution							
		Teekay Tankers			Unlevered Basis		Levered Basis		Implied Exchange Ratio
		Teekay Tankers	TIL	Combined	Teekay Tankers	TIL	Teekay Tankers	TIL	
		(\$ in millions)							
	2017E	\$ 147	\$ 54	\$ 201	73.2%	26.8%	76.1%	23.9%	1.855x
EBITDA	2018E	184	65	248	73.9%	26.1%	78.5%	21.5%	1.616x
	2019E	272	103	375	72.5%	27.5%	73.8%	26.2%	2.093x
	2017E	\$ 8	\$ 3	\$ 11			71.0%	29.0%	2.413x

Net Income

2018E	44	14	58	75.6%	24.4%	1.908x
2019E	140	52	192	73.1%	26.9%	2.167x

General

The foregoing summary of certain material financial analyses does not purport to be a complete description of the analyses or data presented by Evercore. In connection with the review of the Merger by the TIL Special

Table of Contents

Committee, Evercore performed a variety of financial and comparative analyses for purposes of rendering its opinion. 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 described above, without considering the analyses as a whole, could create an incomplete view of the processes underlying Evercore's opinion. In arriving at its fairness determination, Evercore considered the results of all the analyses and did not draw, in isolation, conclusions from or with regard to any one analysis or factor considered by it for purposes of its opinion. Rather, Evercore made its determination as to fairness on the basis of its experience and professional judgment after considering the results of all the analyses. In addition, Evercore may have considered various assumptions more or less probable than other assumptions, so that the range of valuations resulting from any particular analysis described above should therefore not be taken to be Evercore's view of the value of shares of TIL common stock. No company used in the above analyses as a comparison is directly comparable to TIL or Teekay Tankers. Further, Evercore's analyses involve complex considerations and judgments concerning financial and operating characteristics and other factors that could affect the acquisition, public trading or other values of the companies used, including judgments and assumptions with regard to industry performance, general business, economic, market and financial conditions and other matters, many of which are beyond the control of TIL.

Evercore prepared these analyses for the purpose of providing an opinion to the Special Committee as to the fairness, from a financial point of view, to holders of shares of TIL common stock (other than Teekay Tankers and their affiliates) of the Exchange Ratio in the Merger. These analyses do not purport to be appraisals or necessarily reflect the prices at which the business or securities actually may be sold. Any estimates contained in these analyses are not necessarily indicative of actual future results, which may be significantly more or less favorable than those suggested by such estimates. Accordingly, estimates used in, and the results derived from, Evercore's analyses are inherently subject to substantial uncertainty, and Evercore assumes no responsibility if future results are materially different from those forecasted in such estimates.

The issuance of the fairness opinion was approved by an opinion committee of Evercore.

TIL paid Evercore an initial fee of \$500,000 (\$250,000 of which is creditable against any success fee), and will also pay Evercore a success fee of 0.95% of the sum of (i) the value of the consideration received for all of the equity of TIL in connection with the Merger, plus (ii) the aggregate value of any debt, capital lease and preferred stock obligations (whether consolidated, off-balance sheet or otherwise) of TIL outstanding at the closing of the Merger, for its financial advisory services in connection with the Merger, which success fee is payable at, and contingent upon, consummation of the Merger, if the Merger is consummated with Teekay Tankers or a transaction is consummated with a third party. An additional discretionary fee may be paid to Evercore by TIL, the amount of which, if any, will be determined by the TIL Special Committee in its sole and absolute discretion based upon, among other things, the resources expended by Evercore in the course of the assignment, the TIL Special Committee's satisfaction with the services rendered and the benefit to TIL of the successful conclusion of the assignment. TIL has also agreed to reimburse Evercore for its reasonable expenses incurred in connection with its engagement and has agreed to indemnify Evercore and its members, partners, officers, directors, advisors, representatives, employees, agents, affiliates or controlling persons, if any, against certain liabilities and expenses arising out of or in connection with Evercore's engagement.

In the ordinary course of business, Evercore or its affiliates may actively trade the securities, or related derivative securities, or financial instruments of TIL, Teekay Tankers and their respective affiliates, for its own account and for the accounts of its customers and, accordingly, may at any time hold a long or short position in such securities or instruments. Prior to this engagement, Evercore, and its affiliates provided financial advisory services to TIL and had received fees for the rendering of these services, including the reimbursement of expenses. During the two year period prior May 30, 2017, no material relationship existed between Evercore and its affiliates and Teekay Tankers or its

affiliates pursuant to which compensation was received by Evercore or its affiliates as a result of such a relationship, other than Evercore was retained by Teekay Tankers (i) in June 2015 to provide capital markets services to Teekay Tankers, in connection with a Continuous Offering Program, for

- 96 -

Table of Contents

which Evercore received a fee of \$1.597 million and (ii) in November 2015 to provide capital markets services to Teekay Tankers, in connection with a Continuous Offering Program, for which Evercore received a fee of \$0.609 million. Evercore may provide financial or other services to Teekay Tankers or its affiliates in the future and in connection with any such services we may receive compensation.

The TIL Special Committee engaged Evercore to act as its financial advisor based on its qualifications, experience and reputation. Evercore is an internationally recognized investment banking firm and is regularly engaged in the valuation of businesses in connection with mergers and acquisitions, leveraged buyouts, competitive biddings, private placements, and valuations for corporate and other purposes.

Recommendations of the Teekay Tankers Board of Directors; Teekay Tankers Reasons for the Merger

At a meeting of the Teekay Tankers Board held on May 31, 2017, after consultation with Teekay Tankers management and outside legal advisor, the Teekay Tankers Board unanimously (i) determined that the Merger is fair and advisable to, and in the best interests of, Teekay Tankers and the shareholders of Teekay Tankers, (ii) approved the Merger Agreement and the transactions contemplated thereby, including the Merger and the Charter Amendment, (iii) directed that the Charter Amendment be submitted to a vote of the Teekay Tankers shareholders; and (iv) recommended to the Teekay Tankers shareholders that the Teekay Tankers shareholders approve the Charter Amendment.

In doing so, the Teekay Tankers Board considered the business, assets, liabilities, results of operations, financial performance, strategic direction and prospects of TIL and Teekay Tankers. Additionally, in making its determination, the Teekay Tankers Board considered a number of factors, including, but not limited to, the following:

Teekay Tankers expects the transaction to be accretive to Teekay Tankers earnings per share;

the fact that the transaction is consistent with Teekay Tankers stated strategy of increasing shareholder value through investing and operating throughout the tanker cycle using a variety of levers, which includes using Teekay Tankers platform to pursue consolidation and investment opportunities; in addition, the transaction is consistent with Teekay Tankers strategy to strengthen its balance sheet, which includes decreasing financial leverage and increasing liquidity;

based on TIL's enterprise value in the Merger implied by the Exchange Ratio and the closing price of Teekay Tankers Class A Common Stock on May 26, 2017, Teekay Tankers paid a 3.1% premium on the fair market value of TIL's fleet, which it believes is a fair premium to be paid to acquire an enbloc fleet, and including a reasonable control premium;

Teekay Tankers expects that the acquisition of TIL will decrease its financial leverage and, on a pro forma basis, would increase Teekay Tankers liquidity by approximately \$117 million to approximately \$203 million as of March 31, 2017, which the Teekay Tankers Board determined is a superior avenue for strengthening liquidity relative to other alternatives which may have required the issuance of new dilutive equity;

the fact that the acquisition of TIL is expected to reduce Teekay Tankers' average vessel age from 10 years to 9 years and increase Teekay Tankers' fleet size from 44 vessels to 62 vessels, including three in-chartered conventional tankers;

the fact that Teekay Tankers will be acquiring tanker assets that are at historically low values;

the combination of Teekay Tankers and TIL's respective businesses is expected to result in various synergies, including the potential for the combined company to realize approximately \$3 million in annual cost savings;

compared to TIL's vessels being sold to a third party, this transaction enables Teekay Tankers' commercial pools to maintain the required scale to service customer contract obligations as well as their time-charter needs and support Teekay Tankers' strategically important regional businesses in the Far East and the Gulf of Mexico;

- 97 -

Table of Contents

the fact that Teekay Tankers is acquiring a known, quality fleet that has been technically and commercially managed by an affiliate of Teekay Tankers since being acquired by TIL and that has the ability to produce earnings on par with Teekay Tankers existing vessels;

Teekay Tankers expects that the integration of TIL will not result in significant costs or a distraction to Teekay Tankers management given that both Teekay Tankers and TIL are managed by an affiliate of Teekay Tankers;

Teekay Tankers expects that the acquisition of TIL's modern vessels will provide Teekay Tankers with sufficient scale to sell some older vessels as the tanker market recovers, providing capital to reduce debt or pursue other opportunities in alignment with Teekay Tankers long-term fleet strategy;

the fact that the transaction is expected to reduce Teekay Tankers all-in cash break-even levels at an opportune time during cyclical weakness and allows Teekay Tankers to further benefit from a tanker market recovery;

the financial analyses presented by Swedbank to the Teekay Tankers Board and the opinion of Swedbank, as of the date of such opinion and subject to and based on the various qualifications, assumptions and limitations set forth in the opinion, that the Merger Consideration was fair, from a financial point of view, to Teekay Tankers, as more fully described in the section entitled The Merger Opinion of Swedbank Norge ;

the fact that the exchange ratio is fixed and will not be adjusted for fluctuations in the market price of shares of Teekay Tankers Class A Common Stock or fluctuations in the market price of shares of TIL common stock;

the greater certainty that the merger will be consummated as a result of the voting commitments of significant shareholders of TIL and Teekay Tankers to vote in favor of the proposals required to be approved by the TIL and Teekay Tankers shareholders, as applicable, in connection with the Merger;

the ability of Teekay Tankers, in specified circumstances, to provide information to and to engage in discussions or negotiations with a third party that makes an unsolicited acquisition proposal with respect to Teekay Tankers, as further described in the section entitled The Merger Agreement Conduct Pending the Merger No Solicitation ;

the ability of the Teekay Tankers Board, in specified circumstances, to make a change in recommendation to Teekay Tankers shareholders concerning the Charter Amendment, as further described in the section entitled The Merger Agreement Conduct Pending the Merger No Solicitation ;

the belief that the required regulatory approval under the HSR Act from the Antitrust Division of the Department of Justice is expected to be received prior to the end date and that no other regulatory approvals are expected to be required in order to consummate the Merger. For more information about the status of these applications, see the section entitled "The Merger Agreement - Conditions to the Merger" ;

the ability of the Teekay Tankers and TIL to complete the Merger in a timely manner, including Teekay Tankers' ability to specifically enforce TIL's obligations under the Merger Agreement, and the contractual commitments of both parties with respect to the regulatory approvals required to complete the Merger; and

other favorable terms of the Merger Agreement, including:

restrictions on TIL's ability to solicit alternative transactions and to provide confidential information to, or engage in discussions with, a third party interested in pursuing an alternative transaction with TIL, as further discussed in the section entitled "The Merger Agreement - Conduct Pending the Merger - No Solicitation" ;

Table of Contents

the fact that, while TIL can change or withdraw its recommendation in favor of the Merger Agreement in certain circumstances and subject to compliance with certain procedural requirements, TIL cannot terminate the Merger Agreement in connection with the receipt of an unsolicited superior proposal or an intervening event and would still be required to hold a shareholders' meeting to bring the Merger Agreement to a vote;

the obligation of TIL to pay Teekay Tankers a termination fee of \$5 million upon termination of the Merger Agreement under specified circumstances; and

the obligation of TIL to reimburse Teekay Tankers for its documented out-of-pocket expenses, subject to a maximum amount of \$2 million, if the Merger Agreement is terminated due to the failure to obtain the TIL shareholder approvals or if the TIL Board changes its recommendation.

In connection with its deliberations relating to the Merger, the Teekay Tankers Board also considered potential risks and negative factors concerning the Merger and the other transactions contemplated by the Merger Agreement, including, but not limited to, the following:

the risk that the Merger might not be completed in a timely manner or at all;

the effect that the length of time from announcement until closing could have on the market price of shares of Teekay Tankers Class A Common Stock, and the relationships with Teekay Tankers' shareholders;

the costs that will be incurred by Teekay Tankers in connection with consummating the Merger and the impact of those costs on Teekay Tankers' operating results;

the risk that the anticipated benefits of the Merger will not be realized in full or in part, including the risk that expected synergies will not be achieved or will not be achieved in the expected time frame;

the fact that the exchange ratio is fixed and will not be adjusted for fluctuations in the market price of shares of Teekay Tankers Class A Common Stock or fluctuations in the market price of shares of TIL common stock;

the risk that the Teekay Tankers shareholders may vote against the approval of the Charter Amendment and the risk that the TIL shareholders may vote against the approval of the Merger Agreement;

certain restrictions on the conduct of Teekay Tankers' business during the pendency of the Merger, including restrictions on Teekay Tankers' ability to solicit alternative transactions, although the Teekay Tankers Board believed that such restrictions were reasonable;

the fact that the Merger Agreement provides for the ability of the TIL Board to, under certain circumstances, fail to make, withdraw, modify or amend, in a manner adverse to Teekay Tankers, its recommendation that TIL shareholders approve the Merger Agreement;

the risk that if the Merger Agreement is terminated, Teekay Tankers may be obligated to pay a termination fee of \$7.5 million under certain circumstances;

the inability of Teekay Tankers to terminate the Merger Agreement to enter into an agreement for a superior proposal or an intervening event;

the potential impact on the market price of Teekay Tankers Class A Common Stock as a result of the issuance of the stock consideration to TIL shareholders, including the risk that it could create an overhang on Teekay Tankers' stock price if former TIL shareholders sell their shares of Teekay Tankers Class A Common Stock following the Merger;

the risk that the regulatory approval process could result in a rejection of the Merger, the imposition of undesirable conditions or burdensome terms; and

the risks described in the section entitled "Risk Factors."

Table of Contents

After consideration of these factors, the Teekay Tankers Board determined that, overall, the potential benefits of the Merger outweighed the potential risks.

The foregoing discussion of factors considered by the Teekay Tankers Board is not intended to be exhaustive and may not include all the factors considered by the Teekay Tankers Board. In view of the wide variety of factors considered in connection with its evaluation of the merger and the complexity of these matters, the Teekay Tankers Board did not attempt to quantify, rank or otherwise assign any relative or specific weights to the factors that it considered in reaching its determination to approve the Merger and the Merger Agreement. In addition, individual members of the Teekay Tankers Board may have given differing weights to different factors. The Teekay Tankers Board conducted an overall review of the factors described above and other material factors, including through discussions with, and inquiry of, Teekay Tankers' management and outside legal advisor.

The foregoing description of Teekay Tankers' consideration of the factors supporting the Merger is forward-looking in nature. This information should be read in light of the factors discussed in the section entitled "Cautionary Statement Concerning Forward-Looking Statements."

Opinion of Swedbank Norge

Teekay Tankers engaged Swedbank to deliver to the Teekay Tankers Board, in its capacity as such, Swedbank's opinion, as investment bankers, as to the fairness to Teekay Tankers, from a financial point of view, of the Merger Consideration. At a meeting of the Teekay Tankers Board held on May 30, 2017, Swedbank delivered to the Teekay Tankers Board its oral opinion, which opinion was confirmed in writing by the delivery of its written opinion, dated May 30, 2017 (or the *Opinion*), that, as of the date of the Opinion and subject to and based on the assumptions made, procedures followed, matters considered, limitations of the review undertaken and qualifications contained in the Opinion, the Merger Consideration was fair, from a financial point of view, to Teekay Tankers. Swedbank was not engaged to serve, and did not serve, as financial advisor or in any other capacity for any of the parties to the Merger Transactions in connection with the Merger Transactions.

The full text of the Opinion is attached to this joint proxy statement/prospectus as Appendix D and is incorporated herein by reference. The summary of the Opinion contained in this joint proxy statement/prospectus is qualified in its entirety by reference to the full text of the Opinion. Teekay Tankers' shareholders are encouraged to read the Opinion carefully and in its entirety for a description of the assumptions made, procedures followed, matters considered, limitations and qualifications of the review undertaken by Swedbank in connection with the Opinion. The Opinion was provided for the information of, and directed to, the Teekay Tankers Board in connection with its consideration of the financial terms of the Merger and was only one of many factors considered by the Teekay Tankers Board in its evaluation of the Merger Transactions. The Opinion addresses only the fairness to Teekay Tankers, from a financial point of view, of the Merger Consideration as of the date of the Opinion. The Opinion does not address any other term or aspect of the Merger Transactions, including, without limitation, as to the fairness of the Merger Consideration to the holders of any class of securities, creditors or other constituencies of Teekay Tankers. Furthermore, Swedbank expressed no opinion with respect to the amount or nature of any compensation to any officers, directors, or employees of any party to the Merger Transactions, or any class of such persons relative to the Merger Consideration or with respect to the fairness of any such compensation. Swedbank expressed no opinion as to the price at which the shares of Teekay Tankers Class A Common Stock or the shares of TIL common stock will trade at any future time. The Opinion does not constitute a recommendation to the Teekay Tankers Board as to how it should vote or otherwise act with respect to the Charter Amendment, the Merger Transactions or any other matter or to any shareholder of Teekay Tankers as to how such shareholder should vote or otherwise act with respect to the Charter Amendment, the Merger Transactions or any other matter. The Opinion did not address or compare the relative merits of the Merger Transactions with any other strategies or transactions which might have been available to Teekay Tankers and did not

address the underlying decision of Teekay Tankers to effect the Merger Transactions.

- 100 -

Table of Contents

The Opinion was necessarily based on economic, market and other conditions as in effect on, and the information made available to Swedbank as of, the date of the Opinion. Subsequent developments from the date of the Opinion may affect the Opinion and Swedbank does not have any obligation to update, revise or reaffirm the Opinion.

In connection with preparing the Opinion, Swedbank, among other things:

reviewed a draft of the Merger Agreement dated May 20, 2017;

reviewed certain publicly available business and financial information concerning TIL and Teekay Tankers and the industries in which they operate;

compared the financial and operating performance of TIL and Teekay Tankers with publicly available information concerning certain other companies Swedbank deemed relevant and reviewed the current and historical market prices of the shares of TIL common stock and the Teekay Tankers Class A Common Stock and certain publicly traded securities of such other companies;

reviewed certain internal financial analyses and forecasts provided to Swedbank by the management of Teekay Tankers relating to the businesses of Teekay Tankers and TIL;

reviewed independent broker valuations provided by Teekay Tankers; and

performed such other financial studies and analyses and considered such other information as Swedbank deemed appropriate for the purposes of the Opinion.

In addition, Swedbank held discussions with certain members of the management of TIL and Teekay Tankers with respect to certain aspects of the Merger, the past and current business operations of TIL and Teekay Tankers, the financial condition and future prospects and operations of TIL and Teekay Tankers, the effects of the Merger on the financial condition and future prospects of Teekay Tankers, and certain other matters.

In connection with its review and analysis and in rendering the Opinion, Swedbank relied upon and assumed, with the Teekay Tankers Board's consent, the accuracy and completeness of all information that was publicly available or was furnished to or discussed with Swedbank by TIL or Teekay Tankers or otherwise reviewed by Swedbank (including, without limitation, the independent broker valuations provided to Swedbank by Teekay Tankers). Swedbank did not independently verify any such information or its accuracy or completeness and did not assume any obligation to undertake any such independent verification. Swedbank did not evaluate the solvency of TIL or Teekay Tankers under any state or federal or other laws relating to bankruptcy, insolvency or similar matters. In relying on financial analyses and forecasts provided to it, Swedbank assumed, with the Teekay Tankers Board's consent, that they were reasonably prepared based on assumptions reflecting the best currently available estimates and judgments of management of Teekay Tankers as to the expected future results of operations and financial condition of TIL and Teekay Tankers to which such analyses or forecasts related. Swedbank expressed no view as to such analyses or forecasts or the assumptions on which they were based. Swedbank did not make, nor was Swedbank provided with, any independent valuation or appraisal of the assets or liabilities of Teekay Tankers or TIL, other than the independent broker

valuations provided by management of Teekay Tankers as referenced above, nor did Swedbank assume any responsibility to make or obtain any such valuations or appraisals. Swedbank did not make any physical inspection of the properties or assets of Teekay Tankers or TIL. Swedbank also assumed, with the Teekay Tankers Board's consent, that the Merger Transactions will have the tax consequences described in discussions with, and materials furnished to Swedbank by, representatives of Teekay Tankers, and will be consummated as described in the Merger Agreement. Swedbank also assumed that the representations and warranties made by Teekay Tankers and TIL in the Merger Agreement were and will be true and correct in all respects material to its analysis. Swedbank is not a legal, regulatory, accounting or tax expert and it relied on the assessments made by advisors to Teekay Tankers with respect to such issues. Swedbank further assumed, with the Teekay Tankers Board's consent, that all material governmental, regulatory or other consents and approvals necessary for the consummation of the Merger will be obtained without any adverse effect on TIL or Teekay Tankers or on the contemplated benefits of the Merger.

Table of Contents

Swedbank also assumed that there were no material changes in the assets, liabilities, financial condition, results of operations, business or prospects of TIL or Teekay Tankers since the date of the last financial statements of TIL and Teekay Tankers, respectively, made available to Swedbank and that there was no information or facts that would make any of the information reviewed by Swedbank incomplete or misleading in any respect material to Swedbank's analyses or the Opinion. In addition, Swedbank assumed that the Merger will be consummated substantially on the terms and conditions described in the Merger Agreement, without any waiver of material terms or conditions by Teekay Tankers or any other party and without any adjustment to the Merger Consideration. Swedbank assumed that the Merger Transactions will be consummated in a manner that complies with the applicable provisions of the Securities Act of 1933, as amended, the Securities Exchange Act of 1934, as amended (or the *Exchange Act*), and all other applicable federal, state and foreign statutes, rules and regulations.

The following is a summary of the material financial analyses utilized by Swedbank in connection with providing the Opinion. Some of the summaries of the financial analyses include information presented in tabular format. The tables are not intended to stand alone, and in order to more fully understand the financial analyses used by Swedbank, the tables must be read together with the full text of each summary. Considering the data set forth below without considering the full narrative description of the financial analyses, including the methodologies and assumptions underlying the analyses, could create a misleading or incomplete view of Swedbank's analyses.

Summary of Financial Analyses***Historical pricing and exchange ratio******Historical exchange ratio***

Swedbank calculated the historical exchange ratios of the shares of TIL common stock relative to the Teekay Tankers Class A Common Stock implied by the average of the daily closing prices of the shares of TIL common stock and the Teekay Tankers Class A Common Stock during each of calendar years 2014 (starting from March 25, 2014), 2015 and 2016 and calendar year 2017 to May 26, 2017. The resulting implied exchange ratios are set forth in the table below. Swedbank noted that, based on the closing prices of shares of TIL common stock and Teekay Tankers Class A Common Stock on May 26, 2017, the implied exchange ratio as of that date was approximately 2.6x. Swedbank also noted that the historical exchange ratio has only been higher than the Exchange Ratio directly after the completion of the initial public offering of TIL.

	2014	2015	2016	2017
	from March 25			to May 26
Mean TIL/ Teekay Tankers exchange ratio	2.7x	1.8x	2.1x	2.3x

TIL common share price historical averages

Swedbank reviewed the trading prices of shares of TIL common stock for the 12 months ended May 26, 2017, and calculated the average closing price and volume weighted average price (or VWAP) for the one-week, one-month, 3-month and 12-month periods ended May 26, 2017. The resulting prices for the relevant periods are set forth in the table below.

\$ per TIL common share	Last week	Last month	Last 3 months	Last 12 months
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TIL common share price (arithmetic average)	5.16	5.11	5.00	5.30
TIL common share price (VWAP)	5.20	5.16	5.06	5.21

- 102 -

Table of Contents

Swedbank noted that the implied price of shares of TIL common stock in the Merger, based on the Exchange Ratio of 3.30 and the closing price of Teekay Tankers Class A Common Stock on May 26, 2017, was \$6.40 per share, which, compared to the last week's VWAP, implied a premium of 23% for shares of TIL common stock. The premium compared to the VWAP share price for the last 12 months was similar.

Tender offer premiums for companies listed on the OSE

Swedbank reviewed historical mean premiums offered in successful tender offers for companies listed on the OSE during each of the years 1998 through 2015. For these purposes, Swedbank considered a tender offer for a company successful when holders of over 90% of all outstanding shares of such company accepted such tender offer. The mean premiums for such tender offers as compared to the closing price of the target company's stock on the day prior to announcement and as compared to the average closing price of the target company's stock for the four weeks ending on the date prior to announcement during the relevant periods are set forth below.

Year	1 day	4 week
1998	50.3 %	48.9 %
1999	25.0 %	37.9 %
2000	18.6 %	40.6 %
2001	21.9 %	34.0 %
2002	40.3 %	22.3 %
2003	24.7 %	29.1 %
2004	30.4 %	28.3 %
2005	11.5 %	42.9 %
2006	23.4 %	43.5 %
2007	22.7 %	26.5 %
2008	29.5 %	24.3 %
2009	22.9 %	31.0 %
2010	22.6 %	25.4 %
2011	46.3 %	45.3 %
2012	38.6 %	41.2 %
2013	26.3 %	38.0 %
2014	32.0 %	36.2 %
2015	28.0 %	32.0 %
Mean for all years	28.6 %	34.8 %

Swedbank considered that, historically, the mean premiums for successful tender offers for companies listed on the OSE typically ranged between 20% and 40%. Swedbank noted that the premiums for shares of TIL common stock in the Merger implied by the Exchange Ratio and the closing price of Teekay Tankers Class A Common Stock on May 26, 2017, of 25% based on the closing price of shares of TIL common stock on May 26, 2016, and of 24% based on the VWAP for shares of TIL common stock for the last 4 weeks, was in the lower end of this range. Swedbank also noted that, in a recent proposed transaction in the shipping industry, the DHT Holdings Inc. board of directors declined an offer from Frontline Ltd. with a 1-day premium of 22% and a 4-week premium of 21%.

Consensus equity research on TIL

Swedbank reviewed selected public market trading price targets for shares of TIL common stock prepared and published by four equity research analysts that had published or confirmed price targets for shares of TIL common stock as of May 26, 2017. Swedbank reviewed the most recent 12-month price target published by each such analyst. These targets reflected each analyst's estimate of the public market trading price of shares of TIL common stock within 12 months from the time the price target was published. At May 26, 2017, such selected

Table of Contents

equity analyst price targets for shares of TIL common stock ranged from \$5.19 to \$8.84 per share, with a mean of \$6.31 and a median of \$5.60. Swedbank noted that the consideration in the Merger of \$6.40 per share of TIL common stock implied by the Exchange Ratio and the closing price of Teekay Tankers Class A Common Stock on May 26, 2017 represented only a slight premium to the mean consensus target price.

Valuation multiple relative to selected publicly traded companies

Swedbank performed an analysis of selected publicly-traded companies in the tanker industry in order to estimate an implied value of TIL based on certain public market multiples for selected companies that share certain operating and financial characteristics with TIL. Swedbank reviewed and compared TIL's price to earnings ratio (or *P/E*), implied by the closing price of shares of TIL common stock and average earnings estimates by equity research analysts for 2018 as of May 26, 2017, to corresponding *P/E*s for the following six publicly-traded tanker companies (collectively, the *Selected Companies*):

Euronav NV

Frontline Ltd.

DHT Holdings, Inc.

Gener8 Maritime Inc.

Scorpio Tankers Inc.

Teekay Tankers Ltd.

Swedbank chose the Selected Companies because they have business models similar in some respects to those of TIL, but none of the Selected Companies has the same management, composition, size, operations and/or financial profile as TIL.

Using the averages of research estimates from FactSet for TIL and the Selected Companies (including Teekay Tankers), Swedbank compared the *P/E* of each Selected Company to the *P/E* of TIL, in each case as of market close on May 26, 2017, and to the *P/E* of TIL implied by the Exchange Ratio and the price of Teekay Tankers Class A Common Stock as of market close on May 26, 2017. The *P/E* of each Selected Company and of TIL, as of market close on May 26, 2017 and, in the case of TIL, as implied by the Exchange Ratio and the closing price of Teekay Tankers Class A Common Stock on May 26, 2017, are set forth below.

	EURN	FRO	DHT	GNRT	STNG	Teekay Tankers	TIL Last Price	TIL Exchange Ratio
<i>P/E</i>	19.0x	12.9x	12.2x	11.2x	8.3x	8.1x	5.4x	6.7x

		Difference to TIL Exchange Ratio
Median Selected Companies and TIL last price	11.2x	+4.5
Average Selected Companies and TIL last price	11.0x	+4.3
TIL last price	5.4x	-1.3

Swedbank noted that the P/E of TIL implied by the Exchange Ratio and the price of Teekay Tankers Class A Common Stock as of market close on May 26, 2017 was below the median P/E of the Selected Companies and TIL of 11.2x, but above the P/E of TIL based on TIL's trading price as of the close of trading on May 26, 2017 of 5.4x.

Valuation based on broker value of fleet

Swedbank performed a net asset value valuation (or *NAV*) for each of Teekay Tankers and TIL using broker valuations of their respective vessels provided by Teekay Tankers and net interest bearing debt (or *NIBD*) for each of Teekay Tankers and TIL based on financial information provided by Teekay Tankers.

Table of Contents

The average vessel age of Teekay Tankers and TIL's vessels, by category of vessel, as well as the NAV valuation, are set forth below.

Average vessel age	LR2	Aframax	Suezmax	VLCC	Total fleet
TIL	5.0	7.4	7.9		7.4
Teekay Tankers	7.9	13.0	9.1	3.9	10.0
Combined					9.3

Value \$m	LR2	Aframax	Suezmax	VLCC	Other	NIBD	NAV
TIL	60	137	310	0	13	309	211
Teekay Tankers	160	216	610	7	191	799	385
Combined							596

Based on the NAV valuation of TIL and the closing price of shares of TIL common stock on May 26, 2017, Swedbank noted that shares of TIL common stock traded at a price to NAV (or *P/NAV*) of approximately 0.7x at such date. Swedbank also noted that, based on the price of shares of TIL common stock in the Merger implied by the Exchange Ratio and the price of Teekay Tankers Class A Common Stock as of market close on May 26, 2017, shares of TIL common stock would have a *P/NAV* of approximately 0.9x. Further, Swedbank noted that, based on the NAV per share of each of Teekay Tankers and TIL (and not the price of Teekay Tankers Class A Common Stock or shares of TIL common stock), the premium in the Merger implied by the Exchange Ratio would be approximately 11%.

The table below sets forth (i) the TIL NAV per share of TIL common stock, (ii) the price per share of TIL common stock in the Merger implied by the Exchange Ratio and the closing price of Teekay Tankers Class A Common Stock on May 26, 2017, (iii) the price per share of TIL common stock in the Merger implied by the Exchange Ratio and the Teekay Tankers NAV per share of Teekay Tankers Class A Common Stock, (iv) the premium of the price per share of TIL common stock in the Merger implied by the Exchange Ratio and the closing price of Teekay Tankers Class A Common Stock on May 26, 2017 compared to the TIL NAV per share of TIL common stock and (v) the premium implied by the Exchange Ratio based solely on the NAV of each of Teekay Tankers and TIL.

TIL NAV per common share	TIL price per common share implied by Exchange Ratio and price per share of Teekay Tankers Class A Common Stock	Price per TIL common share implied by Exchange Ratio and Teekay Tankers NAV per share of Teekay Tankers Class A Common Stock	Premium of implied price per TIL common share based on Teekay Tankers price per share of Teekay Tankers Class A Common Stock compared	Premium based on NAV for NAV exchange

to
TIL
NAV per
common
share

\$6.95	\$ 6.40	\$ 7.69	-8%	11%
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Swedbank further noted that, based on the price of shares of TIL common stock in the Merger implied by the Exchange Ratio and the closing price of Teekay Tankers Class A Common Stock on May 26, 2017 and on the TIL vessel valuations described above, TIL's enterprise value is 103% of its total fleet value, and that, based on the closing price of Teekay Tankers Class A Common Stock on May 26, 2017 and on the Teekay Tankers vessel valuations described above, Teekay Tankers' enterprise value is 106% of its total fleet value. Swedbank noted that the market has historically valued TIL's assets at a discount, whereas Teekay Tankers' assets have traded at a premium.

Table of Contents

The following tables set forth the balance sheet of each of Teekay Tankers and TIL and compares it with Teekay Tankers' enterprise value implied by the closing price of Teekay Tankers Class A Common Stock on May 26, 2017, and TIL's enterprise value in the Merger implied by the Exchange Ratio and the closing price of Teekay Tankers Class A Common Stock on May 26, 2017.

Overview of Teekay Tankers	\$m
NIBD	799
Equity value	321
Enterprise Value	1,119*
Fleet Value	1,184
Overview of TIL	\$m
NIBD	309
Equity value implied in Merger	194
Enterprise Value implied in Merger	504*
Fleet Value	520

* Note: Figures do not tie due to rounding.

Conclusion

Based upon the foregoing analyses and the assumptions and limitations set forth in the text of the Opinion, Swedbank was of the opinion that, as of the date of the Opinion and subject to and based on the assumptions made, procedures followed, matters considered, limitations of the review undertaken and qualifications contained in the Opinion, the Merger Consideration was fair, from a financial point of view, to Teekay Tankers.

The preparation of a fairness opinion is a complex process and is not necessarily susceptible to a partial analysis or summary description. In arriving at its Opinion, Swedbank considered the results of all of its analyses as a whole and did not attribute any particular weight to any analysis or factor considered by it. Swedbank believes that the summary provided and the analyses described above must be considered as a whole and that selecting portions of these analyses, without considering all of them, would create an incomplete view of the process underlying Swedbank's analyses and the Opinion; therefore, the range of valuations resulting from any particular analysis described above should not be taken to be Swedbank's view of the actual value of Teekay Tankers or TIL.

Swedbank received a fee of \$450,000 from Teekay Tankers for delivering the Opinion, no portion of which was contingent upon the consummation of the Merger Transactions. In addition, Teekay Tankers agreed to indemnify Swedbank for certain liabilities arising out of Swedbank's engagement.

As of the date of the Opinion, employees in Swedbank owned 7,502 shares of TIL common stock and members of the Swedbank team who provided services in connection with the Opinion owned no shares of TIL common stock.

As of the date of the Opinion, Swedbank acted as a lender under Teekay Tankers' Secured Term Loan and Revolving Credit Facility Agreement dated January 8, 2016, between Teekay Tankers, Nordea Bank Finland PLC and the other parties thereto (under which Swedbank held 5.5% of the aggregate outstanding revolving loans), and under TIL's revolving credit facilities (under which Swedbank held 25% of the aggregate outstanding revolving loans), and in

connection therewith has received customary compensation. Swedbank has also advised affiliates of Teekay Tankers in certain matters, including (i) Teekay LNG Partners L.P. in its May 2015, October 2016 and January 2017 bond issuances, and (ii) Teekay Offshore Partners L.P. in connection with a recapitalization in 2015 for its Norwegian bonds and in connection therewith has received customary compensation.

- 106 -

Table of Contents

Swedbank is a full-service securities firm which may be engaged at various times, directly or through its affiliates, in various activities including, without limitation, securities trading, investment management, financing and brokerage activities and financial advisory services for companies, governments and individuals. In the ordinary course of these activities, Swedbank and its affiliates from time-to-time may: (i) effect transactions for their own accounts or the accounts of their clients and hold long or short positions in debt or equity securities or other financial instruments (or related derivative instruments) of Teekay Tankers or TIL; (ii) have confidential discussions with, and provide information to, clients, potential clients, financial investors or other parties in Teekay Tankers industry regarding various market and strategic matters; and/or (iii) have performed, or sought to perform, various investment banking, financial advisory or other services for clients who may have conflicting interests with respect to Teekay Tankers. In certain circumstances the interests of Teekay Tankers or TIL may be regarded as conflicting with the interests of a client of Swedbank or its affiliates in relation to a particular transaction, or they may have some other interest that is material.

Unaudited Financial Projections of TIL and Teekay Tankers

Management of Teekay Tankers prepared financial projections for the years 2017 through 2019 for Teekay Tankers and provided the financial projections to the TIL Special Committee and Evercore, as financial advisor to the TIL Special Committee in connection with its evaluation of the Merger. Management of TIL prepared financial projections for the years 2017 through 2019 for TIL and provided the projections to the TIL Special Committee, Evercore and Teekay Tankers. The TIL and Teekay Tankers financial projections were also provided to Swedbank, in connection with its Opinion delivered to the Teekay Tankers Board. The financial projections were prepared on a standalone basis giving no impact to the proposed Merger. At the direction of the TIL Special Committee, and based on the assumptions provided to Evercore by managements of Teekay Tankers and TIL and with the input of management of Teekay Tankers and TIL, Evercore extrapolated the financial projections through year end 2021. We refer to the 2017 through 2021 financial projections of Teekay Tankers as the Teekay Tankers Financial Projections and the 2017 through 2021 financial projections for TIL as the TIL Financial Projections. Together the Teekay Tankers Financial Projections and the TIL Financial Projections are referred to as the Financial Projections. The Teekay Tankers Financial Projections were prepared as of May 4, 2017, subsequently updated as of May 12, 2017 and have not been subsequently updated. The TIL Financial Projections were prepared as of April 26, 2017, subsequently updated as of May 12, 2017 and have not been subsequently updated.

Neither Teekay Tankers nor TIL, as a matter of course, makes public long term projections due to, among other reasons, the uncertainty of the underlying assumptions and estimates. The financial projections for the years 2017 through 2019 provided to the Teekay Tankers Board, Swedbank, the TIL Special Committee and Evercore by management of Teekay Tankers and TIL were provided for the sole purpose of assisting them in their analysis of the Merger. The summary of the Financial Projections below is included herein solely because the Financial Projections were provided to the TIL Special Committee and used by Evercore in their financial analysis provided to the TIL Special Committee and because the financial projections for the years 2017 through 2019 were provided to the Teekay Tankers Board and used by Swedbank in their financial analysis provided to the Teekay Tankers Board. The Financial Projections were not prepared with a view toward public disclosure or with a view toward complying with any regulatory standard, including GAAP, the guidelines of the SEC with respect to prospective financial information or the guidelines established by the American Institute of Certified Public Accountants with respect to prospective financial information. Neither Teekay Tankers nor TIL's independent accountants (or any other independent accountants) have compiled, examined or performed any procedures with respect to the prospective financial information contained herein, nor have they expressed any opinion or any form of assurance on such information or its achievability, and assume no responsibility for the prospective financial information. The reports of the independent registered public accounting firm incorporated by reference into this joint proxy statement/prospectus relate to the historical financial information of Teekay Tankers and TIL, respectively. Such reports do not extend to any of the

prospective financial information herein.

Table of Contents

In developing the financial projections for the years 2017 through 2019 and providing input and assumptions in respect of the financial projections for the years 2020 and 2021, the management of Teekay Tankers and TIL made numerous material assumptions with respect to their respective businesses for the periods covered by the projections. The assumptions included, but were not limited to, the following:

Vessel utilization, rechartering and pricing

Spot rates for Suezmax and Aframax tankers

Operating costs and capital expenditures

The impact of regulations and likely changes in regulation

Growth profits and the financing of growth

Other general business, market and financial assumptions.

All these assumptions involved variables making them difficult to predict, and most are beyond the control of Teekay Tankers or TIL. Although Teekay Tankers management, with respect to the Teekay Tankers Financial Projections, and TIL management, with respect to TIL Financial Projections, believe that the assumptions were reasonable at the time of their preparation, both believe that the results of operations for their respective companies will likely vary substantially from what has been projected because of the nature of their businesses and the inherent uncertainty in any attempt to predict business operations on a long-term basis. In addition, the Financial Projections are subject to a wide variety of significant business, economic, regulatory and competitive risks and uncertainties that are outside the control of TIL and Teekay Tankers and could cause actual results to differ materially from those contained in the Financial Projections, including, among other things, the factors and/or risks set forth in Teekay Tankers' reports filed with the SEC, and other factors described or referenced in the section entitled "Cautionary Statement Concerning Forward-Looking Statements" and in the section entitled "Risk Factors." Accordingly, the Financial Projections are not facts and should not be relied upon as being indicative of future results and you are cautioned not to rely on the Financial Projections. The Financial Projections do not reflect any impact of the proposed merger and do not take in account the potential consequences should the merger fail to be consummated, and should not be viewed as accurate or continuing in those contexts.

Teekay Tankers, TIL the Special Committee and Evercore, because of their overall familiarity with Teekay Tankers and TIL and the various experts available to assist them, were positioned to utilize the Financial Projections in an appropriate manner. We believe that a shareholder of Teekay Tankers or TIL, however, should use particular caution when considering the Financial Projections and to view them principally for the purpose of acquiring an understanding of the background for the decision-making processes at Teekay Tankers and TIL leading up to the execution of the Merger Agreement.

The inclusion of the summary of the Financial Projections in this joint proxy statement/prospectus should not be regarded as an indication such projections are material information of Teekay Tankers or TIL, as applicable, or

predictive of actual future results nor should it be construed as financial guidance, and it should not be relied upon as such. The summary of the Financial Projections included in this joint proxy statement/prospectus is not intended to induce any shareholder of Teekay Tankers or TIL, as applicable, to vote in favor of any of the proposals at the special meeting of Teekay Tankers or TIL, as applicable, but have been included solely because the Financial Projections were made available to the TIL Special Committee and used by Evercore in connection with the rendering of its fairness opinion to the Special Committee and performing its related financial analyses, as described in the section entitled "The Merger" Opinion of the Financial Advisor to the TIL Special Committee, Evercore Group L.L.C. and because the financial projections for the years 2017 through 2019 were made available to the Teekay Tankers Board and used by Swedbank in connection with the rendering of its fairness opinion to the Teekay Tankers Board and performing its related financial analyses, as described in the section entitled "The Merger" Opinion of Swedbank Norge.

Table of Contents

NEITHER TEEKAY TANKERS NOR TIL INTEND TO REVISE THE FINANCIAL PROJECTIONS 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 THE FINANCIAL PROJECTIONS ARE NO LONGER APPROPRIATE.

TIL Financial Projections

	Prepared by TIL Management					Extrapolated by		
	Q2	Q3	Q4	Q2-Q4	2018E FY	2019E FY	Evercore 2020E FY	2021E FY
	(\$ in millions)					(\$ in millions)		
Total TCE Earnings, Net ⁽¹⁾	\$ 27.2	\$ 24.4	\$ 31.3	\$ 82.9	\$ 127.3	\$ 167.4	\$ 171.3	\$ 174.2
EBITDA ⁽²⁾	\$ 12.0	\$ 9.0	\$ 16.0	\$ 37.1	\$ 64.7	\$ 103.3	\$ 105.3	\$ 106.8
Free Cash Flow ⁽³⁾	(6.5)	(6.3)	1.2	(11.7)	3.4	8.8		42.8
Debt/LTM EBITDA	6.1x	6.0x	5.9x	5.9x	4.2x	2.0x	1.2x	0.6x
Net Debt/LTM EBITDA	5.5	5.5	5.4	5.4	3.7	1.7	0.8	NM

(1) Total TCE Earnings for purposes of this table means total time charter equivalent earnings.

(2) EBITDA for purposes of this table means earnings before interest expense, tax, depreciation and amortization.

(3) Free Cash Flow for purposes of this table means EBITDA plus / (minus) cash inflows / (outflows) from investing and financing.

Teekay Tankers Financial Projections

	Prepared by Teekay Tankers Management					Extrapolated by		
	Q2	Q3	Q4	Q2-Q4	2018E FY	2019E FY	Evercore 2020E FY	2021E FY
	(\$ in millions)					(\$ in millions)		
Total TCE Earnings, Net ⁽¹⁾	\$ 89.1	\$ 80.7	\$ 88.8	\$ 258.6	\$ 378.1	\$ 472.4	\$ 446.3	\$ 431.9
EBITDA ⁽²⁾	\$ 12.0	\$ 29.5	\$ 40.5	\$ 106.3	\$ 183.5	\$ 271.8	\$ 250.7	\$ 240.1
Free Cash Flow ⁽³⁾	(1.2)			(1.2)				
Debt/LTM EBITDA	5.6x	5.5x	5.3x	5.3x	3.6x	1.7x	1.2x	0.6x
Net Debt/LTM EBITDA	5.3	5.2	5.0	5.0	3.3	1.5	1.0	0.4

(1) Total TCE Earnings for purposes of this table means total time charter equivalent earnings.

(2) EBITDA for purposes of this table means earnings before interest expense, tax, depreciation and amortization.

(3) Free Cash Flow for purposes of this table means EBITDA plus / (minus) cash inflows / (outflows) from investing and financing.

Certain Effects of the Merger