

VALERO ENERGY PARTNERS LP

GOVERNANCE GUIDELINES

The Board of Directors (the “**Board**”) of Valero Energy Partners GP LLC (the “**Company**”), acting on behalf of the Company in its capacity as the general partner of Valero Energy Partners LP (the “**Partnership**” and, together with its subsidiaries and the Company, the “**Partnership Group**”), has adopted these Governance Guidelines (these “**Guidelines**”) to emphasize the Board’s strong commitment to good governance practices.

Because the Partnership is a master limited partnership, it is governed by a limited partnership agreement under Delaware state law. The First Amended and Restated Agreement of Limited Partnership of the Partnership (as it may be amended from time to time, the “**Partnership Agreement**”), to which all limited partners (“**unitholders**”) are parties, sets forth the rights of the unitholders. By contract, the unitholders do not participate in the management of the Partnership, nor in the selection or election of directors to the Board. The basic charter document for the Company is its First Amended and Restated Limited Liability Company Agreement (as it may be amended from time to time, the “**LLC Agreement**”). The member of the Company has delegated to the Board the Company’s power and authority to manage and control the business and affairs of the Partnership, as specified in the LLC Agreement. Pursuant to these agreements, the governance of the Company is, in effect, the governance of the Partnership.

The New York Stock Exchange (the “**NYSE**”) has recognized the distinctive characteristics of limited partnerships in the application of its listing standards regarding governance. For example, the Partnership is excluded from the requirements of the NYSE Listed Company Manual (the “**NYSE Manual**”) that there be a majority of independent directors on the Board and that the Board have nominating/governance and compensation committees. In light of the foregoing, the Board has adopted these Guidelines, which, along with the Partnership Agreement, the LLC Agreement, the charters of the Board’s committees and other written governance policies of the Partnership Group, are designed to provide a framework for the functioning of the Board and its committees.

I. The Board of Directors

A. *Size of Board*

The number of directors that constitutes the Board of the Company shall be fixed from time to time pursuant to the Company’s LLC Agreement.

B. *Qualification Standards and Director Selection*

The Board is responsible for identifying individuals qualified to become directors. If a vacancy on the Board arises, the Board shall seek and identify qualified director candidates, considering such factors that it deems relevant in identifying and recommending candidates, which may include: the individual’s education, experience, reputation, judgment, skill, integrity, industry knowledge, the degree to which the individual’s qualities and attributes complement those of other Board members, and the extent to which the candidate would be a desirable addition to the Board and any committees of the Board.

The Board shall have: (1) at least one director who is “independent” (as determined by the Board pursuant to Section 303A.02 of the NYSE Manual) on the date on which the common units representing limited partner interests in the Partnership (“*Common Units*”) first trade on the NYSE (the “*Listing Date*”); (2) at least two independent directors within 90 days of Listing Date; and (3) at least three independent directors within one year of the Listing Date. Each year, the Board will review the relationships between the Partnership Group and each director and will determine which directors satisfy the applicable independence standards.

C. Director Responsibilities

The basic responsibility of the directors is to exercise their business judgment to act in what they reasonably believe to be not adverse to the best interests of the Company and its members. In discharging that obligation, a director is entitled to rely on the Company’s executives, personnel, outside advisors and auditors as to matters the director reasonably believes are within such person’s professional or expert competence. The directors shall also be entitled to have the Company purchase reasonable directors’ and officers’ liability insurance on their behalf, to the benefits of indemnification to the fullest extent permitted by law and the LLC Agreement and any indemnification agreements, and to exculpation as provided by state law and the LLC Agreement.

Directors are expected to attend Board meetings and meetings of committees on which they serve, and to spend the time needed and meet as frequently as necessary to properly discharge their responsibilities. To the extent feasible, information and data that are important to the Board’s understanding of the business to be conducted at a Board or committee meeting should be distributed in writing to the directors before the meeting and directors should come prepared to contribute substantively at the meeting by reviewing these materials in advance of the meeting.

D. Chairman of the Board

The Board has no policy with respect to the separation of the offices of Chairman of the Board and Chief Executive Officer. The Board believes that review of this issue is part of the succession planning process and that it is in the best interests of the Company for the Board to make a determination regarding this issue each time it elects a new Chief Executive Officer.

E. Meetings of the Board

The Chairman of the Board will establish the agenda for each Board meeting. Each director is free to suggest the inclusion of items on Board agendas. Each director is free to raise at any Board meeting subjects that are not on the agenda for that meeting.

F. Meetings of Non-Management Directors

The non-management directors will have regularly scheduled meetings in executive session that will be held immediately following each regularly scheduled Board meeting.

If the non-management directors include any director who is not independent under the listing requirements of the New York Stock Exchange, then at least once a year, there should be an executive session including only independent directors. The director who presides at executive sessions of the non-management and independent directors (the “*Lead Director*”) will be chosen by the Board. The Lead Director is responsible for preparing an agenda for the executive sessions. The name of the Lead Director will be disclosed in the Partnership’s Annual Report on Form 10-K.

No formal action of the Board shall be taken during any executive session of the non-management directors, although the non-management directors may subsequently recommend matters for consideration by the full Board.

G. Board Interaction with External Constituencies

The Board believes that the Company’s management speaks for the Company and the Partnership. Individual directors may, in special circumstances, meet or otherwise communicate with various constituencies that are involved with the Company and the Partnership. However, it is expected that directors will do this only with the knowledge of the Company’s management and as authorized by the Chairman of the Board, the Board or an appropriate committee of the Board.

H. Director Compensation

The Board will conduct a periodic review of director compensation and make a recommendation to the Board regarding the form and amount of director compensation.

The Board will consider that a director’s independence may be jeopardized if (1) director compensation and perquisites exceed customary levels, (2) the Company or the Partnership makes substantial charitable contributions to organizations with which a director is affiliated, or (3) the Company or the Partnership enters into consulting contracts with (or provides other indirect forms of compensation to) a director or an organization with which the director is affiliated.

Members of the Board shall be reimbursed for out-of-pocket expenses incurred in connection with attending meetings of the Board or committees thereof.

I. Annual Performance Evaluation of the Board

Each year, the Board will conduct a performance review. As part of this process, the Board or a committee thereof will receive comments from all directors and report to the full Board with an assessment of the Board’s performance.

J. Director Orientation and Continuing Education

Management, together with the Board, is responsible for developing and evaluating an orientation and continuing education program for directors, and for making appropriate recommendations for final Board action regarding this program.

K. Unitholder Communications with Directors

The Board welcomes communications from the Partnership's unitholders and other interested parties. Unitholders and any other interested parties may send communications to the Board, any committee of the Board, the Chairman of the Board or any other director to:

Valero Energy Partners LP
One Valero Way
San Antonio, Texas 78249
Attention: Secretary

Unitholders and any other interested parties should mark the envelope containing each communication as "Unitholder Communication with Directors" and clearly identify the intended recipient(s) of the communication. The Company's Secretary will review each communication received from unitholders and other interested parties and will forward the communication, as expeditiously as reasonably practicable, to the addressees if: (1) the communication complies with the requirements of any applicable policy adopted by the Board relating to the subject matter of the communication; and (2) the communication falls within the scope of matters generally considered by the Board. To the extent the subject matter of a communication relates to matters that have been delegated by the Board to a committee of the Board or to an executive officer of the Company, then the Company's Secretary may forward the communication to the executive officer or chairman of the committee to which the matter has been delegated.

The acceptance and forwarding of communications to the members of the Board or an executive officer does not imply or create any fiduciary duty of the Board members or executive officer to the person submitting the communications.

II. Committees of the Board of Directors

A. Committees

The Board will have at all times an Audit Committee and a Conflicts Committee. However, the Board may, from time to time, establish and maintain additional committees as necessary or appropriate. Committee members will be appointed by the Board.

All of the members of the Audit Committee must satisfy the independence and experience requirements detailed in the Audit Committee Charter, including any requirements of the NYSE Manual and Section 10A(m)(3) of the Securities Exchange Act of 1934, and all of the members of the Conflicts Committee must satisfy the requirements set forth in the Partnership Agreement. The Board will determine whether or not each director meets the standards applicable to the committees on which such director is serving or may serve.

B. Committee Charters

Each committee of the Board, other than the Conflicts Committee, will have its own charter. The charters will set forth the authority and responsibilities of the committees as well as qualifications for committee membership, procedures for committee member appointment and removal, committee structure and operations and committee reporting to the Board.

C. Committee Meetings

The chairman of each committee of the Board, in consultation with the committee members, will determine the frequency and length of the committee meetings consistent with any requirements set forth in the committee's charter. The chairman of each committee, in consultation with the appropriate members of the committee and management, will develop the committee's agenda. Committee members are free to suggest the inclusion of items on committee agendas. Committee members are free to raise at any committee meeting subjects that are not on the agenda for that meeting.

D. Annual Performance Evaluation of the Committees

Each year, the Board will conduct a performance review of each committee of the Board. As part of this process, the chairman of each committee will report to the full Board about the committee's annual evaluation of its performance and evaluation of its charter.

III. Director Access to Independent Advisors and Management

The Board and each committee thereof has the power to hire independent legal, financial or other experts and advisors as it may deem necessary, without consulting or obtaining the approval of any officer of the Company in advance.

Directors have full and free access to officers and personnel of the Company. Any meetings or contacts that a director wishes to initiate may be arranged through the Chief Executive Officer or directly by the director. The directors will use their judgment to ensure that any such contact is not disruptive to the business operations of the Company or its affiliates. The Board welcomes regular attendance at each Board meeting of executive officers of the Company.

IV. Management Evaluation and Succession Planning

At least annually, the Board will conduct a performance review of the Company's management, including its Chief Executive Officer, and consider a succession plan for the Chief Executive Officer.

V. Review of Governance Policies

The Board periodically will review and reassess the adequacy of these Guidelines and consider any proposed changes. In addition, the Board will consider any other governance issues that arise from time to time and will develop appropriate recommendations for the Board. Such review will include management's monitoring of the Partnership's compliance programs and the Code of Business Ethics and Conduct, including a report of violations and waivers related to the Company of the Code of Business Ethics and Conduct adopted by the Board.

VI. No Hedging or Pledging

The Company considers it inappropriate for any director or executive officer to enter into speculative transactions in any securities of the Partnership Group. Therefore, the Company prohibits directors or executive officers from purchasing or selling puts, calls, options or other derivative securities based on Partnership Group securities. This policy also prohibits hedging or monetization transactions, such as forward sale contracts, in which the holder continues to own the underlying Partnership Group security without all the risks or rewards of ownership. In addition, this policy prohibits directors and executive officers from pledging any Partnership Group securities as collateral or security for indebtedness.

VII. Posting Requirement

The Company should post these Guidelines, each Board committee charter and the Code of Business Ethics and Conduct adopted by the Board on the Partnership's website as required by applicable rules and regulations. In addition, the Partnership should disclose in its Annual Report on Form 10-K that a copy of each document is available on the Partnership's website and provide the website address.