

Valero Energy Corporation
Related Party Transactions Policy

(approved May 12, 2016)

This Related Party Transactions Policy (the “Policy”) sets forth Valero Energy Corporation’s (the “Company”) policy and procedures governing the notification, review, approval, ratification and disclosure of Related Party Transactions (as defined below).

Article I. Definitions

For purposes of the Policy, the defined terms below shall have the meanings set forth in Item 404(a) of Regulation S-K and the instructions thereto (as applicable), and shall generally mean the following:

1. **“Determining Officer”**: The person who determines whether a transaction constitutes a Related Party Transaction that is subject to this Policy. The General Counsel of the Company shall be the Determining Officer, however, the Corporate Secretary or an Assistant Corporate Secretary shall perform the review and make the requisite determination if the General Counsel is unable to make the determination, whether because the General Counsel is unavailable or because the General Counsel is directly or indirectly involved in the transaction.
2. **“Exchange Act”**: Securities Exchange Act of 1934.
3. **“Immediate Family Member”**: Any child, stepchild, parent, stepparent, spouse, sibling, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law, or sister-in-law of a Company director, executive officer, director nominee or Significant Stockholder (as defined below) and any person (other than a tenant or employee) sharing the household of such director, executive officer, director nominee or Significant Stockholder.
4. **“Related Person”**: is any of the following:
 - (i) any person who is, or at any time since the beginning of the Company’s last fiscal year was, a director or executive officer of the Company or a nominee to become a director of the Company;
 - (ii) any person who, at the time of the occurrence or existence of the transaction at issue, is a Significant Stockholder;
 - (iii) any Immediate Family Member of any of the foregoing persons; and
 - (iv) any entity (i) that employs any of the foregoing persons, (ii) of which any of the foregoing persons is a general partner, officer, or serves in a similar position, or (iii) in which any of the foregoing persons has a 10% percent or greater beneficial ownership interest (whether alone or aggregated with beneficial ownership interests of other Related Persons).
5. **“Related Party Transaction”**: A transaction, arrangement or relationship (or any series of similar transactions, arrangements or relationships) in which (i) the Company (including any of its subsidiaries) was, is or will be a participant, (ii) the amount involved exceeds \$120,000, and (iii) any Related Person had, has or will have a direct or indirect material interest.
6. **“Significant Stockholder”**: The beneficial owner of more than 5% of any class of the Company’s voting securities.

Article II.
Notice to Company of Potential Related Party Transactions

Any director, executive officer, or nominee to become a director of the Company who proposes to enter into a potential Related Party Transaction or becomes aware of a potential Related Party Transaction shall promptly notify the Determining Officer of the facts and circumstances of such transaction, including, to the extent known, the following:

- the Related Person's relationship to the Company and interest in the transaction;
- the material facts of the potential Related Party Transaction, including the proposed aggregate value of such transaction or, in the case of indebtedness, the amount of principal that would be involved;
- whether the transaction was undertaken in the ordinary course of the Company's and the Related Person's business;
- who initiated the transaction; and
- an assessment of whether the potential Related Party Transaction is on terms that are comparable to the terms available to an unrelated third party or to employees generally.

Article III.
Review of Potential Related Party Transactions by Determining Officer

1. Procedures

- A. Upon receipt of the notice described above, the Determining Officer shall review it and any additional information provided therewith to determine whether the potential Related Party Transaction constitutes a Related Party Transaction pursuant to the Policy.
- B. If the Determining Officer concludes that the potential Related Party Transaction constitutes a Related Party Transaction under the Policy, the Determining Officer shall present the transaction to the chairperson of the Nominating/Governance and Public Policy Committee ("Committee") of the Board of Directors of the Company ("Board") so that the transaction may be submitted to the Committee for review at the next regularly scheduled Committee meeting.
- C. If the Determining Officer concludes that the potential Related Party Transaction does not constitute a Related Party Transaction under the Policy or falls into one of the exceptions described below, the transaction will be handled in accordance with the conflict-of-interest policies in the Company's Code of Business Conduct and Ethics without Committee review.
- D. In those instances in which the Determining Officer, in consultation with the Chief Executive Officer, the Chief Financial Officer, or, if the Determining Officer is not the General Counsel, the General Counsel (provided, in each case, that such person is not directly or indirectly involved in the transaction), determines that it is not practicable or desirable for the Company to wait until the next regularly scheduled Committee meeting to review the transaction, it may be submitted for review to (1) the Committee at a special meeting of the Committee called by the chairperson of

the Committee or (2) in only exceptional circumstances, the chairperson of the Committee.

2. Transactions that do not Require Committee Review

Consistent with the foregoing, and the rules and regulations of the Securities and Exchange Commission (the “SEC”), the following categories of Related Party Transactions and/or Related Person interests do not need to be presented to the Committee for review and approval:

- A. Interests arising solely from the Related Person’s position as a director, trustee or similar position of another company that is a party to a transaction with the Company and the Related Person is not involved in the negotiations of the terms of the transaction and does not receive any special benefits as the result of the transaction;
- B. Interests arising solely from the Related Person’s (or any member of his/her immediate family) position as an executive officer or employee of another company or similar entity that is a party to a transaction with the Company, and
 - the Related Person, and the members of his/her immediate family, own in the aggregate less than five percent (5%) of the equity or similar ownership interest in such company or entity,
 - the Related Person (and the members of his/her immediate family) is not involved in the negotiations of the terms of the transaction and does not receive any special benefits as the result of the transaction, and
 - the amount involved in the transaction does not exceed the greater of \$1 million or two percent (2%) of such other company’s consolidated gross revenues.
- C. Relationships that would not preclude a determination of director independence under Section 303A.02(b) of the NYSE Listed Company Manual;
- D. Charitable contributions by the Company to an organization in which a director is an executive officer and Valero’s contributions do not exceed the greater of \$1 million or 2% of the organization’s gross revenue in any of the last three years;
- E. Charitable contributions by Valero to any organization with which a director, or any Immediate Family Member of the director, is affiliated as an officer, director, or trustee, pursuant to a matching gift program of Valero and made on terms applicable to employees and directors generally, or is in amounts that do not exceed \$1 million per year;
- F. Relationships, interests, and transactions that are not required to be disclosed in the Company’s SEC filings per the Instructions to Item 404(a) of Regulation S-K, as the same may be amended; and
- G. Transactions involving indemnification or advancement of expenses made pursuant to the Company’s certificate of incorporation, bylaws, or an agreement approved by the Board.

Article IV. Committee Review Procedures

1. Criteria and Process for Evaluating Related Party Transactions

- A. After evaluating a Related Party Transaction submitted for approval under this Policy, the Committee shall: (a) determine whether the Related Person “has or will have a direct or indirect material interest” in the transaction; and (b) approve or reject the transaction in accordance with the terms of this Policy. The Committee may, in its discretion, impose such terms and conditions as it deems appropriate on the Company or the Related Person in connection with the Committee’s approval of a Related Party Transaction.
- B. In its evaluation, the Committee shall consider all of the relevant facts and circumstances available to it, including (if applicable) but not limited to:
- whether the transaction was undertaken in the ordinary course of the Company’s and the Related Person’s business;
 - whether the transaction was initiated by the Company or the Related Person;
 - the purpose of the transaction and its potential risks and benefits to the Company;
 - in the event the Related Person is a director, an Immediate Family Member of a director, or an entity in which a director is a partner, shareholder, or executive officer, the impact on the director’s independence and, if the director serves on the Compensation Committee of the Board, such director’s status as a “non-employee director” under Rule 16b-3 under the Exchange Act and an “outside director” under Section 162(m) of the Internal Revenue Code of 1986, as amended;
 - the availability of other sources for comparable products or services;
 - the approximate dollar value of the transaction and the amount and nature of the Related Person’s interest in the transaction; and
 - the terms of the transaction and whether the proposed transaction is proposed to be entered into on terms no less favorable than the terms available to unrelated third parties or to employees generally.
- C. No member of the Committee may vote on the approval of any Related Party Transaction for which such member or any of his or her Immediate Family Members is the Related Person, but such member may, if so requested by the chairperson of the Committee, participate in some or all of the Committee’s discussions of the applicable Related Party Transaction.
- D. The Committee may approve a Related Party Transactions presented to it only if it determines that, based on all of the information considered, the transaction is not inconsistent with the best interests of the Company as a whole, as the Committee determines in good faith.
- E. The Committee shall convey the decision to the General Counsel or Corporate Secretary, who shall convey the decision to the appropriate persons within the Corporation.

- F. If, in accordance with this Policy, only the chairperson of the Committee approves a transaction, the chairperson shall provide a report to the Committee at its next regularly scheduled meeting of any Related Person Transaction that he or she has approved.

2. Ratification Procedures

If the Committee learns of a Related Party Transaction that has not been previously approved or ratified under this Policy, the following steps shall be taken, to the extent applicable:

- If the transaction is pending or ongoing, the Committee shall promptly review it, considering all of the relevant facts and circumstances available to it, including the criteria outlined in this Policy. Based on the conclusions reached, the Committee shall determine whether to ratify, amend, or terminate the Related Person Transaction.
- If the transaction is completed, the Committee shall evaluate the transaction, taking into account all of the relevant facts and circumstances available to it, including the criteria outlined in this Policy, to determine if rescission of the transaction is feasible and/or appropriate and if any disciplinary action is appropriate.

3. Review of the Policy

The Committee will review this Policy periodically. The Committee has full authority to amend the Policy from time to time in connection with such review.

Article V. Disclosure

All Related Party Transactions that are required to be disclosed in the Company's filings with the SEC shall be so disclosed in accordance with such laws, rules, and regulations. The material features of the Policy shall be disclosed in the Company's annual report on Form 10-K or in the Company's proxy statement for the annual meeting of stockholders.