

## **Policy on Political Contributions, Lobbying and Trade Associations**

*(amended and restated January 5, 2015)*

### **Purpose**

Valero believes that constructive participation in the political process is an important means of enhancing stockholder value and fostering good corporate citizenship. We believe that it is in the best interest of Valero's stockholders that federal, state, and local governments understand how their actions impact Valero's business and stakeholders. Accordingly, Valero communicates with governmental organizations and officials about its business concerns.

### **Campaign Contributions**

Valero's political activities consist primarily of its sponsorship of the Valero Energy Corporation Political Action Committee, known as VALPAC.

VALPAC solicits and accepts voluntary contributions from eligible employees and stockholders of Valero, and it does not accept contributions from any corporation, National Bank or foreign national. VALPAC makes political contributions to support federal, state, and local candidates for elective public office that promote the protection and advancement of a strong energy industry and support effective financial legislation important to Valero and its stockholders. All decisions regarding political contributions by VALPAC are subject to the oversight of VALPAC's Board of Directors and to annual Valero internal audits. Any Valero employee who contributes to VALPAC may request a contribution be made to support a particular candidate. As required by law, all VALPAC contributions are periodically reported to the Federal Election Commission and to the applicable state election authorities. Reports made to those agencies are publicly available.

Any corporate funds used to make contributions to ballot measures, political candidates, political parties, political committees, or political entities organized and operating under Section 527 of the Internal Revenue Code will be reported to the appropriate federal and state election authorities. Reports made to those agencies are publicly available.

#### *Federal Elected Officials*

Although federal law prohibits corporations from making contributions in federal elections, a corporation may administer a political action committee ("PAC") for its employees. Valero employees may participate in the political process through VALPAC.

- In making contribution decisions, the VALPAC Board evaluates a variety of factors, including a candidate's views on issues of importance to Valero and the presence of Valero facilities in the candidate's business district or state.
- VALPAC supports candidates who it believes will support and advance the interests of Valero's stakeholders, regardless of party affiliation.

- Valero is committed to conducting VALPAC in accordance with the federal laws and regulations that regulate activities of political action committees.
- All VALPAC contributions are publicly disclosed in reports that are available on the website of the Federal Election Commission at <http://www.fec.gov>.

#### *State and Local Elected Officials*

- In some states, corporate contributions to candidates for state or local elected offices are permissible. The enclosed chart indicates if the candidate, committee, or fund is state or federal-focused through the use of the terms “State” or “U.S. Senate/House.”
- Under certain circumstances, Valero may lawfully contribute to other political committees and political organizations. Valero is committed to complying with all applicable laws, rules, and regulations that govern such contributions.
- Valero’s Government Affairs department selects candidates to support based on similar criteria as VALPAC.
- Valero is committed to compliance with all applicable laws.

### **Responsibilities**

Valero’s Government Affairs department updates the Company’s General Counsel and Chairman/CEO, as well as the Board of Directors, as appropriate, on political and public policy issues of importance to Valero. Within Valero, the Governmental Affairs department reports to the General Counsel. The General Counsel and Chairman/CEO have oversight responsibility for and periodically review Valero’s policies and practices. Contributions are audited on a regular basis and made in accordance with company policies approved by executive management, who are charged with administering those policies and ensuring compliance with them.

### **Political Lobbying and Advocacy**

Valero engages in lobbying in the United States at both the federal and state levels to advocate our positions on issues that affect our company and the energy industry.

Valero also provides support to a variety of trade associations and coalitions in order to promote informed dialogue and sound public policy on matters important to Valero’s interests. Some of the support provided to these organizations may be used by the recipients for lobbying. Valero inquires and makes reasonable effort to obtain from the organizations what portion of Valero’s dues or payments were used for lobbying expenditures, which are non-deductible under Section 162(e) of the Internal Revenue Code.

Lobbying is highly regulated in the United States. Valero fully complies with regulations by reporting all federal lobbying to the U.S. Congress in a quarterly lobbying disclosure report.

- Valero’s quarterly federal lobby disclosure reports are public records and can be viewed online at the Senate’s public disclosure web site at <http://www.senate.gov> (search for “Valero Energy Corporation” as registrant name).
- Valero’s quarterly California lobby disclosure reports are public records and can be viewed at the California Secretary of State’s website at <http://www.sos.ca.gov> (search for “Valero Services, Inc.” as lobbyist employer).
- Valero also fully complies with other state and local requirements to disclose lobbying in states, cities, and counties.

### **Additional Information**

To improve access to information about VALPAC and Valero’s corporate political campaign contributions in the United States, Valero posts those contributions on a semi-annual basis, categorized by state, candidate, and amount.

Reports containing our political campaign contributions can be found at the following links:

#### **VALPAC:**

[January 1, 2017 – June 30, 2017](#)

[July 1, 2017 – December 31, 2017](#)

#### **Valero Energy Corporation:**

[January 1, 2017 – December 31, 2017](#)

To improve access to information about Valero’s direct lobbying, Valero provides copies of quarterly lobby disclosure reports at the following links:

[July 1, 2017 – September 30, 2017 \(Federal\)](#)

[October 1, 2017 – December 31, 2017 \(Federal\)](#)

[July 1, 2017 – September 30, 2017 \(California\)](#)

[October 1, 2017 – December 31, 2017 \(California\)](#)

To improve access to information about Valero’s indirect lobbying by payments to trade associations or other organizations of which Valero is a member, Valero posts the following information related to lobbying on a semi-annual basis. Reports containing (a) a list of trade associations or other organizations to which Valero makes payments of \$50,000 or more, and (b) the portion of annual membership dues to trade associations or payments to other organizations of \$50,000 or more that were non-deductible under section 162(e) of the Internal Revenue Code, as provided to Valero by the recipients, can be found at the following link(s):

[July 1, 2017 – December 31, 2017](#)