

**Exhibit 2.01**

**CERTIFICATE OF MERGER**

**of**

**PREMCOR INC.  
(a Delaware corporation)**

**with and into**

**VALERO ENERGY CORPORATION  
(a Delaware corporation)**

Pursuant to the provisions of Section 251(c) of the General Corporation Law of the State of Delaware (the "DGCL"), Valero Energy Corporation, a Delaware corporation ("Valero"), hereby certifies the following information relating to the merger (the "Merger") of Premcor Inc., a Delaware corporation ("Premcor"), with and into Valero:

FIRST: The names and states of incorporation of the constituent corporations (the "Constituent Corporations") in the Merger are:

<u>Name</u>	<u>State of Incorporation</u>
Valero Energy Corporation	Delaware
Premcor Inc.	Delaware

SECOND: The Agreement and Plan of Merger, by and among Valero and Premcor, dated as of April 24, 2005 (the "Merger Agreement"), setting forth the terms and conditions of the Merger, has been approved, adopted, certified, executed and acknowledged by each of the Constituent Corporations in accordance with the requirements of Section 251 of the DGCL.

THIRD: The name of the corporation surviving the Merger (the "Surviving Corporation") is Valero Energy Corporation.

FOURTH: The certificate of incorporation of Valero, as in effect immediately prior to the effective time of the Merger, shall be the Certificate of Incorporation of the Surviving Corporation.

FIFTH: The executed Merger Agreement is on file at the principal place of business of the Surviving Corporation whose address is One Valero Way, San Antonio, Texas 78249.

SIXTH: A copy of the Merger Agreement will be furnished by the Surviving Corporation, on request and without cost, to any stockholder of any Constituent Corporation.

SEVENTH: This Certificate of Merger, and the Merger provided for herein, shall become effective at 9:00 a.m. EST on September 1, 2005.

IN WITNESS WHEREOF, Valero Energy Corporation has caused this Certificate of Merger to be executed by its duly authorized officer on August 31, 2005.

VALERO ENERGY CORPORATION

By: /s/ Jay D. Browning  
Name: Jay D. Browning  
Title: Vice President – Corporate Law  
and Secretary

## Exhibit 10.01

### RESTRICTED UNIT AGREEMENT

This Restricted Unit Agreement (the "Agreement") dated **October 20, 2005** is by and between **Valero Energy Corporation**, a Delaware corporation ("Valero"), and **William E. Greehey**, Chief Executive Officer of Valero ("Greehey").

1. **Grant of Restricted Units.** Valero hereby grants to Greehey **60,110** "Restricted Units" representing the right to receive certain cash payments from Valero on the Vesting Dates set forth below. The amount of cash payable to Greehey on each Vesting Date will be equal to the product of: (a) the number of Restricted Units vesting on that date, multiplied by (b) the fair market value on that date of one share of Valero common stock, \$.01 par value ("Common Stock"). For purposes of this Agreement, "fair market value" means the average of the "high" and "low" reported sales price per share of Common Stock as reported on the New York Stock Exchange as of the relevant measuring date, or if there are no sales on the NYSE on that measuring date, then as of the next following day on which there were sales. Such cash payments shall be made on or as soon as reasonably practical following the applicable Vesting Date, but in any event by no later than the 15th day of the third month following the end of the year in which the applicable Vesting Date occurs.
2. **Dividend Rights.** In addition to the right to receive cash on each Vesting Date as described in Section 1 above, Greehey will be entitled to receive periodic cash payments in relation to dividends that are paid on Valero's common stock (the "Dividend Rights"). For purposes of the settlement of Greehey's Dividend Rights under this Agreement, Greehey will be deemed to be a holder of one share of Valero Common Stock for each unvested Restricted Unit held by Greehey. As and when dividends are declared on Valero's Common Stock, in settlement of the Dividend Rights granted hereunder Greehey will be entitled to receive a cash payment equal to the product of: (a) the declared dividend per share on Valero's Common Stock, multiplied by (b) the number of unvested Restricted Units held by Greehey on the dividend record date. Cash payments in settlement of any Dividend Right shall be made by the last day of the fiscal quarter during which dividends on Valero's Common Stock are paid, but in any event by no later than the 15th day of the third month following the end of the year in which the applicable dividends on Valero's Common Stock are paid.
3. **Vesting.** The Restricted Units will vest in the following increments on the following dates:  

**12,022 on October 20, 2006;**  
**12,022 on October 20, 2007;**  
**12,022 on October 20, 2008;**  
**12,022 on October 20, 2009;**  
**12,022 on October 20, 2010;** (each a "Vesting Date").
4. **Termination of Employment.** If Greehey's employment with Valero is terminated by Greehey (whether through retirement, death, disability or otherwise), or is terminated by Valero *without "cause"* (as defined per the Employment Agreement then in effect between Valero and Greehey, or if none, then the Employment Agreement presently in effect on the date hereof, as amended) (hereafter, as applicable, the "Employment Agreement"), then any Restricted Units that have not vested as of the date of termination of Greehey's employment shall not be forfeited and shall continue to vest in accordance with the vesting schedule set forth in Section 3 above. If, however, Greehey's employment is terminated by Valero *for "cause"* (as defined per the Employment Agreement), then those Restricted Units that have not yet vested on the date of termination of Greehey's employment

shall be forfeited as of that date and Greehey shall not be entitled to Dividend Rights or any other payments with respect thereto.

5. **Withholding**. Valero is hereby authorized to withhold from any settlement of the Restricted Units or Dividend Rights the amount of any applicable withholding taxes with respect to such settlement, and to take any other action necessary to satisfy all obligations for the payment of the taxes.
6. **Reorganization Event**. In the event of any stock dividend, rights distribution, split-up, recapitalization, share exchange, merger, consolidation, stock acquisition, spin-off, separation, reorganization, liquidation or other similar event (any one of which being hereafter referred to as a "Reorganization Event"), as a result of which (i) shares or other securities of any class or rights shall be issued in respect of outstanding shares of Common Stock, or (ii) shares of Common Stock shall be changed into the same or a different number of shares of the same or another class or classes or other securities, then the Restricted Units granted under this Agreement shall be affected as follows. Upon the closing of the Reorganization Event, each unvested Restricted Unit shall be treated as one share of Common Stock for purposes of determining the number of unvested Restricted Units owned by Greehey immediately following the Reorganization Event.
7. **Change of Control**. *Defined*. A "Change of Control" shall be deemed to occur when:
  - (a) the stockholders of Valero approve any agreement or transaction pursuant to which:
    - (i) Valero will merge or consolidate with any other entity (other than a wholly owned subsidiary of Valero) and will not be the surviving entity (or in which Valero survives only as the subsidiary of another entity); (ii) Valero will sell all or substantially all of its assets to any other person or entity (other than a wholly owned subsidiary of Valero); or (iii) Valero will be liquidated or dissolved;
  - (b) any "person" or "group" (as these terms are used in Section 13(d) and 14(d) of the Securities Exchange Act of 1934) other than Valero, any subsidiary of Valero, any employee benefit plan of Valero or its subsidiaries, or any entity holding shares of Common Stock for or pursuant to the terms of such employee benefit plans, is or becomes an "Acquiring Person" as defined in the Rights Agreement dated June 18, 1997 between Valero and Computershare Investor Services, L.L.C., as successor Rights Agent to Harris Trust and Savings Bank, as amended (or any successor Rights Agreement), or, if no Rights Agreement is then in effect, such person or group acquires or holds such number of shares as, under the terms and conditions of the most recent such Rights Agreement to be in force and effect, would have caused such person or group to be an "Acquiring Person" thereunder;
  - (c) any "person" or "group" shall commence a tender offer or exchange offer for 15% or more of the shares of Common Stock then outstanding, or for any number or amount of shares of Common Stock which, if the tender or exchange offer were to be fully subscribed and all shares of Common Stock for which the tender or exchange offer is made were to be purchased or exchanged pursuant to the offer, would result in the acquiring person or group directly or indirectly beneficially owning 50% or more of the shares of Common Stock then outstanding;
  - (d) individuals who, as of any date, constitute Valero's Board of Directors (the "Incumbent Board") thereafter cease for any reason to constitute at least a majority of the Board of Directors; provided, however, that any individual becoming a director whose election, or nomination for election by Valero's stockholders, was approved by a vote of at least a majority of the directors then comprising the Incumbent Board shall be considered as though

such individual were a member of the Incumbent Board, but excluding, for this purpose, any such individual whose initial assumption of office occurs as a result of an actual or threatened election contest with respect to the election or removal of directors or other actual or threatened solicitation of proxies or consents by or on behalf of a person or group other than the Board of Directors;

- (e) the occurrence of the Distribution Date (as defined in the Rights Agreement dated June 18, 1997 between Valero and Computershare Investor Services, L.L.C., as successor Rights Agent to Harris Trust and Savings Bank, as amended); or
- (f) any other event determined by Valero's Board of Directors or the Compensation Committee thereof to constitute a "Change of Control" hereunder.

8. **Actions of Compensation Committee.** The Compensation Committee, as constituted before a Change of Control, is hereby authorized, and has sole discretion to take any one or more of the following actions, whether in connection with a Change of Control or otherwise:

- (a) adjust any unvested Restricted Units as the Compensation Committee deems appropriate to reflect a Change of Control; or
- (b) cause any unvested Restricted Units to be assumed, or new rights substituted therefor, by the acquiring or surviving corporation after a Change of Control. The Compensation Committee may in its discretion include other provisions and limitations in any amended Restricted Unit Agreement as it may deem equitable and in the best interests of Valero.

9. **Rights as Stockholder.** Except for the Dividend Rights described above, neither Greehey nor any person claiming by, through or under Greehey with respect to the Restricted Units shall have any rights as a stockholder of Valero (including, without limitation, voting rights).

10. **Assignment.**

- (a) This Agreement and Greehey's interest in the Restricted Units and Dividend Rights granted by this Agreement are of a personal nature, and, except as expressly provided below, Greehey's rights with respect thereto may not be sold, mortgaged, pledged, assigned, transferred, conveyed or disposed of in any manner by Greehey. Any such attempted sale, mortgage, pledge, assignment, transfer, conveyance or disposition shall be void, and Valero shall not be bound thereby.
- (b) Cash payments upon settlement of the Restricted Units and Dividend Rights may be made only to Greehey, during his lifetime, or to his beneficiary(ies) after his death. After Greehey's death, any cash settlements with respect to Restricted Units or Dividend Rights will be made to Greehey's beneficiary(ies) as designated under Greehey's *Valero Energy Corporation Beneficiary Designation Form*, or if there is no such designation, to the beneficiary(ies) designated in Greehey's last will and testament.

11. **Successors.** This Agreement shall be binding upon any successors of Valero and upon the beneficiaries, legatees, heirs, administrators, executors and legal representatives of Greehey.

12. **No Trust Fund.** This Agreement shall not create or be construed to create a trust or separate fund of any kind or any fiduciary relationship between Valero and Greehey or any other person with respect to the Restricted Units and Dividend Rights. To the extent that any person acquires a right to receive payments from Valero under this Agreement, such right shall be no greater than the right of any unsecured general creditor of Valero.
13. **Governing Law.** The validity, construction, and effect of this Agreement shall be determined in accordance with the laws of the State of Texas.
14. **Compliance with Section 409A.** This Agreement and the award evidenced hereby are intended to comply, and shall be administered consistently, in all respects with Section 409A of the Internal Revenue Code and the regulations promulgated thereunder. If necessary in order to ensure such compliance, this Agreement may be reformed consistent with guidance issued by the Internal Revenue Service.

**VALERO ENERGY CORPORATION**

By: /s/ Keith D. Boone  
Keith D. Boone  
Executive Vice President and  
Chief Administrative Officer

/s/ William E. Greehey  
**WILLIAM E. GREEHEY**

## Exhibit 10.02

### RESTRICTED STOCK AGREEMENT

#### Valero Energy Corporation 2005 Omnibus Stock Incentive Plan

This Restricted Stock Agreement (“Agreement”) is between Valero Energy Corporation, a Delaware corporation (“Valero”), and «**First\_Name**» «**Middle\_Name**» «**Last\_Name**», an employee of Valero Energy Corporation or one of its Affiliates (“Employee”), who agree as follows:

1. Introduction. Pursuant to the **Valero Energy Corporation 2005 Omnibus Stock Incentive Plan** (the “Plan”), on «**Option\_Date**», Employee was awarded «**Shares\_Granted**» shares of Common Stock of Valero under the Plan to Employee as “Restricted Stock” (as defined in the Plan). The parties hereby enter into this Agreement to evidence the terms, conditions and restrictions applicable to the Restricted Stock.

2. The Plan, Restrictions, Vesting. The Plan is incorporated herein by reference for all purposes, and Employee hereby agrees to the terms and conditions stated therein applicable to the Restricted Stock and the rights and powers of Valero and the Compensation Committee as provided therein. In addition, Employee agrees as follows:

2.01 Except to the extent otherwise provided in the Plan or this Agreement, shares of Restricted Stock issued to Employee under the Plan may not be sold, exchanged, pledged, hypothecated, transferred, garnished or otherwise disposed of or alienated prior to vesting.

2.02 Employee's rights to and interest in the shares of Restricted Stock described herein shall vest and accrue to Employee in the following increments: «**Shares\_Period\_1**» shares on «**Vest\_Date\_Period\_1**»; «**Shares\_Period\_2**» shares on «**Vest\_Date\_Period\_2**»; «**Shares\_Period\_3**» shares on «**Vest\_Date\_Period\_3**»; «**Shares\_Period\_4**» shares on «**Vest\_Date\_Period\_4**»; and «**Shares\_Period\_5**» shares on «**Vest\_Date\_Period\_5**». The restrictions described in Section 2 of this Agreement shall terminate prior to the expiration of such five-year period (i) upon the retirement, death or total and permanent disability of Employee, or (ii) if a Change of Control with respect to Valero should occur, as set forth in Article 15.4 of the Plan. In the event Employee's employment with Valero is terminated, the provisions set forth in Article 9 of the Plan shall apply.

2.03 Employee agrees that in lieu of certificates representing Employee's shares of Restricted Stock, the Restricted Stock and any Shares issuable in connection with their vesting may be issued in uncertificated form pursuant to the Direct Registration Service of Valero's stock transfer agent.

2.04 If, as the result of a stock split, stock dividend, combination of shares or any other change, including an exchange of securities for any reason, the Employee shall be entitled to new or additional or different shares of stock or securities, such stock or securities shall be subject to the terms and conditions of the Plan and this Agreement

3. Limitation. The Employee shall have no rights with respect to any shares of Restricted Stock not expressly conferred by the Plan or this Agreement.

4. Miscellaneous. All capitalized terms contained in this Agreement shall have the definitions set forth in the Plan unless otherwise defined herein. This Agreement shall be binding upon the parties hereto and their respective beneficiaries, heirs, administrators, executors, legal representatives, and successors.

5. Code Section 409A. The issuance of shares under this Award shall be made on or as soon as reasonably practical following the applicable date of vesting, but in any event no later than the 15th day of the third month following the end of the year in which the applicable date of vesting occurs. With respect to the receipt of dividends, the payment of dividends shall be made by the last day of the fiscal quarter during which dividends on Valero Common Stock are paid, but in any event by no later than the 15th day of the month following the end of the year in which the applicable dividends on Valero Common Stock are paid. This Agreement and the award evidenced hereby are intended to comply, and shall be administered consistently, in all respects with Section 409A of the Internal Revenue Code and the regulations promulgated thereunder. If necessary in order to ensure such compliance, this Agreement may be reformed consistent with guidance issued by the Internal Revenue Service.

EFFECTIVE as of the «Option\_Date»th day of «Option\_Date», «Option\_Date».

VALERO ENERGY CORPORATION



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Roy M. (Mike) Crownover, Sr.  
Vice President-Human Resources

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«First\_Name» «Middle\_Name» «Last\_Name»  
Employee

**VALERO ENERGY CORPORATION AND SUBSIDIARIES**  
**STATEMENTS OF COMPUTATIONS OF RATIOS OF EARNINGS TO FIXED CHARGES**  
**AND RATIOS OF EARNINGS TO FIXED CHARGES AND PREFERRED STOCK DIVIDENDS**  
**(Millions of Dollars)**

	Nine Months Ended September 30, <u>2005</u>	Year Ended December 31,				
		<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>
<b>Ratio of Earnings to Fixed Charges:</b>						
Earnings:						
Income from continuing operations before income tax expense, minority interest in net income of Valero L.P., distributions on preferred securities of subsidiary trusts and income from equity investees .....	\$ 3,282	\$ 2,726	\$ 981	\$ 191	\$ 913	\$ 530
Add:						
Fixed charges .....	327	410	396	409	143	115
Amortization of capitalized interest .....	6	7	6	6	5	5
Distributions from equity investees .....	36	42	26	5	3	9
Less:						
Interest capitalized .....	(39)	(37)	(26)	(16)	(11)	(7)
Distributions on preferred securities of subsidiary trusts .....	-	-	(17)	(30)	(13)	(7)
Minority interest in net income of Valero L.P. ....	-	-	(2)	(14)	-	-
Total earnings .....	<u>\$ 3,612</u>	<u>\$ 3,148</u>	<u>\$ 1,364</u>	<u>\$ 551</u>	<u>\$ 1,040</u>	<u>\$ 645</u>
Fixed charges:						
Interest expense, net .....	\$ 191	\$ 260	\$ 261	\$ 286	\$ 88	\$ 76
Interest capitalized .....	39	37	26	16	11	7
Rental expense interest factor (1) .....	97	113	92	77	31	25
Distributions on preferred securities of subsidiary trusts .....	-	-	17	30	13	7
Total fixed charges .....	<u>\$ 327</u>	<u>\$ 410</u>	<u>\$ 396</u>	<u>\$ 409</u>	<u>\$ 143</u>	<u>\$ 115</u>
Ratio of earnings to fixed charges .....	<u>11.0x</u>	<u>7.7x</u>	<u>3.4x</u>	<u>1.3x</u>	<u>7.3x</u>	<u>5.6x</u>
<b>Ratio of Earnings to Fixed Charges and Preferred Stock Dividends:</b>						
Total earnings .....	<u>\$ 3,612</u>	<u>\$ 3,148</u>	<u>\$ 1,364</u>	<u>\$ 551</u>	<u>\$ 1,040</u>	<u>\$ 645</u>
Total fixed charges .....	\$ 327	\$ 410	\$ 396	\$ 409	\$ 143	\$ 115
Preferred stock dividends .....	<u>18</u>	<u>19</u>	<u>7</u>	-	-	-
Total fixed charges and preferred stock dividends .....	<u>\$ 345</u>	<u>\$ 429</u>	<u>\$ 403</u>	<u>\$ 409</u>	<u>\$ 143</u>	<u>\$ 115</u>
Ratio of earnings to fixed charges and preferred stock dividends .....	<u>10.5x</u>	<u>7.3x</u>	<u>3.4x</u>	<u>1.3x</u>	<u>7.3x</u>	<u>5.6x</u>

(1) The interest portion of rental expense represents one-third of rents, which is deemed representative of the interest portion of rental expense.

Exhibit 31.01

**CERTIFICATION PURSUANT TO SECTION 302  
OF THE SARBANES-OXLEY ACT OF 2002**

I, William E. Greehey, the principal executive officer of Valero Energy Corporation, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Valero Energy Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 9, 2005

/s/ William E. Greehey  
William E. Greehey  
Chief Executive Officer



Exhibit 32.01

CERTIFICATION PURSUANT TO  
18 U.S.C. SECTION 1350,  
AS ADOPTED PURSUANT TO  
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Valero Energy Corporation (the Company) on Form 10-Q for the quarter ended September 30, 2005, as filed with the Securities and Exchange Commission on the date hereof (the Report), I, William E. Greehey, Chief Executive Officer of the Company, hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ William E. Greehey  
William E. Greehey  
Chief Executive Officer  
November 9, 2005

A signed original of the written statement required by Section 906 has been provided to Valero Energy Corporation and will be retained by Valero Energy Corporation and furnished to the Securities and Exchange Commission or its staff upon request.

CERTIFICATION PURSUANT TO  
18 U.S.C. SECTION 1350,  
AS ADOPTED PURSUANT TO  
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Valero Energy Corporation (the Company) on Form 10-Q for the quarter ended September 30, 2005, as filed with the Securities and Exchange Commission on the date hereof (the Report), I, Michael S. Ciskowski, Executive Vice President and Chief Financial Officer of the Company, hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Michael S. Ciskowski  
Michael S. Ciskowski  
Executive Vice President and Chief Financial Officer  
November 9, 2005

A signed original of the written statement required by Section 906 has been provided to Valero Energy Corporation and will be retained by Valero Energy Corporation and furnished to the Securities and Exchange Commission or its staff upon request.