

Political Contributions

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.

However, Valero's policy is that it does not use corporate funds to make contributions to political candidates, political parties, political committees, or other political entities organized and operating under Section 527 of the Internal Revenue Code. Instead, 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.

Policy

Federal Issues

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 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 www.fec.gov.

State and Local Elected Offices

- 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.

Additional Information

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

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

[January 1, 2011 – June 30, 2011](#)

[July 1, 2011- December 31, 2011](#)

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 firms 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 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).