

**Common Stock Ownership and Retention Guidelines  
for Directors and Officers of Valero Energy Corporation**

(excerpt from the Corporate Governance Guidelines  
of Valero Energy Corporation)

**Article X. Common Stock Ownership and Retention Guidelines  
for Directors and Officers**

1. **Oversight.** The Compensation Committee will be responsible for monitoring compliance with these stock ownership guidelines.
2. **Ownership and Retention Guidelines for Directors.**
  - A. **Non-Employee Director Stock Ownership Guidelines.** Non-employee directors are expected to acquire and hold during their service as a Valero Board member shares of Valero's common stock ("Common Stock") equal in value to at least three times the annual cash retainer for non-employee directors.
  - B. **Time Period.** Non-employee directors have five years from their initial election to the Board to meet the target stock ownership guideline, and they are expected to continuously own sufficient shares to meet the guideline once attained.
  - C. **Shares that count toward meeting the stock ownership guidelines:**
    - Shares owned (*e.g.*, restricted shares, shares obtained upon option exercise, shares purchased in the open market, etc.)
    - Shared ownership (*e.g.*, shares owned or held in trust by immediate family)
    - Shares the receipt of which have been deferred
    - Restricted stock units
  - D. **Shares that do not count toward meeting the stock ownership guidelines:**
    - Unexercised stock options
  - E. **If stock ownership guideline has not been met.** Until such time as the director reaches his or her share ownership guideline, the director will be required to hold 50% of the shares of Common Stock received upon lapse of the restrictions upon restricted stock and upon exercise of stock options (net of any shares utilized to pay for the exercise price of the option and tax withholding).

3. **Executive Stock Ownership and Retention Guidelines.**

A. **Stock ownership guidelines for officers of the Company are as follows.**

	<u>Value of Shares Owned</u>
Chief Executive Officer	5x base salary
President	3x base salary
Executive Vice Presidents	2x base salary
Senior Vice Presidents	1x base salary
Vice Presidents	1x base salary

B. **Time Period.** Company officers are expected to meet the applicable guideline no more than five years after first becoming subject to it, and they are expected to continuously own sufficient shares to meet the guideline once attained.

C. **Shares that count toward meeting the stock ownership guidelines:**

- Shares owned (*e.g.*, restricted shares, shares obtained upon option exercise, shares purchased in the open market, etc.)
- Shared ownership (*e.g.*, shares owned or held in trust by immediate family)
- Shares the receipt of which have been deferred
- Restricted stock units
- Shares held in thrift/savings plan account(s) (*e.g.*, 401(k) plan account)

D. **Shares that do not count toward meeting the stock ownership guidelines:**

- Unexercised stock options
- Unvested and/or unpaid performance shares

E. **Stock Retention Guidelines.** Until such time as the officer reaches his or her share ownership guideline, the officer will be required to hold 50% of the shares of Common Stock received upon lapse of the restrictions upon restricted stock, upon the vesting of performance shares, and upon exercise of stock options (net of any shares utilized to pay for the exercise price of the option and tax withholding).

F. **Consent required for sale of 20% or more of shares of Common Stock.**

Any officer who desires to sell 20% or more of his or her shares of Common Stock must receive the approval of the Chief Executive Officer in advance; the Chief Executive Officer must receive the approval of the Compensation Committee in advance.