

**VALERO ENERGY CORPORATION**  
**CODE OF BUSINESS CONDUCT AND ETHICS**

**Introduction**

This *Code of Business Conduct and Ethics* covers a wide range of business practices and procedures to guide the employees and directors of Valero Energy Corporation and its subsidiaries (“Valero” or the “Company”). The conduct of all persons subject to this Code must be fair, ethical, honest and lawful. Employees and directors should not only follow the principles stated in this Code, but should also seek to avoid even the appearance of improper behavior. Employees should never do – or be asked to do – anything in the course of their duties that would violate the law, this Code or other Company policy. This Code represents one component of the Company’s business ethics program. Additional principles and guidelines are stated in the company’s comprehensive set of policies and procedures that are published on the intranet site.

Known or suspected misconduct or unethical behavior should be reported promptly through the channels described in Article XIII of this Code. Those who violate the standards in this Code will be subject to disciplinary action, up to and including termination of employment.

*Note to employees based outside the United States:* Certain sections of this Code may conflict with the local laws and regulations of your country. Consult your local legal counsel for advice if you perceive a conflict.

**Article I. Conflicts of Interest**

1. A conflict of interest exists when a person’s private interest interferes in any way with the interests of the Company. A conflict can arise when a person takes actions or has interests that may make it difficult to perform his or her Company duties objectively. Conflicts of interest may also arise when an employee or director, or a member of his or her family, receives improper personal benefits as a result of his or her position in the Company. You should avoid transactions, commitments and other activities that are not in the Company’s best interests or that could involve a conflict between your personal interests and the interests of the Company.
2. Valero has established a Conflicts of Interest Committee (COI Committee) to help administer Valero’s conflicts policy. If you are unsure whether a particular situation is a conflict of interest, contact the COI Committee for an objective determination of your case. The COI Committee can be reached through the Company’s internal audit department. The full text of the Company’s conflict of interest policy is available on the Company’s intranet.

**Article II. Corporate Opportunities**

Employees and directors may not take for their personal benefit any opportunity that is discovered through the use of Company property, information or position without first obtaining the consent of the board of directors. You may not use Company property, information, or position for improper personal gain, and may not compete with the Company directly or indirectly. The full text of the Company’s policy on these matters is contained in Valero’s conflict of interest policy which can be accessed on the Company’s intranet.

### **Article III. Confidentiality**

You are required to maintain the confidentiality of information entrusted to you by the Company or its customers, except when disclosure is required by law or regulation. Confidential information includes all non-public information that might be of use to competitors, or detrimental to the Company or its customers if disclosed. It also includes information that suppliers and customers have entrusted to Valero. The obligation to preserve confidential information continues even after employment ends. Employees are required to sign a Confidentiality and Inventions Agreement upon beginning of employment with the Company. Copies of this agreement are available from human resources department.

### **Article IV. Fair Dealing, Antitrust and Competition**

1. Valero seeks to outperform its competition fairly and honestly. Thus, stealing proprietary information, using trade secret information that was obtained without the owner's consent, or inducing such disclosures by past or present employees of other companies is prohibited. Each employee should endeavor to respect the rights of – and deal fairly with – the Company's customers, suppliers, competitors and employees. You may not take unfair advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation of material facts, or any other intentional unfair-dealing practice.
2. Employees must comply with all antitrust laws regulating antitrust and competition. Specifically, the following actions are prohibited:
  - fixing or controlling prices with any competitors
  - dividing or sharing customers, markets, or territories
  - participating with others to block the production or sale of another's products or services
  - participating in price discrimination
  - creating or planning with others to create a monopoly
  - boycotting certain customers or suppliers

You should immediately follow the reporting guidelines set forth in this Code if you suspect, witness or experience any of these practices. You may not discuss pricing or other competitive matters with the Company's competitors and should avoid situations that appear to include these types of discussions.

### **Article V. Relationships with Vendors and Contractors**

The purpose of business entertainment and gifts in a commercial setting is to create goodwill and sound working relationships, not to gain unfair advantage with customers. Whenever you are working collaboratively with vendors, contractors and other third-parties, it is important to follow sound business practices to avoid putting yourself in a position in which you feel like you owe a vendor. If you or persons who report to you are invited to take part in dinner or lunch functions, or golfing, hunting, fishing or other entertainment excursions, you are expected to use the following guidelines in your decision-making.

- meals and other events should always serve a valid business purpose, such as project planing, status meetings, recognizing a significant joint business achievement, etc.,

- the event to which you are invited should not be, and should not appear to be, extravagant or excessive,
- excessive consumption of alcohol and visiting establishments that are in poor taste are prohibited,
- employees should never request gifts, entertainment, trips or meals from vendors,
- acceptance of gifts from vendors is not encouraged, but is acceptable if the gifts are not excessive in value,
- and all trips and excursions (including hunting, fishing, and golfing trips) must be approved by the Division Head before being accepted.

#### **Article VI. Protection and Proper Use of Company Assets**

1. All Company assets should be used for legitimate business purposes. Company equipment should not be used for non-Company business, though occasional, incidental personal use may be permitted. Employees are expected to protect the Company's assets and ensure their efficient use. Theft, carelessness, and waste have a direct impact on the Company's profitability. Any suspected incidents of fraud or theft should be immediately reported for investigation.
2. Acquisitions and dispositions of assets are subject to the Company's Approval Authority Policy. Before committing the Company to acquire or dispose of any asset, employees should consult the Approval Authority Policy to ensure that he or she has the requisite authority to do so. This policy can be accessed on the Company's intranet.
3. All technology that is made available to the Company's users – and all associated hardware, software and systems – are the property of Valero. Use of such technology is subject to the Company's Electronic Communications Policy. This policy can be accessed on the intranet.
4. The obligation of employees to protect the Company's assets includes its proprietary information. Proprietary information includes intellectual property such as trade secrets, patents, trademarks, and copyrights, as well as business, marketing and service plans, engineering and manufacturing ideas, designs, databases, records, salary information and any unpublished financial data and reports. Unauthorized use or distribution of this information is a violation of Company policy.

#### **Article VII. Compliance with Laws, Rules and Regulations**

Obeying the law, both in letter and in spirit, is the foundation on which the Company's business ethics standards are built. You are expected to obey all local, regional and federal laws of the locations where Valero operates. Although not all employees are expected to know the details of these laws, it is important to know enough to determine when to seek advice from supervisors, managers, the Company's legal department or other appropriate personnel. If a law conflicts with a policy in this Code, you must comply with the law. If you have question about any such conflict, ask your supervisor how to handle the situation.

## **Article IX. Health, Safety and Environment**

1. The protection of Valero's employees, contractors, customers, communities and the environment is Valero's highest priority and a core business value. Valero is committed to achieving health, safety and environmental excellence throughout the Company. Every employee is expected to conduct business in accordance with this commitment. The full text of Valero's health, safety and environmental commitment can be accessed on the intranet.
2. The Company strives to provide each employee with a safe and healthy work environment. Each employee is responsible for maintaining a safe and healthy workplace for all by following all of the Company's safety rules and practices and by reporting accidents, injuries and unsafe equipment, practices or conditions in a timely manner.
3. Valero strictly prohibits violent or threatening behavior by employees, consultants, customers or anyone else on Company premises. Additional information on Valero's security and violence-in-the workplace policy can be accessed on the Company's intranet.
4. Employees are prohibited from consuming alcohol at work and from reporting to work after consuming alcohol. The use of alcohol off the job which impairs performance on the job is also prohibited. The use, distribution, purchase, possession or manufacture of illegal drugs is also prohibited.

## **Article X. Discrimination and Harassment**

1. Valero is committed to employ and retain the most qualified individuals without regard to race, color, gender, religion, sexual orientation, national origin, age, disability, veteran status, or any other category protected by applicable law. Valero is an affirmative action employer and maintains affirmative action procedures and practices to fulfill the objectives of this policy. Valero is committed to providing equal opportunity in all aspects of employment and to providing a work environment free from discrimination and harassment. Examples of prohibited conduct include derogatory comments based on racial or ethnic characteristics, unwanted sexual advances, requests for sexual favors, verbal or physical behavior of a sexual nature that interferes with an employee's work performance or creates a threatening, hostile or offensive work environment.
2. Primary policies addressing these issues are the Employment Equality Policy and its Harassment policy. These policies can be accessed on the Company's intranet. The Harassment policy describes types of prohibited conduct, steps for reporting harassment, investigations of complaints, and consequences for retaliation against persons who report harassment. Employees should immediately contact their supervisor and/or the human resources department regarding any situation that could be considered discrimination or harassment.

## **Article XI. Books, Records, Record-Keeping**

1. The Company's books, records, accounts and financial statements must be maintained in accordance with generally accepted accounting standards, and must conform both to applicable legal requirements and to the Company's system of internal controls. Effective internal controls related to financial reporting and the safeguarding of assets are required at the source of each financial transaction and not just in the accounting department. Employees are responsible for complying with Valero's internal controls over financial reporting. The full text of Valero's internal controls policy can be accessed on the intranet.
2. Employees are expected to report any improper or otherwise unethical accounting or auditing practices. Any employee may anonymously submit his or her good faith concern regarding questionable accounting or auditing matters without fear of dismissal or retaliation by following the procedures described in Article XIII of this Code under the caption *Special Complaint Procedures for Accounting and Auditing Matters*.
3. The Company requires honest and accurate recording and reporting of information in order to make appropriate and responsible business decisions. For example, only the true and actual number of hours worked by an employee or contractor should be reported. Business expense accounts must be documented and recorded accurately. If you are unsure whether a certain expense is legitimate, ask your supervisor or your controller. All requests for reimbursement must adhere to the requirements in the Travel and Business expenses policy which can be accessed on the intranet.
4. Valero's records and information are valuable Company assets, and are identified, maintained and safeguarded as an essential part of the operation of Company business. Records are to be retained or destroyed according to the Company's record retention policy, which can be accessed on the intranet.

## **Article XII. Payments to Government Personnel**

1. The Company's relationships with government agencies, officials and personnel shall be conducted in such a manner that complete public disclosure would not embarrass or damage Valero's business reputation. Employees shall comply with all laws, rules and regulations concerning contributions to government agencies, officials and personnel. Specifically, the U.S. government has a number of laws and regulations regarding business gratuities which may be accepted by U.S. government personnel. The promise, offer or delivery to an official or employee of the U.S. government of a gift, favor or other gratuity in violation of these rules would not only violate Company policy but could also be a criminal offense.
2. The U.S. Foreign Corrupt Practices Act prohibits giving anything of value, directly or indirectly, to officials of foreign governments or foreign political candidates in order to obtain or retain business or receive favorable treatment from foreign countries. Accordingly, it is strictly prohibited for Valero employees or agents to make illegal payments or "bribes" on behalf of Valero to government officials of any country.

### **Article XIII. Reporting Illegal or Unethical Behavior**

1. All persons subject to this Code are encouraged to preserve Valero's highest standards for business ethics and integrity. Report all theft, fraud, bribery, environmental crime, violations of this Code, violations of Company policy and any other business misconduct to your supervisor, your human resources representative, or through Valero's business abuse hotline, "The Network" (a confidential hotline reporting number). The Network is available toll-free, 24 hours a day, 7 days a week at 1-800-241-5689. Callers to The Network may remain anonymous if preferred.
2. Employees are encouraged to talk to supervisors, managers or other appropriate personnel about observed illegal or unethical behavior and about the best course of action to take when a particular situation is unclear or poses a risk of misconduct. Retaliation for reports of misconduct made in good faith is prohibited.

### **Article XV. Waivers**

Any waiver of this Code for executive officers or directors may be made only by the Board of Directors, and will be promptly disclosed as required by law or stock exchange regulation.