

# Working for Your Future

Valero Energy Corporation Thrift Plan Highlights

## Enroll Today



Congratulations! You are now eligible to participate in the Valero Energy Corporation Thrift Plan (the “Thrift Plan”). The Thrift Plan is an important part of your benefits package, as it can help you build retirement savings through convenient, automatic payroll deductions.

Please read this document carefully for information about the Thrift Plan and the investment options and services available to you. Here are some of the advantages of participating in the Thrift Plan:

## How You Can Benefit

- **Company match**—Valero will match a portion of your contributions to the Thrift Plan. It’s like being paid to participate!
- **Automatic payroll deductions**—Your contributions are deducted from your paycheck automatically. It’s one of the easiest ways to prepare for the future.
- **Diverse investment menu**—You can choose from a variety of investment options to create a portfolio appropriate for your retirement goals.
- **Advice Access**—If you would like investment guidance for your Thrift Plan investments, Advice Access can recommend how much to contribute and how to invest your contributions to help you pursue your goals.
- **Tax advantages**—Depending on the type of contributions you select, you may realize certain tax benefits by participating in the Thrift Plan.

## Express Enrollment

You can enroll in the Thrift Plan with just a few clicks!

- Log in to Benefits OnLine® at [www.benefits.ml.com](http://www.benefits.ml.com) and select **Enroll Now**.
- Select one of three pre-set contribution rates displayed, or choose your own contribution rate.
- Review the express enrollment investment direction.
- Click **Submit My Enrollment**.

Of course, you don’t need to accept the contribution rates or investment direction listed on the express enrollment screen. You can make your own contribution and investment choices easily; just select **See All Plan Options**.

You can also enroll by calling the Retirement & Benefits Contact Center at **(877) 401-5856**.

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Investment Products:

<b>Are Not FDIC Insured</b>	<b>Are Not Bank Guaranteed</b>	<b>May Lose Value</b>
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Banking products are provided by Bank of America, N.A. and affiliated banks. Members FDIC and wholly owned subsidiaries of BofA Corp.

## Easy Enrollment and Account Access

The Thrift Plan offers several ways for you to enroll, check your account balance and perform transactions, online or over the phone.

### Benefits OnLine®: [www.benefits.ml.com](http://www.benefits.ml.com)

The secure Benefits OnLine website allows you easy access to your account whenever and wherever you need it. You can use Benefits OnLine to enroll in the Thrift Plan, change your contribution rate and investment direction, transfer funds from one investment option to another, enroll in Advice Access, view mutual fund prospectuses and performance, and much more.

### Retirement & Benefits Contact Center: (877) 401-5856

The Retirement & Benefits Contact Center offers you the choice of using the speech-enabled Interactive Voice Response (IVR) system or speaking directly with a participant service representative.

- Interactive Voice Response (IVR) System – Available virtually 24 hours a day, seven days a week. The speech-enabled IVR allows you to make your selections simply by speaking your request.
- Participant Service Representatives – Available Monday through Friday, from 8 a.m. to 7 p.m. Eastern, on all days the New York Stock Exchange is open.

### Telecommunications Device for the Deaf (TDD): (866) 657-3323

Available Monday through Friday, from 8 a.m. to 7 p.m. Eastern, on all days the New York Stock Exchange is open.

**Please Note:** You will need a User ID and Password to use Benefits OnLine. You can easily establish these the first time you visit the site. You will need your Social Security number and either a Password or PIN to use the IVR system.

### Benefits OnLine Mobile: [www.benefits.ml.com](http://www.benefits.ml.com)

On the go? When you log into Benefits OnLine from your smartphone or tablet, the site recognizes that you're using a mobile device. You can take many of the same actions on Benefits OnLine Mobile, and there's a link to the full site on the login screen.

## Eligibility

You are eligible to enroll in the Thrift Plan immediately upon your date of hire.

## Employee Contributions

Under the Thrift Plan, you may elect any or all of the following contribution types:

- **Pre-tax contributions** reduce your current taxable income, and any earnings are tax-deferred, but distributions are fully taxable as ordinary income at the time of distribution.
- **After-tax contributions** are made after taxes are withheld, but taxes are deferred on any investment earnings. Taxes on earnings are due upon withdrawal.
- **Roth 401(k) after-tax contributions** are made after taxes are withheld, but unlike after-tax contributions, any potential earnings on Roth 401(k) after-tax contributions are tax-free if you take a qualified distribution.\*

Please see the “Taxes upon Withdrawal” section on page 6 for more information on taxes.

You may elect pre-tax, after-tax, and/or Roth 401(k) after-tax contributions in any combination. However, your total contributions cannot exceed 50% of your eligible pay. Your pre-tax and/or Roth 401(k) after-tax contributions are subject to the IRS limit of \$18,000 in 2016. This limit may be adjusted in future years. (The limit includes pre-tax and Roth 401(k) after-tax contributions combined.) Additional contribution limits imposed by the Thrift Plan and the IRS may apply in certain situations.

If you are age 50 or older during the calendar year, and you reach the IRS pre-tax/Roth 401(k) after-tax contribution limit, you may be eligible to make an additional “catch-up” contribution. The maximum catch-up contribution for 2016 is \$6,000. This limit may be adjusted in future years.

## Automatically Increase Your Contributions Every Year

You can elect to have your pre-tax contributions increased automatically by 1% each year, beginning the month and year of your choice. Your automatic increases will cease once your pre-tax contributions reach the lesser of the Thrift Plan's contribution limit or the IRS contribution limit, or if you actively stop your contributions. If you elect the automatic increase feature, you can opt out at any time. To elect automatic increases, just visit Benefits OnLine or call Merrill Lynch. Please note that the automatic increase feature does not apply to after-tax and Roth 401(k) after-tax contributions.

## Vesting—Employee Contributions

Your right to your account balance is called vesting. You are always 100% vested in your own contributions, as well as any amounts you roll over to the Thrift Plan (each as adjusted for any earnings or losses on those contributions).

## Rollovers

Rollovers from another tax-qualified retirement plan, pre-tax contributions from a 403(b) tax-deferred arrangement, pre-tax contributions from a Simplified Employer Plan (SEP), pre-tax contributions from a government 457 plan, or after-tax contributions from a 401(a) plan may be accepted by the Thrift Plan. Be sure to consider the advantages and disadvantages of a rollover before initiating one.

\*A qualified withdrawal or distribution is one that is taken at least five tax years after the year of your first Roth 401(k) after-tax contribution and after you have attained age 59½ (or upon disability or death).

Company Matching Contributions

Valero will match \$1.00 for every \$1.00 you contribute to the Thrift Plan, up to the first 7% of your eligible pay. To receive the maximum available match, you will need to contribute at least 7%. Company matching contributions will be invested according to the same investment direction you have elected for your own contributions.

Vesting—Company Matching Contributions

Valero Energy Corporation 401(k) contributions to the Thrift Plan, adjusted for any earnings or losses, are vested according to your years of service. The Company matching contributions under the 401(k) portion of the plan vest at a rate of 20% per year. This means you are fully vested in Company matching contributions after five years of service.

Profit Sharing Contributions (Applies Only to Renewable Fuels Employees)

Valero will make a discretionary annual Profit Sharing contribution for Renewable Fuels employees, equal to 3% of your eligible pay, whether or not you contribute to the Thrift Plan. Profit Sharing contributions apply to all eligible Renewable Fuels employees who are employed on December 31 of the plan year. As with the Company matching contribution, the Profit Sharing contribution will be invested according to the direction you have elected for your own contributions. *If you do not elect an investment direction, the Profit Sharing contribution will be invested in one of the LifePath Index Funds according to your date of birth, as determined by Valero:*

If your date of birth is...	Your Profit Sharing contribution will be invested in...
On or before 1952	LifePath Index Retirement Fund N
On or between 1953 and 1957	LifePath Index 2020 Fund N
On or between 1958 and 1962	LifePath Index 2025 Fund N
On or between 1963 and 1967	LifePath Index 2030 Fund N
On or between 1968 and 1972	LifePath Index 2035 Fund N
On or between 1973 and 1977	LifePath Index 2040 Fund N
On or between 1978 and 1982	LifePath Index 2045 Fund N
On or between 1983 and 1987	LifePath Index 2050 Fund N
On or between 1988 and 1992	LifePath Index 2055 Fund N
On or after 1993	LifePath Index 2060 Fund N

For more about the LifePath Index Funds, see pages 7-8 of this document.

Vesting—Profit Sharing Contributions (Applies Only to Renewable Fuels Employees)

Your Profit Sharing contributions become 100% vested after you have completed three years of service. (Service does not need to be consecutive.) If you leave the Company prior to completing three years of service, you forfeit any Profit Sharing contributions in your account. Remember that the Thrift Plan is designed to help you build long-term financial security.

## Loans

You are permitted to borrow against your Thrift Plan account balance, subject to certain restrictions. You may have up to two loans outstanding at any time. Be sure to consider the advantages and disadvantages of taking a loan before doing so.

## Withdrawals

The Thrift Plan exists primarily to help you build your retirement savings. However, you can withdraw funds prior to your separation from service under certain circumstances. If you take a withdrawal for extreme financial hardship (as defined by the government), you will be suspended from making contributions to the Thrift Plan for a period of six months.

## Taxes Upon Withdrawal

If you withdraw your pre-tax contributions and any associated earnings, taxes will be due upon withdrawal. You may also be subject to a 10% additional federal tax if you take a withdrawal before age 59½.

Taxes will not be due on after-tax contributions, but taxes will be due on any earnings. You may also be subject to a 10% additional federal tax if you take a withdrawal of after-tax earnings before age 59½.

Any earnings on Roth 401(k) after-tax contributions can generally be withdrawn tax-free if you meet the two requirements for a "qualified distribution": 1) At least five years must have elapsed from the year of your initial Roth 401(k) after-tax contribution, and 2) you must have reached age 59½ or become disabled or deceased. If you take a non-qualified withdrawal from your Roth 401(k) after-tax account, any associated earnings are subject to regular income taxes, and you may be subject to a 10% additional federal tax if you withdraw such earnings before age 59½.

Regardless of the contribution type you choose, taxes on company matching contributions and any earnings on these contributions are due upon withdrawal. You may also be subject to a 10% additional federal tax if you take a withdrawal prior to age 59½.

## Distributions

You may receive a distribution of your account balance following your separation from service due to retirement, termination of employment, total and permanent disability, or death (paid to your beneficiary). See the "Taxes Upon Withdrawal" section at left for the tax implications of withdrawals and distributions.

You have choices for what to do with your 401(k) or other type of plan-sponsored accounts. Depending on your financial circumstances, needs and goals, you may choose to roll over to an IRA or convert to a Roth IRA, roll over a 401(k) from a prior employer to a 401(k) at your new employer, take a distribution, or leave the account where it is. Each choice may offer different investment options and services, fees and expenses, withdrawal options, required minimum distributions, tax treatment, and provide different protection from creditors and legal judgments. These are complex choices and should be considered with care.

## Managing Your Account

You will receive a personalized statement every quarter. The statement shows your account balance as well as any contributions and investment gains or losses credited to your account during the reporting period. For your convenience, account statements and confirmations are also available on Benefits OnLine at [www.benefits.ml.com](http://www.benefits.ml.com). If you would like to eliminate hardcopy mailings, log on to Benefits OnLine to choose Online Delivery. You will receive an e-mail notification when your statement or confirmation is available online.

## LifePath Index Funds

When you prepare for retirement, how you invest at age 30 might be very different from how you invest at age 60. After all, if retirement (or the time you'll need your money) is many years away, your focus might be on building assets. But as you move closer to retirement, your focus may turn to preserving what you have.

Managing that process is what a LifePath Index Fund can do for you. That's because each Fund is an asset allocation strategy managed to a specific target year, and is adjusted along the way to become more conservative as the targeted date approaches. The Funds with dates furthest in the future currently have the more aggressive mix of investments allocated to stocks and bonds; however, as each Fund approaches the targeted date, it will invest more in bonds and less in stocks.

Ten LifePath Index Funds are available in the Thrift Plan. If you believe one of these Funds is appropriate for you, you would generally pick your date – a date that would represent the year when you think you will retire (or will need to begin to withdraw the money from your account, taking into consideration your retirement needs and your eligible distribution date) – and select the Fund with a title closest to that date. (The LifePath Index Retirement Fund N is intended for those who are closest to retirement, or already retired, and want a more conservative investment mix.)

### Designed to Be “One-Choice” Investments

If you are considering selecting more than one LifePath Index Fund, or selecting other funds in addition to a LifePath Index Fund, consider this: Each LifePath Index Fund is designed for participants who plan to retire, or withdraw the money, in or close to the year stated in the Fund's title. Selecting additional investment options in addition to a LifePath Index Fund could potentially work against the intended strategy of the Fund.

Because the LifePath Index Funds are collective trusts, and are not traded publicly, they do not have ticker symbols. However, you can obtain more information about these Funds by visiting Benefits OnLine or by calling Merrill Lynch.

### Advice Access and the LifePath Index Funds

Advice Access (see page 9) will not recommend the LifePath Index Funds, as these are designed to be “one-choice” investment options.

If your entire account is invested in a LifePath Index Fund, Advice Access will recommend selling this investment. If only part of your account is invested in a LifePath Index Fund, you may elect to keep that investment and accept Advice Access recommendations for the remainder of your account. However, selecting additional investment options in addition to a LifePath Index Fund could potentially work against the intended strategy of the Fund.

## Choosing a LifePath Index Fund

In the following chart are some general guidelines you may want to follow if you choose one of these funds. These guidelines are based solely on the year you expect to retire. Of course, there are other factors you may want to consider. Depending on the age at which you plan to retire, whether you plan to begin withdrawing the money from your account at that time, your overall asset allocation, and your investment goals and tolerance for risk, a different fund may be more appropriate for you. You may want an investment strategy that is more or less aggressive or conservative, and individual circumstances will vary.

If you expect to retire ...	You may want to consider ...
In 2017 or earlier	LifePath Index Retirement Fund N <sup>1</sup>
Between 2018 and 2022	LifePath Index 2020 Fund N <sup>1,2</sup>
Between 2023 and 2027	LifePath Index 2025 Fund N <sup>1,2</sup>
Between 2028 and 2032	LifePath Index 2030 Fund N <sup>1,2</sup>
Between 2033 and 2037	LifePath Index 2035 Fund N <sup>1,2</sup>
Between 2038 and 2042	LifePath Index 2040 Fund N <sup>1,2</sup>
Between 2043 and 2047	LifePath Index 2045 Fund N <sup>1,2</sup>
Between 2048 and 2052	LifePath Index 2050 Fund N <sup>1,2</sup>
Between 2053 and 2057	LifePath Index 2055 Fund N <sup>1,2</sup>
In 2058 or later	LifePath Index 2060 Fund N <sup>1,2</sup>

<sup>1</sup> As a “fund of funds,” this Fund, as a shareholder of underlying funds, will indirectly bear its pro rata share of the expenses incurred by the underlying funds. This investment option is not a mutual fund, registered under the Investment Company Act of 1940. A prospectus is not available and shares are not publicly traded or listed on exchanges.

<sup>2</sup> The target date for this Fund is the approximate date when an investor plans to start withdrawing the assets from his or her retirement account. The principal value of this Fund is not guaranteed at any time, including at the target date. This Fund is designed to become more conservative over time as the target date approaches.

## Advice Access

Would you like professional investment guidance to help you develop a retirement strategy? Do you want assistance in choosing investments and deciding how much to contribute to the Thrift Plan?

As part of the Thrift Plan, Valero Energy Corporation is offering Advice Access, a service from Merrill Lynch that can provide answers to several key questions:

- How much do I need for retirement?
- How much should I contribute to my 401(k) plan?
- How should I invest my money?
- How should I withdraw my retirement assets?
- Am I on track with my goals?

Depending on how you choose to implement the service, it may then monitor your progress for you and make suggestions to help you stay on track.

### How It Works

The initial Advice Access recommendations are based on information on file for your Thrift Plan account, such as your age, salary, gender, and Thrift Plan balance and contribution rate (if applicable). They also reflect assumptions about your retirement age and the amount of income you may need to maintain your standard of living in retirement.

In fact, you'll see your projected retirement income on Benefits OnLine as soon as you log in.

If you want, you can provide more information — on a confidential basis — about your financial goals, savings and investment accounts outside the Thrift Plan, and family details. The more complete the information you provide, the more personalized your Advice Access recommendations will be.

## Three Options for Managing Your Account

Once you approve the Advice Access recommendations, you can choose from three different methods to implement them:

### ■ PersonalManager®

Advice Access offers a managed account solution called PersonalManager. You can save time and effort, knowing your investments are monitored and adjusted on a regular basis to help keep you on track with your retirement goals.

With PersonalManager, your contributions are invested according to Advice Access recommendations and your account is reviewed approximately every 90 days. Depending on updates to your personal financial situation, the service may reallocate your portfolio into a new mix of the Thrift Plan's investment choices. If no changes are necessary, your portfolio will be rebalanced to keep it at its current allocation.

### ■ Portfolio Rebalancing

After you approve the recommendations, your portfolio will be rebalanced approximately every 90 days, but will not be reallocated into a new investment mix.

### ■ One-Time Implementation

The service will implement the recommended investment strategy on a one-time basis, but will not review or rebalance your portfolio going forward. Any further account changes are up to you.

Whichever implementation option you choose, keep in mind that you may opt out of the service at any time should you decide to manage your investments yourself.

To learn more about Advice Access, visit Benefits Online. Once you log in, click **Get started now** under the "Your Retirement Income" chart.

## How Do You Decide What's Right for You?

Below is a summary of the features offered through the LifePath Index Funds and Advice Access (through its three implementation methods) to help you consider the approach that might be appropriate for you. Of course, you can create your own portfolio from the Thrift Plan's individual investment options.

Features	LifePath Index Funds	Advice Access		
		PersonalManager	Portfolio Rebalancing	One-Time Implementation
Forecasts the likelihood of meeting your retirement income needs		X	X	X
Recommends a contribution rate, asset allocation and individual funds		X	X	X
Offers defined asset allocation	X	X	X	X
Offers automatic rebalancing	X	X	X	
Adjusts asset allocation over time	X	X		
Offers ongoing account management and review		X		
Reflects your personal financial circumstances, including salary, outside investments, etc.		X	X	X

*The Advice Access service uses a probabilistic approach to determine the likelihood that you may be able to achieve your stated goal and/or to identify a potential wealth outcome that could be realized. Additionally, the recommendations provided by Advice Access may include a higher level of investment risk than you may be personally comfortable with. You are strongly advised to consider your personal goals, overall risk tolerance, and retirement horizon before accepting any recommendations made by Advice Access. You should carefully review the explanation of the methodology used, including key assumptions and limitations, which is provided in the Advice Access disclosure statement. It can be obtained through Benefits OnLine or through a participant service representative.*

**IMPORTANT:** *The projections or other information shown in the Advice Access service regarding the likelihood of various investment outcomes are hypothetical in nature, do not reflect actual investment results and are not guarantees of future results. Results may vary with each use and over time.*

### How to Get Started

You can enroll in Advice Access or learn more through Benefits OnLine at **[www.benefits.ml.com](http://www.benefits.ml.com)** or by calling **(877) 401-5856**. For a detailed comparison between Advice Access and the LifePath Index Funds, review the document titled *Invest Your Way, Refine Your Future* on Benefits OnLine. After logging in, select **Document Library**, followed by **Plan Documents / Forms**.

## Your Core Investment Options

If you would like to create your own portfolio, the Thrift Plan offers a wide range of investment options, with different levels of risk and potential return. For more information about the funds' objectives and investment strategies, please log on to Benefits OnLine at [www.benefits.ml.com](http://www.benefits.ml.com).

Investment Option	Lipper Classification	Symbol
American Funds EuroPacific Growth Fund (Class R6)	International Large-Cap Growth	RERGX
American Funds Growth Fund of America (Class R6)	Large-Cap Growth Funds	RGAGX
BlackRock Basic Value Fund (Institutional Class)	Large-Cap Value Funds	MABAX
BlackRock Small Cap Growth Equity Portfolio (Institutional Class)	Small-Cap Growth Funds	PSGIX
Federated Capital Preservation Fund (Class Y) <sup>3,4</sup>	Stable Value <sup>5</sup>	N/A
Pioneer Bond Fund (Class K)	Corporate Debt Funds A Rated	PBFKX
SSgA S&P 500 Index Fund (Class N) <sup>3,6</sup>	Large-Cap Core Funds	N/A
Valero Energy Corporation Stock <sup>7</sup>	Stock	VLO
Vanguard Mid-Cap Index Fund (Institutional Class)	Mid-Cap Core Funds	VMCIX
Vanguard PRIMECAP Fund (Admiral Class)	Large-Cap Core Funds	VPMAX
Victory Small Cap Value Collective Fund 75 (Class N) <sup>3</sup>	Small-Cap Core Funds	N/A

Bank Deposit Account		
Retirement Bank Account <sup>8</sup>	N/A	N/A

<sup>3</sup> This investment option is a collective trust, not a mutual fund registered under the Investment Company Act of 1940. A prospectus is not available and shares are not publicly traded or listed on exchanges.

<sup>4</sup> This is a collective trust that seeks to maintain a \$10.00 net asset value per share, although achievement of that objective cannot be assured.

<sup>5</sup> This is not a Lipper classification.

<sup>6</sup> SSgA refers to State Street Global Advisors.

<sup>7</sup> Valero Energy Corporation stock gives you the potential for capital appreciation. As there are no other forms or types of investments in this option, the value of the stock stands on its own. Because this option is a single stock investment, it generally carries more risk than do the mutual funds offered through the plan.

<sup>8</sup> The Retirement Bank Account is a demand deposit account, not a mutual fund. The Retirement Bank Account is an interest-bearing bank account insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 per plan participant, per ownership category, per depository institution.

**Investors should consider the investment objectives, risks, charges and expenses of investment options carefully before investing. This, and additional information about the investment options, can be found in the prospectuses and, if available, the summary prospectuses, which can be obtained on Benefits OnLine at [www.benefits.ml.com](http://www.benefits.ml.com) or by calling Merrill Lynch at (877) 401-5856. Investors should read the prospectuses and, if available, the summary prospectuses carefully before investing.**

## Self-Direct Brokerage

In addition to the investment options and services described in this brochure, you may use the Self-Direct Brokerage service. Self-Direct Brokerage provides access to a wide variety of investment options not included in the Thrift Plan's core investment menu, enabling you to further diversify your account. There is no annual fee to use the service; however, commissions or transaction fees may apply. For more information about Self-Direct Brokerage, call Merrill Lynch at (877) 401-5856.

## Transaction Fees

There are generally no transaction fees or expenses (e.g., commissions, sales loads, or exchange fees) charged to a participant's account associated with the investment options offered under the Thrift Plan. However, as you consider your initial investment selections or changes to them in the future, be aware that certain mutual funds have established redemption fees or trading limitations in order to help protect the interests of long-term shareholders and combat excessive trading practices. Mutual funds may impose a fee of up to 2% for selling shares within a certain time period after purchase. Trade limitations often take the form of a restriction on the re-purchase of a fund for a predetermined period of time after the sale of that fund. Note that these fees would not apply to any automatic transactions (i.e., rebalancing funds) as part of the Advice Access service. Additionally, each investment option may charge other fees and expenses, which are taken from the assets held in the investment option before the net return is calculated. Please see the prospectus or annual report for a description of such fees and expenses.

Transaction fees or commissions may be charged for transactions in the Self-Direct Brokerage account. For more information on these commissions, please go to Benefits OnLine at [www.benefits.ml.com](http://www.benefits.ml.com). In addition, redemption fees or trading limitations may apply to certain funds purchased through the Self-Direct Brokerage account; however, retail rules would apply. Please see the prospectus or annual report for a description of such fees related to funds purchased through the Self-Direct Brokerage account.

## Important Fund Information

*Investing involves risk, including the possible loss of principal. Investments in foreign securities or sector funds, including technology or real estate stocks, are subject to substantial volatility due to adverse political, economic or other developments and may carry additional risk resulting from lack of industry diversification. Funds that invest in small- or mid-capitalization companies experience a greater degree of market volatility than those of large-capitalization stocks and are riskier investments. Bond funds have the same interest rate, inflation, and credit risks associated with the underlying bonds owned by the fund. Generally, the value of bond funds rises when prevailing interest rates fall and falls when interest rates rise. Investing in lower-grade debt securities ("junk" bonds) may be subject to greater market fluctuations and risk of loss of income and principal than securities in higher rated categories. There are ongoing fees and expenses associated with investing. Bear in mind that higher return potential is accompanied by higher risk.*

*This material is only a general outline of the Plan. You are encouraged to read the Summary Plan Description to obtain more detailed information regarding the Plan's operation. This document gives you information you need to make educated decisions about joining the Plan and maintaining a Plan account. If a provision described in this outline differs from the applicable provision of the Plan documents, the Plan documents prevail.*

## Investing in Valero Energy Corporation Stock

The Thrift Plan has implemented limitations on the percentage of your contributions that can be directed to Valero Energy Corporation stock, and the percentage of your total account balance that can be invested in the stock. No more than 20% of your total contribution can be directed to Valero stock and no more than 50% of your overall account balance can be invested in Valero stock.

When you buy or sell Valero Energy Corporation stock through the Thrift Plan, you can do so on a “real-time” basis. Merrill Lynch will attempt to go directly to the market to process your request immediately after it is received. For real-time sales or purchases, you can find out the exact price at [www.benefits.ml.com](http://www.benefits.ml.com) or by calling (877) 401-5856.

## Special Provisions for Dividends Paid on Valero Stock

If you hold Valero stock through the Thrift Plan, you can elect one of the following three options for any stock dividends paid:

- Have dividends reinvested in Valero stock. This is the default option; you do not need to take action to elect this option.
- Arrange for direct deposit to your checking or savings account. Direct Deposit must be set up on Benefits OnLine. Select the **Current Elections** tab, followed by **Dividend Election** from the drop-down menu. Please be sure to have your financial institution's ABA routing number and your savings or checking account number.
- Receive payment by check to your mailing address on file.

Your election on file on the payable date will be used to determine the method of dividend payment. Please note: If you elect to receive cash, either by check or through direct deposit, the dividend is treated as ordinary taxable income, and you will receive a 1099-R form. However, no early withdrawal penalty would apply.

*Neither Merrill Lynch nor any of its affiliates or financial advisors provide legal, tax or accounting advice. You should consult your legal and/or tax advisors before making any financial decisions.*

### Notes:

This image shows a single sheet of white paper with horizontal blue ruling lines. The lines are evenly spaced and run across the width of the page. There are no margins, text, or other markings on the paper.

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