

**CITGO Petroleum Corporation
Sick Pay and Short Term Disability Program
for Salaried Employees**

Summary Plan Description
as in effect January 1, 2011

The Summary Program Description, including announcement letters issued subsequent to the publication date, is the governing Program Document.

TABLE OF CONTENTS

PURPOSE	1
ELIGIBILITY	2
Who is Eligible.....	2
Who is Not Eligible	2
ENROLLMENT	3
Effective Date of Coverage	3
PROGRAM SERVICE	4
Calendar Year of Employment	4
Breaks in Service/Bridging of Service	4
DESCRIPTION OF BENEFITS	6
SCHEDULE OF BENEFITS	7
DURATION OF BENEFITS.....	8
Alternate Work Schedules.....	8
COORDINATION OF BENEFITS.....	8
ASSIGNMENT OF BENEFITS	9
EXCLUSIONS AND LIMITATIONS	10
WHEN BENEFITS END	11
EVENTS AFFECTING COVERAGE	12
Absences With or Without Pay.....	12
Military Leave	12
Changes in Pay.....	12
Layoff, Termination of Employment or Retirement	12
Death	12
CLAIMS PROCEDURES	13
Presentation of Claims	13
ADMINISTRATION	15
Legal Action	15
ADDITIONAL INFORMATION	16
DEFINITIONS	17

PURPOSE

An illness or injury that prevents you from working could pose some serious problems --costly medical expenses and the loss of income during your absence from work. The Company Medical Plans are designed to help ease the financial burden of an illness or injury by paying a large portion of your expenses for covered health care goods and services. But what protection do you have against loss of income?

The Sick Pay and Short Term Disability Program ("STD" or "Program") provides you with continuing income over a specific period of time if you are eligible for the Program and are unable to work due to illness or injury. Program benefits are payable by the Company regardless of whether your illness or injury is work-related. You don't have to pay for this coverage — the Company pays the full cost of this Program.

ELIGIBILITY

Your participation in the Sick Pay and Short Term Disability Program is automatic if you meet the eligibility requirements of the Program.

Who is Eligible

You are eligible to participate in the Sick Pay and Short Term Disability Program if you meet **all** of the following requirements:

- (1) You are a Regular Full-Time Salaried Employee of the Company;
- (2) You are carried on a U.S. dollar payroll; and
- (3) You are not represented by a labor organization.

Who is Not Eligible

You are not eligible to participate in the Sick Pay and Short Term Disability Program if you meet **any** of the following conditions:

- (1) You are employed on any basis other than as a Regular Full-Time Salaried Employee of the Company (for example, a temporary or seasonal employee);
- (2) You provide services to the Company under an independent contract between yourself and the Company or under an independent contract between the Company and a third party;
- (3) You provide services to the Company under a leasing arrangement between the Company and a third party; or
- (4) You are represented by a labor organization. Those employees represented under the terms of a valid collectively bargained labor agreement will be provided benefits under a separate program in accordance with the terms of that labor agreement.

If you are excluded from participation because you provide services under a contract or leasing arrangement and a federal or state court or agency later determines that you should have been classified as an employee, you will still be excluded from participation during the time period you were misclassified and will only become eligible for participation in this Program upon a final determination of your status.

ENROLLMENT

You do not need to enroll to begin participating in this Program.

Effective Date of Coverage

Generally, if you are eligible to participate in the Program your coverage under the Program is effective starting on your first day of active employment or on the date you become eligible to join the Program (if later). However, if you are not at work on the day coverage is scheduled to begin your coverage will start when you return to work. You must work for the Company for one full day to be eligible for benefits due to occupational illness or injury.

PROGRAM SERVICE

Calendar Year of Employment

A calendar year of employment means any portion of a calendar year during which you are actively employed with the Company since your service date. For example, if you were hired on October 1, the time period between October 1 and December 31 would be your first calendar year of employment; and, on January 1 you will start your second calendar year of employment.

In most cases, your service date is simply your date of employment with the Company. However, if you leave the Company and are later re-employed your service date for purposes of this Program may be adjusted if you are entitled to restoration of benefits as explained in the section entitled *Breaks in Service/Bridging of Service*.

Your calendar years of employment with the Company determine your level of benefits available under the Program, as provided in the section entitled *Schedule of Benefits*.

If you exhaust your disability pay entitlement in a given year, you must return to work and be in active employment for a minimum of one full semi-monthly pay period in the following calendar year in order to qualify for the new schedule of disability pay benefits and to restore benefits for an occupational illness or injury. Similarly, if you are absent due to disability and the absence continues into the subsequent year, payment will continue under the applicable schedule until exhausted or until you return to work. If you return to work the day following the day the disability ceases, the disability payment schedule for that year will become effective after you are in active employment for a minimum of one full semi-monthly pay period.

Breaks in Service/Bridging of Service

There are special rules that will apply to you if you leave the Company and are re-employed. In this case, your service date may be different from your employment date or latest hire date.

Latest Hire Date

Your latest hire date is the date of your employment with the Company after the most recent termination of your employment with the Company.

Bridging of Service

There are some situations in which your service will be bridged to recognize prior periods of employment with the Company or a related company.

- If you left the Company on an involuntary basis, such as reductions in force or job eliminations (not including termination for "cause") and are later re-employed, prior service will be immediately counted toward the calculation of service for purposes of this Program.

- If you left the Company on a voluntary basis, service will be bridged upon your return to active employment **only after a period of time equal to the time you were gone has been reached.**
- Service will be granted for employment with our predecessor company, Cities Service, for individuals that were employed by Cities Service and/or its affiliates prior to September 1, 1983 and were subsequently hired by the Company.

DESCRIPTION OF BENEFITS

STD benefits are best described as “wage continuation benefits.” They provide you with a continued income when you are disabled due to illness, injury or pregnancy. Benefits are not payable if you are absent from work for any reason other than your own legitimate medical reason.

If you meet the Program’s eligibility requirements and are absent for medical reasons, you will be paid a benefit from the Program equal to a specified portion of your Base Pay -- 100%, 65% or 50%. The amount and duration of your benefit payments depend on your **calendar year of employment** with the Company, as defined in the section entitled *Program Service*.

In each of your first ten years of service with the Company, you become eligible for additional benefits under the STD Program when you enter another calendar year of employment. The amount and duration of these benefits is set out in the section entitled *Schedule of Benefits*. If you are absent from work on the date when you enter another calendar year of employment, you **can not qualify** for additional STD benefits until you return to active employment.

Benefits are payable on three different levels:

- Full-pay for occupational and non-occupational disabilities; and
- 65% pay for non-occupational disabilities; and
- 50% pay for occupational disabilities.

When a legitimate medical condition prevents you from working, you will first be paid the full-pay benefits for which you are eligible under the Program. “Full-pay” means that you will receive a benefit equal to 100% of your Base Pay.

After all your full-pay benefits have been used, you will become eligible to receive either 65% pay or 50% pay benefits depending on whether the disability is occupational.

DESCRIPTION OF BENEFITS

SCHEDULE OF BENEFITS

For non-occupational illness or injury:		
Eligibility (Calendar Year of Employment)	Benefits Equivalent to Full Pay	Benefits Equivalent to 65% Pay
	<i>First</i>	<i>Next</i>
During the 1 st calendar year	One day for each two full calendar months of employment, up to a maximum of one week (40 hours)	0 weeks
2 nd year	2 weeks	4 weeks
3 rd year	3 weeks	8 weeks
4 th year	4 weeks	12 weeks
5 th year	5 weeks	16 weeks
6 th year	6 weeks	20 weeks
7 th year	7 weeks	24 weeks
8 th year	8 weeks	28 weeks
9 th year	9 weeks	32 weeks
10 th year	10 weeks	36 weeks
After 10 th year	12 weeks	40 weeks
For occupational illness or injury:		
Eligibility	Benefits Equivalent to Full Pay	Benefits Equivalent to 50% Pay
	<i>First</i>	<i>Next</i>
Upon hire (after one full day actively at work)	26 weeks	26 weeks

DURATION OF BENEFITS

Hours of Benefit

The period of time over which benefits are paid to you is administered in terms of hours, although the schedule of benefits expresses it in terms of weeks. For example, if you are a salaried employee with 40 standard hours per week and in your fourth calendar year of employment with the Company, you are eligible for up to 160 hours (4 weeks multiplied by 40 hours/week) of full-pay benefits and up to 480 hours (12 weeks multiplied by 40 hours/week) of 65% pay benefits.

STD benefits are accounted for in hours solely for ease of administration and do not affect an exempt employee's salaried status. If an exempt employee works at all on a given day, he or she will be paid his or her normal salary. STD benefits will be used only on days when an exempt employee is scheduled to work but performs no work that day. Under normal circumstances, nonexempt salaried employees will be treated the same as exempt employees in this regard.

In extenuating and extreme cases, the Programs Administrator may approve a request for an extension of paid disability time.

Occupational vs. Non-Occupational

STD benefits for absences due to an occupational illness or injury are completely separate from those for a non-occupational illness or injury. For purposes of this Program, an occupational illness or injury means an illness or injury that occurs during the course of, or arises out of, your employment by the Company

Alternate Work Schedules

If you are a Regular Full-Time Employee with an assigned work schedule such as the 9/80 Schedule, the 12 Hour Shift program, or any other schedule other than a normal 5 day, 8 hours per day schedule, your schedule of STD benefits may be different than the above schedule. Refer to the provisions of your work schedule program to determine the effect, if any, on your STD benefits.

COORDINATION OF BENEFITS

You may be eligible to receive benefits under federal or state disability laws, including your state's Workers' Compensation laws, or any similar laws. Your **full-pay** STD benefits will be reduced by the amount of these benefits and any other amounts paid by or recoverable from the Company or its insurers resulting from your occupational illness or injury. This means that your benefits from the Program will be lower, but your total benefits from the STD Program, federal and state disability laws, and other amounts you may receive from the Company as a result of your illness or injury will equal 100% of your Base Pay. Under no circumstance will you receive more than 100% of your Base Pay.

DESCRIPTION OF BENEFITS

If you've used all of your full-pay benefits and are receiving 65% or 50% pay benefits from the Program, you can receive both your Company STD half-pay benefits and your federal or state disability benefits as long as the total does not exceed 100% of your Base Pay.

Should the total of your STD (50% or 65% of pay) benefits from the Program and federal or state disability benefits be greater than 100% of your Base Pay, your 50% or 65% of pay benefits will be reduced until the total benefit you receive is equal to 100% of your Base Pay.

ASSIGNMENT OF BENEFITS

Benefits payable under the STD Program may not be assigned, other than to the Company, subject to applicable law.

EXCLUSIONS AND LIMITATIONS

STD benefits won't be paid for any disability if:

- You are absent from work and fail to comply with the procedures and requirements for the payment of benefits;
- You are receiving a combined total of 100% of your regular pay, long term disability pay, vacation pay, and/or holiday pay;
- You are not receiving Appropriate Care and Treatment;
- You fail to follow medical instructions;
- You are working for another employer;
- You become disabled while on a Company-approved absence with or without pay. If your disability lasts beyond the date you were scheduled to return to work, you will be eligible for benefits on the date of your scheduled return. However, if you become disabled while you are on vacation, management, at its discretion, may reschedule the rest or part of your vacation;
- You go into active military service. Your coverage will end on the date your leave begins. You will resume coverage when you return to work;
- You are engaged in your own misconduct; or
- You are under suspension;
-
- Disability payments will not be paid if the disability is caused by or involves:
 - unlawful acts (not including traffic and other minor violations); or
 - intoxication or alcoholic intemperance or the use of habit-forming drugs other than as prescribed by a physician. Consideration may be given to continuing payments during the period of absence in these instances if the employee has sought and is responsibly pursuing a rehabilitation program in accordance with the Company's Drug and Alcohol Policy.

WHEN BENEFITS END

Your benefits under the Program will end automatically when:

- You return to work;
- You recover from your illness or injury even though you did not return to work immediately after recovery;
- You have exhausted all of your STD benefits;
- You retire or terminate your employment for any reason (STD benefits are non-accrued benefits and payment does not mean that you have a right to continued employment);
- You fail to provide requested medical evidence of your continuing disability, including your failure to attend a medical examination requested by the Health Services or any other material information related to your disability which may be requested by the Company;
- You die; or
- The Company amends or terminates the STD Program.

EVENTS AFFECTING COVERAGE

Absences With or Without Pay

If you become disabled while on a Company-approved absence, with or without pay, and your disability lasts beyond the date you were scheduled to return to work, you will be eligible for short term disability benefits on the date of your scheduled return.

However, if you become disabled while you are on vacation, management, at its discretion, may reschedule the rest or part of your vacation.

Military Leave

If you go into active military service, your coverage will end on the date your leave begins. You will resume coverage when you return to work.

Changes in Pay

The amount of your monthly benefit may change as a result of a change in your Base Pay. The new monthly benefit amount will take effect on the date of the change in pay.

Layoff, Termination of Employment or Retirement

Your coverage ends when your employment terminates for any reason (STD benefits are non-accrued benefits and payment does not mean that you have a right to continued employment).

Death

Coverage ends on the date of your death.

CLAIMS PROCEDURES

You may be eligible for benefits if you are disabled.

The Company may require written statements from your physician establishing that you are disabled and may further require you to be examined by a Company-appointed physician. You may also be asked to submit periodic proof to the Company that you are still disabled.

Presentation of Claims

In order to qualify for benefits, you must follow local procedures for reporting time off from work due to a disability.

Your immediate supervisor should notify Human Resources when an employee suffers an occupational injury which requires medical attention, or an employee is off three or more consecutive work days due to illness or disability. Human Resources needs to be contacted to ensure appropriate payroll notification and other necessary procedures are performed.

Payment of benefits will be made by the Company, and will generally become effective on the first day of absence. STD benefits will be paid in accordance with your normal pay schedule (e.g., semi-monthly).

Procedures for Review of Claims Denied in Whole or in Part

What notification will you receive if your claim is denied?

If a claim for benefits is wholly or partly denied, you will be furnished with written notification of the decision within 45 days after your initial claim is received (an additional 30 day extension may be required if it's a special case). If an extension of time is required for the review, you will be notified before the extension period begins. This written notification will:

- (1) give the specific reason(s) for the denial;
- (2) make specific reference to the Program provisions on which the denial is based;
- (3) provide a description of any additional information necessary to prepare a claim and an explanation of why it is necessary; and
- (4) provide an explanation of the review procedure.

How can you appeal the Claims Administrator's decision to the Program Administrator?

If the claim denial cannot be satisfactorily resolved with the Claims Administrator, you may appeal the case within 180 days of the Claims Administrator's denial of the claim, to the Program Administrator for review. If you do not appeal the denial within 180 days to the Program Administrator, the denial will be considered final, conclusive and binding.

CLAIMS PROCEDURES

The Program Administrator will review the facts of the case without giving any deference to the previous determination and will have the discretionary authority to make a final and conclusive determination of the claim. This determination will be issued, in writing, within 45 days after receipt of your written appeal (or within 105 days if special circumstances require an extension of time for processing). If an extension of time is required for the review, you will be notified before the extension period begins.

ADMINISTRATION

The Program Administrator is responsible for the administration of this Program and has final discretionary authority to interpret the Program's provisions, to resolve ambiguities in the Program and to determine all questions related to the Program, including eligibility for benefits. The decisions of the Program Administrator with respect to all issues and questions will be final, conclusive and binding on all persons. The Program Administrator may delegate to other persons the responsibilities for performing the ministerial duties in accordance with the terms of the Program and may rely on information, data, statistics or analysis provided by these persons. The Company's determination will be conclusive regarding rates of pay, periods of absence with or without full or part pay, length and continuity of service, essential duties, and termination of employment.

This Program is voluntary on the part of the Company. The Company reserves the right to amend, modify, or terminate the Program at any time, with or without advance notice, prospectively as well as retroactively, subject to applicable law.

Legal Action

You may not pursue your claim in federal or state court until first exhausting the claims procedures under the Program. You may not sue after two (2) years from the date of loss upon which the lawsuit is based.

ADDITIONAL INFORMATION

Important information about the Program is provided below:

Name of Program:	Short Term Disability Program
Type of Plan:	Wage Continuation Plan
Program Sponsor:	CITGO Petroleum Corporation
Program Sponsor's Identification Number:	71-1173881
Program Administrator:	Benefit Plans Committee – Secretary C/O HR Total Rewards CITGO Petroleum Corporation 1293 Eldridge Parkway N5072 Houston, TX 77077
Participating Companies:	CITGO Petroleum Corporation and its subsidiaries
Plan Number:	Not Applicable
Claims Administrator:	CITGO Petroleum Corporation 1293 Eldridge Parkway Houston, TX 77077
Funding/Method:	Unfunded. Benefits are considered continuation of employee's wages.
Benefits HelpLine:	1-888-443-5707

DEFINITIONS

This Program description has been written in a simplified manner that is intended to help explain this Program as clearly as possible. The following definitions apply to the Short Term Disability Program:

“Appropriate Care and Treatment” means medical care and treatment that meet all of the following:

- It is received from a Physician, who is not related to you, with medical training and clinical experience suitable to treat your disabling condition; and
- Whose treatment is:
 - consistent with the diagnosis of the disabling condition;
 - according to guidelines established by medical, research and rehabilitative organizations; and
 - administered as often as needed.

to achieve the maximum medical improvement.

“Base Pay” means salary or wages, excluding overtime, extra pay, shift differential, bonuses and living or other allowances, all as determined by the Company. For purposes of this Program, Base Pay includes amounts, if any, deferred by an employee under the provisions of any qualified defined contribution plan of the Company, pursuant to the provisions of Section 401(k) of the Internal Revenue Code, as amended, and amounts, if any, contributed to any benefit plan, pursuant to the provisions of Section 125 of the Internal Revenue Code, as amended.

“Company” means CITGO Petroleum Corporation and any of its subsidiaries or affiliated companies that participate in this Program. Depending upon the context, “Company” may mean all of these companies together or a specific one of the companies in particular.

“Disability or Disabled” (even though not capitalized) means that while you are receiving benefits, you are prevented by:

- (a) accidental bodily injury;
- (b) sickness;
- (c) Mental Illness;
- (d) Substance Abuse; or
- (e) pregnancy,

from performing one or more of the Essential Duties of your own job, or a reasonable alternative offered to you by the Company.

“Essential Duty” means a duty that:

- (1) is material and substantial, not incidental;
- (2) is fundamental or inherent to the occupation; and
- (3) can not be reasonably omitted or changed.

To be at work for the number of hours in your regularly scheduled workweek is also an Essential Duty.

“Physician” means a person who is:

- (1) a doctor of medicine, osteopathy, psychology or other healing art recognized by the Company;
- (2) licensed to practice in the state or jurisdiction where care is being given; and
- (3) practicing within the scope of that license.

“Regular Full-Time Employee” means an employee who regularly works the basic workweek for the job classification or position, but not less than 20 hours per week, and whose employment is not fixed or limited specifically to 30 consecutive calendar days or less.

“You” or **“Your”** (even though not capitalized) means you the employee, and does not mean your dependents or any other person, institution, or other entity.

These meanings will apply whenever these words are used, unless a different meaning is clearly indicated in the text. There may be places where other words are used that also have important and specific meanings, and these words and their definitions are identified in the text of the description.