



**NGL ENERGY PARTNERS LP  
NGL ENERGY HOLDINGS LLC**

## **CORPORATE GOVERNANCE GUIDELINES**

### **AS AMENDED AND RESTATED BY THE BOARD OF DIRECTORS ON AUGUST 5, 2020**

The Board of Directors (the "**Board**") of NGL Energy Holdings LLC (the "**General Partner**"), acting in its capacity as the general partner of NGL Energy Partners LP ("**NGL**" or the "**Partnership**" and, together with its subsidiaries and the General Partner, the "**Partnership Group**"), has adopted these Corporate Governance Guidelines (these "**Guidelines**") to provide an effective framework for the functioning of the Board and its committees. These Guidelines are not intended to bind the Board in any particular circumstance or to affect the Board's obligations or authority under the Partnership Agreement (defined below), the LLC Agreement (defined below) or applicable laws and regulations. These Guidelines are subject to amendment from time to time by the Board.

Because the Partnership is a master limited partnership, it is governed by a limited partnership agreement under Delaware state law. The Seventh Amended and Restated Agreement of Limited Partnership of the Partnership (as may be amended from time to time, the "**Partnership Agreement**"), to which all limited partners (unitholders) are parties, sets forth the rights of the unitholders. By contract, the unitholders do not participate in the management of the Partnership, nor in the selection or election of any board of directors of the Partnership. The basic charter document for the General Partner is its Third Amended and Restated Limited Liability Company Agreement (as may be amended from time to time, the "**LLC Agreement**"). The members of the General Partner have delegated to the Board all of the General Partner's power and authority to manage and control the business and affairs of the Partnership. Pursuant to these agreements, the corporate governance of the General Partner is, in effect, the corporate governance of the Partnership. The Partnership's common units are traded on the New York Stock Exchange. The New York Stock Exchange (the "**NYSE**") has recognized the distinctive characteristics of partnerships in the application of the NYSE's listing standards regarding "corporate" governance. In light of the foregoing, the Board has adopted these Guidelines.

#### **Director Independence and Qualifications**

Because NGL is a limited partnership, its Board is not required to be composed of a majority of directors who meet the criteria for independence established by the NYSE, however, the Board shall have at least three independent members. Board members have an affirmative obligation to inform the Chief Executive Officer of the General Partner promptly of changes in their circumstances or any transactions or relationships that may impact their designation by the Board as "independent."

The Board will assess, on an annual basis, the skills and characteristics that candidates for election to the Board should possess, as well as the composition of the Board as a whole. This assessment will

include the qualifications under applicable independence standards and other standards applicable to the Board and its committees, as well as consideration of background, experience, character, business acumen, skills and other factors the Board deems relevant in the context of the needs of the Board. The assessment will be without regard to race, color, religion, gender, ancestry or national origin. [At this time, the Board has determined not to establish a mandatory retirement policy, which may arbitrarily restrict the pool of talent available for service on the Board.]

No director should serve on so many other public or private company boards that his or her ability to devote the time and attention to duties to the Board would be compromised. Directors should advise the Chief Executive Officer of the General Partner in advance of accepting an invitation to serve on another public company board. Without specific approval from the Board, no director may serve on more than five public company boards (including the Board) and no member of the Audit Committee may serve on more than three public company audit committees (including the Audit Committee of the Board). If any Audit Committee member serves on the audit committees of more than three public companies, the Board shall make a determination that such simultaneous service does not impair the ability of such director to effectively serve on the Audit Committee of the Board.

The Board does not believe that an individual director who changes the position of professional responsibility or primary corporate affiliation he or she held when he or she was elected to the Board should necessarily resign from the Board. There should, however, be an opportunity for the Board to review the continued appropriateness of Board membership under the circumstances. A director who changes position of professional responsibility or primary corporate affiliation will be expected to act in accordance with the Board's recommendation.

The number of directors shall be determined from time to time by the Board, unless otherwise determined by the members of the General Partner, in each case, pursuant to the LLC Agreement.

### **Director Responsibilities**

The function of the Board is to provide guidance to and controls on the activities of the Partnership, in the exercise of the business judgment of each individual director. In discharging that obligation, directors should be entitled to rely reasonably on the honesty and integrity of their fellow directors and the senior management of the General Partner and its outside advisors and auditors.

Directors are expected to prepare for and attend Board meetings and meetings of committees on which they serve, and to spend the time needed and meet as frequently as necessary to properly discharge their responsibilities. Information and data that are important to the Board's understanding of the business to be conducted at a Board or committee meeting should, as possible, be distributed in writing to the directors before the meeting and directors should review these materials in advance of the meeting. A director may request that the Chief Executive Officer or appropriate member of senior management present to the Board specific information as it relates to the Partnership Group and its operations.

The Board believes that whether to have the same person occupy the offices of Chairman of the Board, if any, and Chief Executive Officer should be decided by the Board, from time to time, in its business judgment after considering relevant circumstances.

## **Board Meetings**

The Board shall meet at least four times per year. Additional meetings may be scheduled as necessary or appropriate in light of circumstances. The Chief Executive Officer and the Secretary of the General Partner will prepare an annual schedule of meetings for the Board and the standing committees. To the extent practicable, the schedule shall reflect agenda subjects that are generally of a recurring nature and are expected to be discussed during the year in question.

The Chief Executive Officer of the General Partner will establish the agenda for each Board meeting. Each Board member is free to suggest the inclusion of items on the agenda. The Board will review the Partnership's long-term strategic plans and the principal issues that the Partnership will face in the future during at least one Board meeting each year.

The non-management directors will meet regularly in executive session without management participation. The directors meeting in executive session do not constitute a committee of the Board and therefore shall not take action at such sessions, although the participating directors may make recommendations for consideration by the full Board. These meetings will be chaired by the chairperson of the Board's Audit Committee. If the non-management directors include directors who are not independent, the independent directors will meet separately in executive session not less than once a year.

## **Board Committees**

Board committees will at all times include an Audit Committee and may include a Compensation Committee and a Conflicts Committee, as provided in the LLC Agreement or the Partnership Agreement. The Board may, from time to time, establish or maintain additional committees as necessary or appropriate.

The Audit Committee will consist of at least three members. The Compensation Committee will consist of at least three members. The Conflicts Committee, if and when established, will consist of at least two members. All of the members of the Audit Committee will be independent directors under the criteria established by the New York Stock Exchange and the rules and regulations of the U.S. Securities and Exchange Commission. At least two of the members of the Compensation Committee will be "Non-Employee Directors" as defined by Rule 16b-3 under the Securities Exchange Act of 1934, as amended. All of the members of the Conflicts Committee, if and when established, will be independent directors under the criteria established by the New York Stock Exchange and the rules and regulations of the U.S. Securities and Exchange Commission and will meet the additional independence criteria set forth in the Partnership Agreement. The members of all other committees will be selected based on the experience and skills of the potential members. Each of the Audit Committee and the Compensation Committee will have its own written charter setting forth the purposes, goals and responsibilities of such committee.

The Chairperson of each committee, in consultation with the committee members, will determine the frequency and length of the committee meetings consistent with any requirements set forth in the committee's charter. The Chairperson of each committee, in consultation with the appropriate members of the committee and management, will develop the committee's agenda. Each committee will regularly apprise the full Board of its work, unless the circumstances otherwise warrant.

## **Standards of Conduct**

The Board shall adopt and maintain a Code of Business Conduct and Ethics (the "**Code**") for the directors, officers and employees of the Partnership Group in compliance with the requirements of the New York Stock Exchange. The Code shall be posted on the Partnership's website and shall be reviewed and updated periodically by the Board. Each director shall act at all times in accordance with the requirements of the Code.

## **Director Compensation**

The Board and the Compensation Committee will determine annually the form and amount of director compensation. Directors who are employees of the Partnership Group or its affiliates will not be separately compensated for their services as directors. The Board and the Compensation Committee will take into consideration the responsibilities of the directors and fees and other forms of compensation being paid by other companies comparable to the Partnership. The Board and the Compensation Committee will consider that directors' independence may be jeopardized if director compensation and perquisites exceed customary levels, if the Partnership Group makes substantial charitable contributions to organizations with which a director is affiliated, or if the Partnership Group enters into consulting contracts with or provides other indirect forms of compensation to a director or an organization with which the director is affiliated.

## **Director Interaction with External Constituencies**

The Board believes that the management speaks for the Partnership Group. Individual directors may, from time to time, meet or otherwise communicate with various constituencies that are involved with the Partnership. However, it is expected that Board members would do this with the knowledge of management and, absent unusual circumstances or as contemplated by the charters of the committees of the Board, only at the request of management.

## **Director Access to Officers, Employees and Other Advisors**

Directors are encouraged to keep themselves informed with respect to the Partnership Group and its operations. Directors will have full and free access to officers and employees of the Partnership Group. Any meetings or contacts that a director wishes to initiate may be arranged through the Chief Executive Officer or Secretary of the General Partner or made directly by the director. The directors will use their judgment to ensure that any such contact is not disruptive to the business operations of the Partnership Group and will, to the extent appropriate, copy the Chief Executive Officer of the General Partner on any written communications (including e-mail) between a director and an officer or employee of the Partnership Group. The Board also welcomes regular attendance at each Board meeting by senior officers of the General Partner. To the extent they consider it necessary and appropriate, directors also will have access to the Partnership Group's independent advisors using the same procedures.

The Board and each committee of the Board shall, at the Partnership Group's expense, have full access to independent legal, accounting, financial or other advisors as it deems necessary or appropriate to assist in the conduct of their duties.

## **Communication with the Board and Reports of Accounting or Other Concerns**

Any unitholder or interested parties may contact an individual director, the Board as a group, or a specified Board committee, including the independent directors, by submitting a communication in an envelope marked "Confidential" addressed to the relevant member(s) of the Board, c/o the Secretary of the General Partner, at the following address:

NGL Energy Holdings LLC  
6120 South Yale Avenue, Suite 805  
Tulsa, Oklahoma 74136

Any reports of concerns regarding accounting, internal auditing controls or other audit matters should be reported by calling a toll free-hotline at 1-866-722-1708 or filing a report at [www.reportlineweb.com/nglep](http://www.reportlineweb.com/nglep).

## **Director Orientation and Continuing Education**

Each new director should participate in an orientation program, which should be conducted as soon as reasonably practicable after the meeting at which a new director is appointed. The orientation will include presentations by senior management to familiarize new directors with the Partnership Group's business and strategic plans, significant financial, accounting and risk management issues, compliance programs, the Code, Board procedures, principal officers and internal and independent auditors. The Partnership Group will facilitate the participation of directors in relevant continuing education programs. All directors are invited to participate in the orientation and continuing education programs.

## **Chief Executive Officer Evaluation; Management Succession**

The Board will conduct an annual review of the Chief Executive Officer's performance to ensure that the Chief Executive Officer is providing appropriate leadership for the Partnership Group in the long- and short-term.

The Board is responsible for the selection of the Chief Executive Officer. The Board should identify and periodically update the qualities and characteristics necessary for an effective Chief Executive Officer and shall also periodically review emergency and expected Chief Executive Officer succession planning. The Board recognizes that advance planning for contingencies such as the departure, death or disability of the Chief Executive Officer or other top executives is also critical so that, in the event of an untimely vacancy, the General Partner has in place an emergency succession plan to facilitate the transition to both interim and longer-term leadership. The Chief Executive Officer shall provide to the Board his or her recommendations and evaluations of potential successors, along with a review of any development plans recommended for such individuals.

## **Annual Performance Evaluation**

The Audit Committee will conduct an annual self-evaluation to determine whether the Board and its committees are functioning effectively.

## **Conflicts with Agreements**

These Guidelines are in addition to and are not intended to and shall not change or interpret any federal or state law or regulation, including the Delaware Limited Liability Company Act, or the charter documents of the General Partner. These Guidelines shall in no way alter, amend or repeal any provision of the LLC Agreement or the Partnership Agreement. To the extent that these Guidelines conflict with any provision of either of those agreements, the provisions contained in the appropriate agreement shall govern.