



## NGL Energy Holdings LLC

### Code of Business Conduct and Ethics

As Amended and Restated by the Board of Directors on July 22, 2011

#### **Introduction**

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 (the “**Partnership**” and, together with its subsidiaries and the General Partner, the “**Partnership Group**”), has adopted this Code of Business Conduct and Ethics (this “**Code**”). This Code sets forth the Partnership Group’s policy with respect to business ethics and conflicts of interest, and is intended to ensure that the employees, officers and directors of the Partnership Group conduct business with the highest standards of integrity and in compliance with all applicable laws and regulations. This Code applies to the employees, officers and directors of the Partnership Group. Although this Code provides only a brief description of the potential problems that may arise, a familiarity with the basic principles of this Code should assist employees, officers and directors of the Partnership Group in avoiding illegal or unethical behavior.

#### **1. Code of Ethics Contact Person**

For purposes of this Code, the “**Code of Ethics Contact Person**” shall be different for various employees, officers and the directors of the Partnership Group. For the principal executive officer and directors of the General Partner, the Code of Ethics Contact Person is any member of the Audit Committee of the Board. For any other employees of the Partnership Group, the Code of Ethics Contact Person is the employee’s immediate supervisor.

#### **2. Complying with Law**

All employees, officers and directors of the Partnership Group are expected to acquire and maintain a working knowledge of the laws, rules and regulations that are applicable to such persons’ responsibilities with the Partnership Group and to know enough to determine when to seek advice from appropriate personnel or the Partnership Group’s legal counsel. All employees, officers and directors of the Partnership Group should respect and comply with all of the laws, rules and regulations of the United States and other countries, and the states, counties, cities and other jurisdictions, in which the Partnership Group conducts its business, and the laws, rules and regulations of which are applicable to the Partnership Group.

This Code does not summarize all laws, rules and regulations applicable to the Partnership Group and its employees, officers and directors. If questions arise about what is required by laws, rules or regulations, please consult the Partnership Group’s legal counsel.

### 3. Insider Trading

The Partnership maintains a separate Insider Trading Policy, with which you are expected to comply.

### 4. Conflicts of Interest

All employees, officers and directors of the Partnership Group must avoid situations that create a conflict of interest or the appearance of a conflict of interest with regard to the Partnership Group's interests. A conflict situation may arise when an employee, officer or director of the Partnership Group takes actions or has private commercial or financial interests that interfere with his or her objectivity in performing his or her duties and responsibilities for the Partnership Group. Conflicts of interest may also arise when an employee, officer or director of the Partnership Group, or a member of his or her family, receives improper personal benefits as a result of his or her position in the Partnership Group, whether received from the Partnership Group or a third party.

It is almost always a conflict of interest for an employee of the Partnership Group to work simultaneously for a supplier, customer, partner, subcontractor or competitor of the Partnership Group. The Partnership Group's employees should avoid any direct or indirect business connection with the suppliers, customers, partners, subcontractors or competitors, except on the Partnership Group's behalf or as otherwise approved by the Code of Ethics Contact Person. Furthermore, employees, officers and directors of the Partnership Group should consult with the Code of Ethics Contact Person before accepting any position as an officer or director of any outside business concern. Loans to, or guarantees of obligations of, employees, officers and directors of the Partnership Group and their respective family members may also create impermissible conflicts of interest. Unlawful extensions of credit by the Partnership Group in the form of personal loans to its executive officers and directors are prohibited.

Conflicts of interest are prohibited as a matter of Partnership Group policy, except under guidelines approved by the Board or its authorized committee. Executive officers of the General Partner are required to avoid any conflicts of interest unless approved by the Board. Conflicts of interest may not always be clear-cut, so persons with questions should consult with the Code of Ethics Contact Person. Any employee, officer or director of the Partnership Group who becomes aware of a material transaction or relationship that reasonably could be expected to give rise to a conflict should bring it to the attention of the Code of Ethics Contact Person or consult the procedures described in Section 15 of this Code.

If a conflict arises between the General Partner on the one hand and the Partnership on the other hand, the Partnership's Second Amended and Restated Agreement of Limited Partnership (the "**Partnership Agreement**") specifies a process for resolution of such conflict of interest. Proper resolution of conflicts of interest or potential conflicts of interest in accordance with the process described in the Partnership Agreement is consistent with the requirements of this Code.

## **5. Related Person Transactions**

The Partnership Group recognizes that related person transactions present a heightened risk of conflicts of interest and therefore all such transactions that are required to be disclosed under the rules of the Securities and Exchange Commission (the “**SEC**”) shall be subject to approval or ratification by the Board or its authorized committee. In the event that the Board or its authorized committee considers ratification of a related person transaction and determines not to so ratify such transactions, the officers of the Partnership Group shall make all reasonable efforts to cancel or annul the transaction.

In determining whether or not to recommend the initial approval or ratification of a related person transaction, the Board or its authorized committee should consider all of the relevant facts and circumstances available, including (if applicable) but not limited to:

- whether there is an appropriate business justification for the transaction;
- the benefits that accrue to the Partnership as a result of the transaction;
- the terms available to unrelated third parties entering into similar transactions;
- the impact of the transaction on a director’s independence (in the event the related person is a director, an immediate family member of a director or an entity in which a director is a partner, shareholder or executive officer);
- the availability of other sources for comparable products or services;
- whether it is a single transaction or a series of ongoing, related transactions; and
- whether entering into the transaction would be consistent with this Code.

## **6. Corporate Opportunity**

Any business opportunity that is discovered through or arises from the use of property, information or position of the Partnership Group belongs to the Partnership Group. No employee of the Partnership Group may take personal advantage of such an opportunity without first receiving specific written approval from the Chief Executive Officer or the Board. In the absence of pre-approval, an employee of the Partnership Group must abandon or forfeit such opportunity, or seek a waiver under Section 18 of this Code. Any pre-approval for an executive officer of the Partnership Group must be obtained from the Board.

## **7. Confidentiality**

Employees, officers and directors of the Partnership Group must maintain the confidentiality of confidential information entrusted to them by the Partnership Group or its suppliers or customers, except when disclosure is authorized by the Code of Ethics Contact Person or required by laws, regulations or legal proceedings. Whenever feasible, employees, officers and directors should consult the Code of Ethics Contact Person if they believe they have

a legal obligation to disclose confidential information. Generally, confidential information includes all information, whether oral or in writing, that has not been disclosed to the public and that might be of use to competitors, or, if disclosed, harmful to the Partnership Group or its customers.

## **8. Fair Dealing**

Each employee, officer and director of the Partnership Group should endeavor to deal fairly with the Partnership Group's customers, suppliers, competitors, officers and employees. None should take unfair advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation of material facts or any other unfair dealing practice.

## **9. Protection and Proper Use of Partnership Group Assets**

All employees, officers and directors of the Partnership Group should protect the Partnership Group's assets from loss, theft, waste and misuse and ensure their efficient use. Any personal use of resources of the Partnership Group must not result in significant added costs, disruption of business processes or any other disadvantage to the Partnership Group. Theft, carelessness and waste have a direct impact on the Partnership Group's profitability. All assets of the Partnership Group may be used only for legitimate business purposes and may never be used for illegal purposes.

## **10. Accounting Complaints**

The Partnership Group's policy is to comply with all applicable financial reporting and accounting regulations applicable to the Partnership Group. If any employee, officer or director of the Partnership Group has concerns or complaints regarding questionable accounting, internal accounting controls or auditing matters of the Partnership Group, then he or she is encouraged to submit those concerns or complaints (anonymously, confidentially or otherwise) 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).

## **11. Safety; Prohibited Substances**

The Partnership Group strives to provide each employee of the Partnership Group with a safe work environment. Each employee of the Partnership Group has responsibility for maintaining a safe workplace for all employees of the Partnership Group by following safety and health rules and practices, and by reporting accidents, injuries and unsafe equipment, practices or conditions. Violence and threatening behavior are not permitted. Employees of the Partnership Group should report to work in condition to perform their duties, free from the influence of illegal drugs or alcohol, or any other substance that may impair such employee's ability to perform the essential functions of his or her job or create an unsafe work environment. The use of illegal drugs in the workplace will not be tolerated.

## **12. Business Entertainment, Gifts and Courtesies**

The purpose of business entertainment, gifts and courtesies in a commercial setting is to create goodwill and sound working relationships, and not to gain unfair advantage with

customers. Employees, officers and directors of the Partnership Group must act in a fair and impartial manner in all business dealings. No entertainment, gift or courtesy should be offered, given, provided or accepted by any employee, officer or director of the Partnership Group, or any of their family members or agents, unless it:

- is not a cash gift;
- is consistent with customary business practices;
- cannot be construed as a bribe or payoff; and
- does not violate any laws or regulations.

Persons should contact the Code of Ethics Contact Person if they are not certain that any entertainment, gift or courtesy is appropriate.

### **13. Books and Records**

All of the Partnership Group's books, records, accounts and financial statements must be maintained in reasonable detail, must appropriately reflect the Partnership Group's transactions and must conform both to applicable legal requirements and to the Partnership Group's system of internal controls. Unrecorded or "off the books" funds or assets should not be maintained unless permitted by applicable law or regulation.

Employees, officers and directors of the Partnership Group shall follow the Partnership Group's record retention policies. Employees, officers and directors of the Partnership Group shall not destroy, shred or alter records that are in any way related to a threatened, imminent or pending legal or administrative proceeding, litigation, audit or investigation.

### **14. Public Company Reporting and Other Government Filings**

It is the Partnership Group's policy that the information in its public communications, including the Partnership's periodic reports and other filings with the SEC, be timely and understandable, and fair, complete and accurate in all material respects. Depending on his or her position with the Partnership Group, an employee, officer or director of the Partnership Group may be called upon to provide necessary information in furtherance of this policy. The Partnership Group expects employees, officers and directors of the Partnership Group to take this responsibility very seriously and to provide prompt, accurate and complete answers to inquiries related to the Partnership Group's public disclosure requirements.

All employees of the Partnership Group are prohibited from knowingly misrepresenting or omitting, or causing others to misrepresent or omit, material facts about the Partnership Group to anyone having a role in the Partnership's financial reporting and disclosure processes. Employees of the Partnership Group shall not directly or indirectly take any action to fraudulently induce, coerce, manipulate or mislead any independent registered public accounting firm of the Partnership Group for the purpose of rendering the financial statements of the Partnership Group misleading, or direct anyone else to do so. If an employee, officer or director

of the Partnership Group believes that any of the Partnership's periodic reports contain any materially false or misleading information or omit material information, such person is encouraged to follow the procedures described in Section 15 of this Code.

Employees responsible for preparing reports and filings with agencies other than the SEC, whether in the United States or other jurisdictions, should take care to see that they are prepared accurately and in compliance with applicable requirements.

#### **15. Reporting Any Illegal or Unethical Behavior**

If employees, officers or directors of the Partnership Group believe that they have violated the policies of this Code, they should promptly advise the Code of Ethics Contact Person. They are also encouraged to promptly notify the Code of Ethics Contact Person about observed illegal or unethical behavior and to discuss, when in doubt, the best course of action in a particular situation. Employees, officers and directors of the Partnership Group who are concerned that violations of this Code or that other illegal or unethical conduct by employees, officers or directors of the Partnership Group has occurred or may occur should promptly contact the Code of Ethics Contact Person. If they do not believe it appropriate or are not comfortable approaching the Code of Ethics Contact Person about their concerns or complaints, then they may contact the Chief Executive Officer of the General Partner. If they do not believe it appropriate or are not comfortable approaching the Chief Executive Officer of the General Partner, then they may contact the Partnership Group's legal counsel or any member of the Audit Committee of the Board. If their concerns or complaints require confidentiality, including keeping their identity anonymous, then this confidentiality shall be protected, subject to applicable law, regulation or legal proceedings.

#### **16. Accountability for Actions**

Those persons who are not in compliance with the policies of this Code will be held accountable for their actions and will, to the extent possible, be required to take such action as necessary to become compliant. The failure to observe the terms of this Code may result in disciplinary action, up to and including termination of employment. Violations of this Code may also constitute violations of law that may result in civil and criminal penalties.

#### **17. No Retaliation**

The Partnership Group will not permit retaliation of any kind by or on behalf of the Partnership Group and its employees, officers and directors against good faith reports or complaints of violations of this Code or other illegal or unethical conduct.

#### **18. Amendment, Modification and Waiver**

This Code may be amended, modified or waived by the Board or its designated committee, subject to the provisions of the Securities Exchange Act of 1934 and the rules thereunder and the applicable rules of the New York Stock Exchange (the "*NYSE*"). Any waiver of this Code for executive officers or directors shall be promptly disclosed to unitholders to the extent required by applicable law or the NYSE listing requirements.

**19. Responding to Inquiries from the Press and Others**

The Partnership Group is subject to laws that govern the timing of its disclosures of material information to the public and others. Only certain designated employees may discuss the Partnership Group with the news media, securities analysts and investors. All inquiries from outsiders regarding financial or other information about the Partnership Group should be referred to the Chief Financial Officer.

**20. Compliance Certification**

All directors and employees at a manager level and above will be asked to sign a certificate confirming that they have read and understand this Code. However, failure to read this Code or sign a confirmation certificate does not excuse anyone from complying with this Code.

**Note**

This Code is not intended to and does not in any way constitute an employment contract or assurance of continued employment, and does not create any rights for any director, officer, employee or any other person or entity. This Code is not intended to affect any of terms and conditions, or rights and powers of the parties, under the Partnership Agreement or the limited liability company agreement of the General Partner.

The requirements in this Code may be more restrictive than the requirements of law and industry practice. Nothing contained in this Code should be construed or applied as a binding interpretation or definition of law or industry practice. Any violation of law is strictly prohibited and is beyond the scope of authority of all employees, officers and directors of the Partnership Group.

### Confirmation Certificate

I have been provided with a copy of NGL Energy Holdings LLC's Code of Business Conduct and Ethics (the "*Code*"). I acknowledge that I have read the Code and understand my responsibilities under it. I further acknowledge that I should follow the compliance procedures described in the Code if I have any questions or concerns.

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Name: \_\_\_\_\_

Date: \_\_\_\_\_