

**CRESTWOOD EQUITY GP LLC**  
**Audit Committee Charter**

**CHARTER OF  
THE AUDIT COMMITTEE  
OF THE BOARD OF DIRECTORS  
OF CRESTWOOD EQUITY GP LLC**

Crestwood Equity GP LLC (the “*Company*”) is a Delaware limited liability company and is also the general partner of Crestwood Equity Partners LP, a Delaware limited partnership (the “*Partnership*”). The Company is governed by the First Amended and Restated Limited Liability Company Agreement dated as of September 27, 2012 (as amended, restated, supplemented or otherwise modified from time to time, the “*LLC Agreement*”). The Partnership is governed by the Fifth Amended and Restated Agreement of Limited Partnership dated as of April 11, 2014 (as amended, restated, supplemented or otherwise modified from time to time, the “*MLP Agreement*”).

**I. PURPOSE**

The Audit Committee (the “*Committee*”) is appointed by the Board of Directors (the “*Board*”) of the Company to assist the Board in overseeing (i) the integrity of the Partnership’s financial statements, (ii) the independent auditor’s qualifications, independence and performance, (iii) the performance of the Company’s and the Partnership’s internal audit function, and (iv) the Company’s and the Partnership’s compliance with legal and regulatory requirements. In performing its duties, the Committee shall seek to maintain an open avenue of communication among the Board, the independent auditor, the internal auditors and the management of the Company.

While the Committee has the responsibilities and authority set forth in this Charter, management and the independent auditor are responsible for planning or conducting audits and determining that the Partnership’s financial statements are complete and accurate and are in accordance with generally accepted accounting principles. Nothing contained in this Charter is intended to expand applicable standards of liability under statutory or regulatory requirements, or under the LLC Agreement or the MLP Agreement, for the Board (or any member thereof) or the Committee (or any member thereof).

The independent auditor is ultimately accountable to the Committee, which has the sole authority to appoint, oversee and, where appropriate, replace the independent auditor. The Committee has direct responsibility for the compensation and oversight of the work of the independent auditor (including resolution of disagreements between management and the independent auditor regarding financial reporting) in connection with preparing or issuing an audit report or performing other audit, review or attest services for the Partnership. The Committee also has direct responsibility to appoint, compensate, oversee and terminate, if necessary, any other registered public accounting firm engaged for the purpose of preparing or issuing an audit report or performing other audit, review or attest services for the Partnership. The independent auditor and any other registered public accounting firm, as applicable, shall report directly to the Committee.

## **II. COMPOSITION**

The Committee shall be comprised of three or more members (including a Chairperson). The members of the Committee shall meet the independence requirements of the New York Stock Exchange and Rule 10A-3(b)(1) under the Securities Exchange Act of 1934, as amended (the “*Exchange Act*”). The members of the Committee and the Chairperson shall be appointed annually by the Board and serve at the pleasure of the Board. A Committee member (including the Chairperson) may be removed at any time, with or without cause, by the Board. If any director serving on the Committee is also serving on the audit committee of three or more other public companies, the Board shall make a determination, as promptly as practicable following the time when the Company first becomes aware of such circumstances and thereafter on a periodic basis but no less frequently than annually, that such simultaneous service does not impair the ability of such director to effectively serve on the Committee.

All members of the Committee shall be financially literate, as determined by the Board, and at least one member of the Committee shall be an “audit committee financial expert” as defined by the SEC and other regulatory authorities. Committee members may enhance their familiarity with finance and accounting by participating in educational programs conducted by the Company or its affiliates or by an outside consultant. The Chairperson shall maintain regular communication with the chief executive officer, chief financial officer, chief accounting officer, the lead partner of the independent auditor and the individual responsible for the internal audit function.

If a member of the Committee ceases to be independent for reasons outside the member’s reasonable control, his or her membership on the Committee may, if so permitted under then- applicable NYSE rules, continue for up to one year from the occurrence of the event that caused the failure to qualify as independent.

## **III. MEETINGS**

The Committee shall meet as often as it determines necessary, but at least four times each year, to enable it to fulfill its responsibilities. The Committee shall meet at the call of its Chairperson. The Committee may meet by telephone conference call or by any other means permitted by law or the LLC Agreement. A majority of the members of the Committee shall constitute a quorum. The Committee shall act on the affirmative vote of a majority of its members. Subject to the LLC Agreement, the Committee may act by written consent of a majority of its members in lieu of a meeting. The Committee shall determine its own rules and procedures, including designation of a chairperson pro tempore in the absence of the Chairperson, and designation of a secretary. The secretary, who shall be initially designated by CEQP’s inhouse legal counsel, need not be a member of the Committee and shall attend Committee meetings and prepare minutes. The Committee shall keep written minutes of its meetings, which shall be recorded or filed with the books and records of the Company. Any member of the Board shall be provided with copies of such Committee minutes if requested.

The Committee may ask members of management, employees, outside counsel, the independent auditors, internal auditors or others whose advice and counsel are relevant to

the issues then being considered by the Committee, to attend any meetings and to provide such pertinent information as the Committee may request.

The Chairperson of the Committee shall be responsible for leadership of the Committee, including approving the agenda, presiding over Committee meetings, making Committee assignments and regularly reporting the Committee's actions to the Board.

As part of its responsibility to foster free and open communication, the Committee shall meet periodically with management, the internal auditors and the independent auditor in separate executive sessions.

#### **IV. RESPONSIBILITIES**

In carrying out its responsibilities, the Committee's policies and procedures should remain flexible to enable the Committee to react to changes in circumstances and conditions so that it can fulfill its oversight responsibilities. In addition to such other duties as the Board may from time to time assign, the Committee shall:

##### **Financial Statements and Other Publicly Issued Quantitative Information**

- Review and discuss with management and the independent auditor the Partnership's annual audited financial statements prior to the filing of the Partnership's Form 10-K, including disclosures made in Management's Discussion and Analysis of Financial Condition and Results of Operations, and recommend to the Board whether the audited financial statements should be included in the Form 10-K.
- Review and discuss with management and the independent auditor the Partnership's quarterly financial statements prior to the filing of the Partnership's Form 10-Q, including disclosures made in Management's Discussion and Analysis of Financial Conditions and the results of the independent auditor's review of the quarterly financial statements
- Discuss with management and the independent auditor significant financial reporting issues and judgments made in connection with the preparation of the Partnership's financial statements, including any significant changes in the Partnership's selection or application of accounting principles, and the judgments of each of management and the independent auditor as to the quality and appropriateness of the Partnership's accounting principles as applied in its financial reporting.
- Review and discuss with management and the independent auditor management's report on internal control over financial reporting and the independent auditor's attestation of the Partnership's internal control over financial reporting prior to the filing of the Partnership's Form 10-K.
- Review and discuss the reports required to be delivered by the independent auditor pursuant to Section 10A(k) of the Exchange Act regarding:

- all critical accounting policies and practices to be used,
  - all alternative treatments of financial information within generally accepted accounting principles that have been discussed with management, ramifications of the use of such alternative disclosures and treatments, and the treatment preferred by the independent auditor, and
  - other material written communications between the independent auditor and management, such as any management letter or schedule of unadjusted differences.
- Discuss with management the Partnership’s earnings press releases and other publicly issued financial information, including the use of “pro forma” or “adjusted” non-GAAP information, as well as financial information and earnings guidance provided to analysts and rating agencies. Such discussion may be done generally (consisting of discussing the types of information to be disclosed and the types of presentations to be made) and the Committee need not discuss in advance each earnings release or each instance in which the Partnership may provide earnings guidance.
  - Discuss with management the quantitative information included in the Partnership’s annual sustainability report and any other quantitative information reported to sustainability-related rating and ranking organizations. Such discussion may be done generally (consisting of discussing the types of information to be disclosed and the types of presentations to be made) and the Committee need not discuss in advance each such issuance of sustainability-related quantitative information.
  - Discuss with management and the independent auditor the effect of regulatory and accounting initiatives, as well as off balance sheet structures, on the Partnership’s financial statements.
  - Discuss with the independent auditor the matters required to be discussed by the independent auditor with the Audit Committee under auditing standards established by the Public Company Accounting Oversight Board, and under the rules and regulations of the SEC and other applicable authorities (as such standards and rules and regulations may be established or amended from time to time). In particular, the Committee and independent auditor shall discuss, among other things, matters relating to the conduct of the audit, including any difficulties encountered in the course of the audit work, any restrictions on the scope of activities or access to requested information, and any significant disagreements with management.
  - Review and discuss with management and the independent auditor any major issues as to the adequacy of the Partnership’s internal controls, any special audit steps adopted in light of material control deficiencies and the adequacy of disclosures about changes in internal control over financial

reporting.

- Review disclosures made to the Audit Committee by the Company's CEO and CFO during their certification process for the Partnership's Form 10-K and Form 10-Q about any significant deficiencies in the design or operation of internal control over financial reporting or material weaknesses therein and any fraud involving management or other employees who have a significant role in the Partnership's internal control over financial reporting.

### **Oversight of the Partnership's Relationship with the Independent Auditor**

- Select the Partnership's independent auditor, considering qualifications, independence and performance, and approve the scope of the proposed audit for each fiscal year and the fees and other compensation to be paid to the independent auditor therefor.

In evaluating the independent auditor's qualifications, performance and independence, the Committee should discuss with the independent auditor the independent auditor's independence, take into account the opinions of management and the internal auditors and consider whether the independent auditor's quality controls are sufficient and whether the provision of permitted non-audit services is compatible with maintaining the auditor's independence. The Committee shall present its conclusions with respect to the independent auditor to the Board.

- Review and evaluate the lead partner of the independent auditor's audit team for the Partnership.
- Obtain and review a report from the independent auditor at least annually regarding:
  - the independent auditor's internal quality-control procedures,
  - any material issues raised by the most recent internal quality control review, or peer review, of the independent auditor, or by any inquiry or investigation by governmental or professional authorities within the preceding five years respecting one or more independent audits carried out by the independent auditor,
  - any steps taken to deal with any such issues, and all relationships between the independent auditor and the Partnership and its affiliates.
- Ensure the rotation of the lead audit partner having primary responsibility for the Partnership's audit and the audit partner responsible for reviewing the audit as required by law.
- Establish policies for the hiring by the Company, the Partnership and their affiliates of employees or former employees of the independent auditor.

- Consider whether there should be regular rotation of the Partnership's independent auditor.
- Discuss with the independent auditor material issues on which the national office of the independent auditor was consulted by the Partnership's audit team.
- Preapprove all auditing services, audit-related services, internal control-related services and permitted non-audit services (including the fees and terms thereof) to be performed for the Company, the Partnership and their affiliates by the independent auditor, subject to such exceptions for non-audit services as permitted by applicable laws and regulations. The Committee may when it deems appropriate, delegate this authority to a subcommittee consisting of one or more Committee members (which may initially reside solely with the audit committee chair), including the authority to grant preapprovals of audit and permitted non- audit services beyond those initially pre-approved by the audit committee for a designated period.

### **Oversight of the Partnership's Internal Audit Function**

- Review and approve the engagement of any internal audit service providers considering their qualifications and effectiveness, and approve the scope of their proposed services and the fees and other compensation to be paid to such providers therefor.
- Review and discuss with management and the individual responsible for the internal audit function the annual audit plan, budget, activities, organizational structure and qualifications of the persons performing the internal audit function.
- Review and discuss with management and the individual responsible for the internal audit function significant reports to management prepared by the internal audit function and management's responses thereto.
- Review with the individual responsible for the internal audit function any difficulties encountered by the internal audit function in the course of its audits, including any restrictions on the scope of its work or access to required information.
- Discuss with the independent auditor the responsibilities, budget and staffing of the internal audit function.
- Review and discuss with management internal control over sustainability reporting prior to the issuance of the Partnership's annual sustainability report. Review and discuss with management and internal audit any major issues as to the adequacy of the Partnership's internal controls and any steps adopted in light of any significant or material control deficiencies with regards to sustainability reporting.

## **Oversight of Compliance Matters**

- Review policies and procedures that the Company and/or the Partnership has implemented regarding compliance with applicable federal, state and local laws and regulations and with the Company's and/or Partnership's Code of Business Conduct and Ethics.
- Meet at least annually with the Company's executive officer designated to be responsible for the implementation and effectiveness of the compliance programs of the Company and the Partnership (the "chief compliance officer"), and at such other times as the chief compliance officer may request.
- Establish procedures for the receipt, retention and treatment of complaints received by the Company and/or the Partnership regarding accounting, internal accounting controls or auditing matters, and the confidential, anonymous submission by employees of concerns regarding questionable accounting or auditing matters including any communications received on the Company and/or Partnerships "Ethics Hotline", if applicable.
- Discuss with management and the independent auditor any published reports or correspondence with regulators or governmental agencies that raise material issues regarding the Partnership's financial statements or accounting policies.
- Discuss with the Company's General Counsel and/or outside counsel legal matters that may have a material impact on the financial statements or the Company's and/or the Partnership's compliance policies.
- Discuss and review the Company's and the Partnership's policies and guidelines with respect to risk assessment and risk management and discuss with management the Partnership's major financial and other risk exposures and the steps management has taken to monitor and control such exposures. To the extent the Board has delegated to another Board committee responsibility for the review of risk assessment and risk management policies relating to a particular area or item, the Committee shall discuss and review such processes in a general manner. The Committee shall discuss and review the Company's and the Partnership's risks and exposures related to cybersecurity, and the policies, guidelines and steps management has take to monitor and control such risks and exposures.
- Obtain from the independent auditor assurance that Section 10A(b) of the Securities Exchange Act of 1934 has not been implicated.

## **Other**

- Regularly report Committee activities to the Board and make such recommendations to the Board as the Committee deems appropriate.

- Prepare for the Board an annual performance evaluation of the Committee.
- Annually review and reassess the adequacy of this Charter (recommending any appropriate changes to the Board).

## **V. LIMITATIONS**

It is not the duty of the Committee to plan or conduct audits or to determine that the Partnership's financial statements and disclosures are complete, accurate and in accordance with GAAP or other applicable rules or regulations. Company management is responsible for preparing the Partnership's financial statements, and the independent auditors are responsible for auditing those financial statements. In fulfilling their responsibilities, it is recognized that the members of the Committee are not employees of the Company or the Partnership, and that it is not the duty or responsibility of the Committee or its members to conduct "field work" or other types of auditing, legal or accounting reviews or procedures.

## **VI. MISCELLANEOUS**

In discharging its responsibilities, the Committee shall have the authority to engage and determine funding for independent legal, accounting or other advisors (without seeking Board approval) as the Committee determines necessary or appropriate to carry out its duties. The Committee may conduct or authorize investigations into or studies of matters within the Committee's scope of responsibilities as described herein. The Committee shall have direct access to any employee, legal counsel, consultant or advisor of the Company or the Partnership in connection with any such investigation or study. The Company shall pay, and the Committee shall have authority to cause the Company to pay, (i) fees and expenses of, and other compensation to, the independent auditor, and legal, accounting or other advisors engaged by the Committee and (ii) ordinary administrative expenses of the Committee that the Committee determines are necessary or appropriate in carrying out its duties. Any such fees, expenses, compensation or administrative expenses may be reimbursed by the Partnership under the MLP Agreement.