

**Corporate Governance Guidelines
of Ferrellgas, Inc.,
as the general partner of Ferrellgas Partners, L.P.**

Ferrellgas Partners, L.P. and its operating subsidiary, Ferrellgas, L.P., are Delaware limited partnerships (collectively, the “Partnerships”). All actions and decisions of the Partnerships are taken or made by their general partner, Ferrellgas, Inc. (the “General Partner”). The General Partner is a private Delaware corporation that would not otherwise be subject to the rules and regulations of the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended (collectively, the “Securities Laws”) or the Sarbanes-Oxley Act of 2002 (“SOX”), but for its position as the general partner of the Partnerships. Although these Governance Guidelines are technically those of the General Partner, because of the General Partner’s position as the general partner of the Partnerships, these Governance Guidelines ultimately serve as the Governance Guidelines of the Partnerships, including those of Ferrellgas Partners, L.P.

Please note that these guidelines reflect Ferrellgas, Inc.’s governance responsibilities in its capacity as the general partner of the Partnerships and not in its capacity as a private Delaware corporation. Although certain of the principles and guidelines described below apply to Ferrellgas, Inc. in both capacities, the governance principles applicable to Delaware limited partnerships such as the Partnerships, which are based on contract, differ fundamentally from the common-law fiduciary-based governance principles applicable to Delaware corporations. The description in these Governance Guidelines of the roles, duties and responsibilities of the Board of Directors of Ferrellgas, Inc. and its senior management centers on the actions and decisions of Ferrellgas, Inc. in its capacity as the general partner of the Partnerships, and not as an independent, private Delaware corporation.

Role and General Responsibilities of the Board of Directors of the General Partner

The primary role of the Board of Directors of the General Partner (the “Board”), as the governing body of the General Partner in its capacity as the general partner of the Partnerships, is to oversee the business affairs of the Partnerships. The duties of the General Partner with respect to Partnership management and oversight are contractual. The limited partnership agreements of the Partnerships provide that the General Partner is permitted to act, and to make decisions, with respect to the Partnerships “so long as such action is reasonably believed by the General Partner to be in, or not inconsistent with, the best interests of the Partnership[s].” In determining the “best interests of the Partnership[s]” or what is “necessary or appropriate” the General Partner is “entitled to consider only such interests and factors as it desires” and has “no duty or obligation to consider any interests of, or factors affecting, the Partnership[s] [or] any Limited Partner.”

However, the General Partner is subject to restrictions on its exercise of discretion in managing the affairs of the Partnerships by provisions, embedded in the partnership agreements of the Partnerships, for the benefit of the holders of Class B Units issued by Ferrellgas Partners L.P. and for the benefit of the preferred units issued by Ferrellgas L.P. These provisions require the

consent of the holders of Class B Units or preferred units for certain defined actions by the Partnerships.

The Board's duties with respect to governance of the Partnerships are appropriately understood within this distinctive framework of broad discretionary power limited only by contractual protective provisions for the benefit of Partnership unitholders, including the additional provisions applicable to the holders of the Class B Units issued by Ferrellgas Partners L.P. and the holders of the preferred units issued by Ferrellgas L.P.

The Board has developed governance practices to help the General Partner fulfill its responsibilities to the Partnerships as well as to fulfill the Board's duties with respect to the general oversight of the work and conduct of the management of the General Partner in its capacity as the general partner of the Partnerships. These Governance Guidelines memorialize these governance practices, effecting the necessary authority and power that enables the Board to review and evaluate the Partnerships' business operations and to make decisions that are independent of the senior management of the General Partner.

More specifically and during the course of the Board's oversight of the General Partner's management of the Partnership's business affairs, the Board and its individual Directors are expected to exercise their business judgment on behalf of the General Partner, in good faith, and in a manner the Board reasonably believes to be in, or not opposed to, the best interests of the Partnerships. In so doing, the Board and the Directors are responsible for the determination of whether the General Partner has appropriate operational and risk management structures in place, including a well-qualified Chief Executive Officer. The Board is also responsible for the development and execution of a long-term strategic operating plan for the Partnerships which is intended to both create and increase value for the Partnerships.

In the same way that the Partnerships' goals, structures and environments in which each conducts its business are subject to change, in response to or in anticipation of industry and general economic changes and developments, so are these Governance Guidelines. The Board may make future refinements, modifications or amendments to these Governance Guidelines as it may find necessary or advisable so that the Partnerships may ultimately achieve the overall objectives expressed in these Governance Guidelines.

Composition, Formation and Duties of the Board

The Board will periodically evaluate:

- the number of Directors constituting the Board;
- the number of those Directors that are to be "independent" or "non-management"; and
- whether a larger or smaller (i) number of Directors and/or, (ii) "independent" or "non-management" Directors would be better suited for the furtherance of the goals and business plans of the Partnerships.

It is the policy of the Board that the Board and its Directors strive at all times to maintain the following characteristics:

- each Director is to enable and/or cause the General Partner to act and to make decisions for the Partnerships in a manner that the Director reasonably believes to be in, or not inconsistent with, the best interests of the Partnerships, subject to the conflicts of interests provisions in the partnership agreement of each Partnership pertaining to the General Partner;
- each Director is to exhibit high standards of integrity, commitment and independence of thought and judgment;
- each Director is to dedicate sufficient time, energy and attention to ensure the diligent performance of his or her duties;
- that the Board will encompass a range of talent, skill and expertise sufficient to provide sound and prudent guidance with respect to all of the General Partner's and the Partnerships' operations and interests; and
- that the Board reflect the diversity of the General Partner's and the Partnerships' investor base, employees and customers.

The responsibility of the Board is to oversee and direct the management of the General Partner so that the actions and decisions of the General Partner are in what the Board reasonably believes to be in, or not inconsistent with, the best interests of the Partnership, subject to the conflicts of interests provisions in the partnership agreement of each Partnership pertaining to the General Partner. To that end, the Board has the following duties:

- to oversee the conduct of the business of the Partnerships and to evaluate whether the business of each Partnerships is being properly managed;
- to review and, where appropriate, to approve the major financial objectives, plans and actions of the Partnerships;
- to review and, where appropriate, approve material changes in the auditing and accounting principles and practices to be used in the preparation of the financial statements of the General Partner and of each Partnership;
- to assess the "mission critical" and other business, environmental, data privacy and security and other compliance risks relating to the performance of the General Partner and each Partnership, and to develop, implement and actively monitor Board-level risk management systems that address and attempt to mitigate such risks and that effectively respond with remedial measures to the occurrence of risk-related events and developments;

- to regularly evaluate the performance of, and to approve the compensation of, the Chief Executive Officer of the General Partner and, in consultation with the Chief Executive Officer, to regularly evaluate the performance of the senior management of the General Partner; and
- to plan for and establish a plan for the succession of the Chief Executive Officer and to monitor the succession plans established by the senior management of the General Partner for key members of such senior management.

Director Qualification Standards

To evaluate the suitability of current Board members as well as Director candidates, the Board and the Governance and Nominating Committee, as described below, will take into account several factors, including:

- any relationship that, in the opinion of the Board, would be likely to interfere with such person’s individual exercise of independent judgment;
- the individual’s business and financial acumen, education, demonstrated business ethics and tenure; and
- the breadth of such individual’s experience in a significant leadership capacity.

Each factor will be considered not only with respect to such person, but also in the context of the Board composition as a whole, with the objective of establishing a Board that can use its diversity of experience to best perpetuate and further the success of the General Partner and the Partnerships through the exercise of sound business judgment.

The holders of the Class B Units issued by Ferrellgas Partners, L.P. have the contractual right to designate one member of the Board if and when the contractual preconditions for designation are satisfied. The holders of the preferred units issued by Ferrellgas L.P. similarly have the contractual right to designate one member of the Board if and when the contractual preconditions for designation are satisfied. The directors designated by the Class B Unitholders of Ferrellgas Partners, L.P. and by the preferred unitholders of Ferrellgas L.P. are referred to herein as the “Designated Directors.” The Designated Directors must satisfy additional contractual qualification requirements to be eligible for Board membership.

As the General Partner is wholly-owned by Ferrell Companies, Inc., all Directors are nominated and elected by Ferrell Companies, Inc., including the Designated Directors. Therefore, since the unitholders of the Partnerships do not vote for the election of the Board and no proxy for that election is distributed to those unitholders, the Board believes it is appropriate that there is no need to establish a policy with regard to the consideration of any Director candidates recommended by unitholders of the Partnerships.

Materials to be Presented to the Board by Management

Prior to meetings of the Board, each Director is to receive, in writing, information and data that are important to their understanding of the businesses of the General Partner and the Partnerships and with sufficient time to review such material and to prepare for meetings of the Board. This material is:

- to be as brief as possible while still providing the desired information;
- to be analytic as well as informational; and
- to include highlights and summaries whenever appropriate.

Directors may request that the Chairman of the Board or appropriate members of the senior management of the General Partner present to the Board information on specific topics relating to the Partnerships and their operations. Directors are encouraged to keep themselves informed of the current status of the Partnerships' business affairs between Board meetings through direct individual contact with members of the senior management of the General Partner. The Secretary of the General Partner is to, whenever requested, arrange and facilitate such contacts.

Access to Independent Management and Independent Advisors of the General Partner

In addition to the statutory information rights enjoyed by directors of Delaware corporations, the Board and each of its Directors is to have full access to:

- all members of senior management of the General Partner;
- all employees of the General Partner; and
- all external advisors to the General Partner or the Partnerships.

The Board and each of its committees in exercising their duties may consult with, retain and compensate independent legal, financial and/or other advisors, as they deem necessary or appropriate and may rely on the advice of such independent advisors. The General Partner and the Partnerships (in accordance with the partnership agreement of each Partnership) will pay the fees of these advisors.

Director Compensation

Annually, the Compensation Committee of the Board will recommend and present for approval to the Board the annual composition of the compensation package for each Director as well as any additional benefits to be provided by the Partnership to each Director. Such compensation is intended to be commensurate with the time spent by the Directors in fulfilling their respective obligations to the Partnerships. Such compensation is also intended to reflect the

compensation paid to similar individuals for similar duties and obligations by other companies similar in size and/or industry to the Partnerships.

Meeting of the Board

General Meetings

The Chairman of the Board, in consultation with the other members of the Board, will determine the timing and length of the meetings of the Board. For the Board to adequately fulfill its responsibilities and obligations, it is expected to have a minimum of four regular meetings at appropriate intervals. In addition to its regularly scheduled meetings, unscheduled Board meetings may be called upon appropriate notice at any time to address specific needs of the General Partner or the Partnerships. The Chairman is to establish the agenda for each Board meeting. Each Director will be entitled to suggest the inclusion of items on the agenda, request the presence of or a report by any member of the General Partner's senior management, or at any Board meeting raise subjects that are not on the agenda for that meeting.

At one meeting each year, the Board will be presented the long-term strategic plan for the Partnerships and the principal issues and challenges that the Partnerships expect to face in the future. Sufficient time is to be allocated for this presentation so as to allow for questions by and full discussion with all members of the Board.

Executive Sessions

At each meeting of the Board, the non-management Directors will meet in a regularly scheduled executive session, without the participation of the Chief Executive Officer or any other member of the senior management of the General Partner to review matters concerning (i) the relationship of the Board with the management Directors and with the General Partner's senior management and (ii) any other matters as the appointed Presiding Director, as detailed below, and participating Directors may deem appropriate. The non-management Directors will not take formal actions at these sessions, although the non-management Directors may make recommendations for consideration by the full Board. Additional executive sessions may be scheduled from time to time as determined by a majority of the non-management Directors in consultation with the appointed Presiding Director, as detailed below, and the Chairman of the Board.

At each executive session, one non-management Director will serve as the Presiding Director. This Presiding Director will be elected by a majority of the non-management Directors at the first executive session to occur after the beginning of the General Partner's fiscal year and will remain the Presiding Director for the remainder of the fiscal year. The name of such Presiding Director will be disclosed in the Annual Report on Form 10-K of the Partnerships.

Additionally, and so that interested parties are able to make their concerns, if any, known to the non-management Directors, interested parties may communicate with (i) the Presiding Director or (ii) the "non-management" Directors as a group, in the same manner as set forth in the Ferrellgas Code of Ethics for Principal Executive and Financial Officers.

Committees of the Board

The Board is organized so that a significant portion of its business may be conducted through its various committees. These committees may be standing or ad hoc. Generally, a committee is formed to address issues that, because of their complexity, technical nature, level of detail, time requirements and/ or sensitivity, cannot be adequately addressed within the normal agenda for Board meetings.

The Board is responsible for the establishment and continuous re-evaluation of both the composition and organization of its committee structure and to continually evaluate the effectiveness of each committee in performing its responsibilities as specified both in these guidelines and in each committee's respective charter. A committee's charter establishes that committee's responsibilities and it, as well as any amendments to it, must be approved by the Board. Each committee is required to present to the Board all of its significant findings, developments and results for discussion and review by the entire Board at least once annually.

Each committee is to be comprised of a particular number of Directors as determined by the Board; such number of Directors, and the "independence" of each Director for particular committees, will be determined and re-evaluated annually by the Board. Factors affecting the determination of independence will include those "independence" standards promulgated by the SEC.

Each committee is to designate annually one of its members to serve as the Presiding Committee Member of that committee to chair its meetings. Each Presiding Committee Member is to advise the Chairman of the Board and each Presiding Committee Member of the Board's other committees with respect to agendas and information needs relating to applicable Board and committee meetings. Each committee will also perform such other duties as the Board may from time to time delegate to assist the Board in the fulfillment of its responsibilities.

The current committee structure of the Board consists of three standing committees:

- the Audit Committee;
- the Governance and Nominating Committee; and
- the Compensation Committee.

Unless otherwise restricted by a committee's charter, the Board may at any time, in its good-faith exercise of reasonable business judgment and in reliance on such information as the Board deems appropriate, establish or eliminate committees as well as add, remove or replace any Director serving on a committee.

Director Orientation and Continuing Education

New Directors will participate in an orientation program to familiarize themselves with the Partnerships' businesses and operations and their responsibilities and duties as Directors of the General Partner of Delaware limited partnerships. Current Directors are expected to stay current on appropriate corporate and limited partnership governance developments through their own resources and with assistance from the General Partner through Director education activities. These activities may include:

- presentations made by senior management of the General Partner;
- third party presentations;
- discussions with other, non-senior management personnel of the General Partner and/or other third parties; and
- attendance at continuing education classes or seminars.

Performance Evaluation

The Governance and Nominating Committee of the General Partner is to assist the Board with its required annual self-evaluation. The intent of this self-evaluation is to determine the effectiveness of the Board and each of its committees in the performance of their required duties and the fulfillment of their respective obligations. During the performance of this self-evaluation, the Board and the Governance and Nominating Committee will include an assessment regarding the compliance by the Board and each of its committees with these Governance Guidelines, as well as the compliance by each committee with its respective charter.

Implementation of Guidelines

If the Board ascertains at any time that any of the guidelines set forth above are not in full force and effect, the Board is to take such action as it deems reasonably necessary to assure full compliance with these guidelines as promptly as practicable.

Code of Business Conduct and Ethics

The General Partner has adopted a Code of Business Conduct and Ethics and other internal policies and guidelines designed to support the duties of the General Partner to the Partnerships and to comply with the laws, rules and regulations that govern the General Partner's and the Partnerships' business operations. The Code of Business Conduct and Ethics applies to all employees and well as to Directors and the senior management of the General Partner.

Code of Ethics for Principal Executive and Financial Officers

The General Partner has adopted a Code of Ethics for Principal Executive and Financial Officers and other internal policies and guidelines designed to support the duties of those persons whose responsibility it is:

- to handle conflicts of interests;
- to make disclosures to the SEC;
- to assist the General Partner and the Partnerships in compliance with governmental rules, laws and regulations;
- to promptly report internal violations of internal policies of the General Partner or external governmental rules, laws and regulations; and
- to be accountable for the adherence by the General Partner and the Partnerships to governmental rules, laws and regulations.

This Code of Ethics for Principal Executive and Financial Officers applies to the Chief Executive Officer, Chief Financial Officer and Chief Accounting Officer of the General Partner or those other persons performing similar functions.

Insider Transactions

The General Partner has adopted an insider trading policy in connection with transactions in securities issued by the Partnerships. The insider trading policy applies to the senior management and Directors of the General Partner, in addition to any person who is in possession of material nonpublic information.

Disclosure Guidelines

These Governance Guidelines will be posted on the website of Ferrellgas Partners, L.P. and will be provided in print, and at no charge, to any security holder of either Partnership who may request a copy. Such posting and availability will be referenced in the Annual Report on Form 10-K of any Ferrellgas Party. In addition, and subject to determination by the Board, these Governance Guidelines will be disclosed, posted, provided and/or filed as may be required pursuant to any applicable law or regulation.