

**Audit Committee Charter  
of Ferrellgas, Inc.,  
as general partner of Ferrellgas Partners, L.P.**

**Role and independence**

Ferrellgas, Inc. is the general partner (the “General Partner”) of both Ferrellgas Partners, L.P. and Ferrellgas, L.P. (collectively, the “Partnerships” and together with the General Partner, the “Ferrellgas Parties,” and each individually, a “Ferrellgas Party”). The role of the Audit Committee (the “Committee”) of the Board of Directors of the General Partner (the “Board,” and each member thereof a “Director”) is to assist the Board in its fulfillment of its responsibility for the oversight of:

- the quality and integrity of the accounting, auditing and financial reporting practices of each Ferrellgas Party;
- the financial statements of each Ferrellgas Party;
- the qualifications and independence of the independent registered public accounting firm of each Ferrellgas Party
- the performance of the internal audit function of each Ferrellgas Party and of the independent registered public accounting firm of each Ferrellgas Party; and
- such other duties as directed by the Board.

*Composition of the Committee*

The membership of the Committee will consist of at least three Directors who (i) are generally knowledgeable in financial and auditing matters and (ii) unless an applicable exemption exists, are “independent” (as such term is defined within the rules and regulations promulgated by the Securities and Exchange Commission (the “SEC”) and the New York Stock Exchange (the “NYSE”)). The names of each member, and the reliance upon any exemptions regarding the composition of the Committee, shall be disclosed in the Annual Report on Form 10-K of any Ferrellgas Party.

At least one member of the Committee shall have accounting or related financial management expertise sufficient to warrant designation as, and a willingness to accept designation as, an “Audit Committee financial expert” (as such term is defined within the rules and regulations promulgated by the SEC and the NYSE). Furthermore, the Board shall affirmatively find that such member is qualified as an “Audit Committee financial expert” and this finding, as well as the name of such person, must be disclosed in the Annual Report on Form 10-K of any Ferrellgas Party. In addition, each member of the Committee shall be free of any relationship that, in the opinion of the Board, would interfere with his or her individual exercise of independent judgment.

*Role of the Committee*

In discharging its oversight role, the Committee is expected to maintain free and open communication (including private executive sessions held at least annually) with (i) that registered public accounting firm that serves as the independent auditor, and the internal financial auditors, of each Ferrellgas Party and (ii) the senior management of the General Partner.

Additionally, the Committee is empowered to investigate any matter brought to its attention, with full power to consult with, retain and compensate independent legal, financial and/or other advisors, as it deems 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 and will, in addition, provide the Committee with access to appropriate funding (as determined by the Committee) to enable it to carry out its duties.

The Committee will report its activities to the Board at each regular Board meeting, as applicable.

### **Responsibilities**

Set forth below is a non-exhaustive list of the responsibilities of the Committee:

- to annually select, retain, terminate, compensate and oversee any independent registered public accounting firm engaged as an independent financial auditor to prepare and/or issue an audit report or perform other audit, review or attest services of any Ferrellgas Party (the “Independent Auditor”); and, in performing such tasks, the Committee will:
  - discuss and consider the Independent Auditor’s written affirmation that it is in fact independent, including the discussion of all relationships between the Independent Auditor and any Ferrellgas Party;
  - determine whether the Independent Auditor is in fact qualified to perform the services required and requested by each Ferrellgas Party, including discussing such determination with the senior management of the General Partner and the internal auditors of each Ferrellgas Party;
  - consider whether, to assure continuing auditor independence, there should be regular rotation of the Independent Auditor itself;
  - obtain and review the Independent Auditor’s internal quality control procedures report and any report describing any material issues raised by (i) the most recent internal quality control review (ii) any peer review or (iii) any governmental or professional inquiry, of such Independent Auditor within the preceding five years in connection with one or more independent audits conducted by such Independent Auditor and any steps taken by the Independent Auditor to deal with such issues;
  - discuss the nature and rigor of the financial audit process of each Ferrellgas Party with the Independent Auditor;
  - review all reports provided to them by (i) the Independent Auditor, (ii) the internal financial auditors of any Ferrellgas Party and (iii) the senior management of the General Partner;
  - ensure that the Independent Auditor has full access to the Committee and the Board, so as to report on any and all appropriate matters; and
  - report its conclusions, selection and findings with respect to the Independent Auditor to the entire Board;

- to pre-approve all engagements with any Independent Auditor, including all engagements regarding the audit of the financial statements of each Ferrellgas Party and all permissible non-audit engagements with the Independent Auditor, unless the service to be provided by the Independent Auditor:
  - is entered into pursuant to pre-approval policies and procedures established by the Committee, provided the policies and procedures are detailed as to the particular service, the Committee is informed of each service and such policies and procedures do not include delegation of the Committee's responsibilities to the senior management of the General Partner; or
  - fits within the "de minimis" exception, which requires that (i) the aggregate amount of such services is no more than 5% of total revenues paid by the applicable Ferrellgas Party to the Independent Auditor during that fiscal year; (ii) such services are not recognized at the time of the engagement to be non-audit services; and (iii) such services are promptly brought to the attention of the Committee and approved by the Committee prior to completion of such services;
- to participate in the review of, and discuss the audited and quarterly financial statements of, each Ferrellgas Party with the senior management of the General Partner and the Independent Auditor before such statements are (i) filed with the SEC, (ii) provided to other regulators and/or (iii) released to the public;
- to resolve any disagreements between the senior management of the General Partner and the Independent Auditor, including any restrictions imposed on the Independent Auditor in its scope or access to required information;
- upon the conclusion of a review and discussion of the financial statements of each Ferrellgas Party with the senior management of the General Partner and the Independent Auditor, to recommend to the Board of whether or not to include such audited financial statements in an Annual Report on Form 10-K of such Ferrellgas Party;
- to generally discuss with members of the senior management of the General Partner the content of any earnings releases of any Ferrellgas Party as well as any financial information and earnings guidance to be provided to analysts and/or ratings agencies;
- to discuss with members of the senior management of the General Partner and the Independent Auditor regarding the quality and adequacy of the internal controls of each Ferrellgas Party, including senior management's assessment of such internal controls;
- to meet separately, at such time as may be determined necessary or appropriate by the Audit Committee, with (i) the senior management of the General Partner, (ii) the internal auditors of each Ferrellgas Party and (iii) the Independent Auditor;
- to review all disclosures made to the Committee by the CEO and CFO of the General Partner regarding any significant deficiencies in the design or operation of the internal controls of any Ferrellgas Party or any material weaknesses therein and any fraud involving senior management or other employees of the General Partner who have a significant role in the implementation, exercise and/or monitoring of the internal controls of any Ferrellgas Party;

- to oversee the internal financial audit function of each Ferrellgas Party (the Internal Auditor), including the Committee’s annual review of the internal financial audit program of each Ferrellgas Party which includes the following:
  - evaluating the coordination of work between the Independent Auditor and the Internal Auditor to ensure that they appropriately address their different areas of responsibility;
  - regularly reviewing the Internal Auditor function (e.g. – audit plan, budget, compliance, staff quality and continuity)
  - oversees the role of the Internal Audit Director from selection to termination (e.g. – appointment, evaluation, compensation and retention)
  - approves the reporting relationships of the Internal Audit Director
- to establish procedures for the receipt, retention and treatment of complaints regarding accounting, internal accounting or financial reporting controls or other auditing matters of any Ferrellgas Party;
- to establish and maintain procedures for the confidential, anonymous submission by employees of the General Partner of concerns regarding questionable accounting or auditing matters of any Ferrellgas Party;
- to discuss with the senior management of the General Partner the status of any pending litigation, taxation matters or other areas of which the Audit Committee is to oversee in connection with any legal and/or regulatory compliance areas of any Ferrellgas Party;
- to establish a formal policy regarding employment by the General Partner of employees or former employees of the Independent Auditor;
- to evaluate and resolve any potential conflicts of interest as more specifically described in the partnership agreement of each Partnership (the “Partnership Agreement”), particularly within Sections 6.9 of each partnership agreement and Section 6.13 of the partnership agreement of Ferrellgas Partners, L.P., and in carrying out these responsibilities, the Committee will consider any (i) matters brought forward by the Board requiring the Committee’s “Special Approval” with respect to those conflicts of interests as described in Section 6.9 of either partnership agreement and (ii) requests for the registration of securities of either Partnership under the Securities Act of 1933, as amended, pursuant to Section 6.13 of the partnership agreement of Ferrellgas Partners, L.P.;
- to conduct an annual review of its charter, including any recommendations for modifications thereto, which modifications will be presented by the Committee to the Board for approval;
- to conduct an annual self-assessment and evaluation of its performance and effectiveness, including the composition and qualifications of each of its members, and thereafter present to the Board a summary report (either written or oral) regarding its findings; and
- to perform any and all other duties or responsibilities as directed or determined by the Board.

### **Scheduled Meetings**

- The Committee will meet at least once quarterly subsequent to the Independent Auditor's completion of their PCAOB AU722 review of each Ferrellgas Party and prior to the filing of a Quarterly Report on Form 10-Q with the SEC by any Ferrellgas Party related to such review.
- The Committee will have an annual meeting prior to the Independent Auditor's fiscal year end audit of each Ferrellgas Party to discuss with the Independent Auditor the audit scope to be undertaken by the Independent Auditor and the procedures related thereto, as well as any other matters as may be deemed appropriate by either the Committee or the Independent Auditor.
- The Committee will have an annual meeting with the Independent Auditor to discuss their required communications in accordance with Statement on Auditing Standard No. 114 and Rule 2-07 of Regulation S-X of the Securities and Exchange Commission (the "required communications") as it relates to the Ferrellgas Parties prior to the filing of any Annual Report on Form 10-K with the SEC of any Ferrellgas Party. The Independent Auditor will present to the Committee their required communications, management letter, etc. related to their most recent fiscal year end audit of the financial statements of each Ferrellgas Party.
- During all Committee meetings, the Committee will be given an opportunity to meet separately with the Independent Auditor and the Internal Auditor(s) without the participation of and outside the presence of the senior management of the General Partner.

### **Disclosure of Charter**

This charter 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 any Ferrellgas Party 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, the charter will be disclosed, posted, provided and/or filed as may be required pursuant to any applicable law or regulation.