

HOLLY ENERGY PARTNERS, L.P.
HOLLY LOGISTIC SERVICES, L.L.C.
FOURTH AMENDED AUDIT COMMITTEE CHARTER

Adopted by the Board of Directors
of Holly Logistic Services, L.L.C.
October 26, 2011

Holly Logistic Services, L.L.C. (the “Company”) is the sole general partner of HEP Logistics Holdings, L.P., the sole general partner of Holly Energy Partners, L.P. (the “Partnership”). The Board of Directors (the “Board”) of the Company has established the Audit Committee of the Board (the “Committee”) with the authority, responsibility, and specific duties described in this Audit Committee Charter (this “Charter”).

Purposes

The purposes of the Committee are:

1. To assist the Board in fulfilling its oversight responsibilities regarding the:
 - Integrity of the Partnership’s financial statements;
 - The Partnership’s compliance with legal and regulatory requirements;
 - Qualifications, independence and performance of the independent registered public accounting firm engaged by the Committee for the purposes of auditing the Partnership’s financial statements, preparing or issuing an audit report or performing other audit, review or attest services for the Partnership (the “independent registered public accounting firm”); and
 - Performance of the Partnership’s internal audit function;
2. To prepare an Audit Committee Report and publish the report in the Partnership’s proxy statement relating to the Partnership’s annual meeting of unitholders, if any, and/or its Annual Report on Form 10-K, in accordance with applicable rules and regulations; and
3. To perform such other functions as the Board may assign to the Committee from time to time.

Composition

The Committee shall consist of at least three members, all of whom must be members of the Board. One of the members shall serve as the chairperson of the Committee. Each member of the Committee shall be “independent” as defined by the rules of the Securities and Exchange Commission and the listing requirements of the New York Stock Exchange. Each member of the Committee shall be financially literate, and at least one member of the Committee shall be an “audit committee financial expert” as defined by applicable rules of the Securities and Exchange Commission. Committee members shall not simultaneously serve on the Audit Committees of more than two other public companies except with the approval of a majority of disinterested directors. Notwithstanding the foregoing membership requirements, no action of the Committee

shall be invalid by reason of any such requirement not being met at the time such action is taken.

The Board shall appoint the members of the Committee annually. The chairperson of the Committee shall be designated by the Board or, if no such designation is made, shall be selected by the affirmative vote of a majority of the members of the Committee. The Board may remove or replace the chairperson and any other member of the Committee at any time by the affirmative vote of a majority of the members of the Board.

Authority and Responsibilities

The Committee is delegated all authority of the Board as may be required or advisable to fulfill the purposes of the Committee. Without limiting the generality of the preceding statements, the Committee shall have authority, and is entrusted with the responsibility, to take the following actions:

Authority

The Committee shall have authority to:

1. Conduct or authorize investigations into any matter within the scope of the responsibilities delegated to the Committee as it deems appropriate, including the authority to request any officer, employee or advisor of the Company or the Partnership to meet with the Committee or any advisors engaged by the Committee.
2. Retain and determine funding for independent legal counsel, accounting experts and other advisors, including the sole authority to appoint or replace the independent registered public accounting firm (subject, if applicable, to stockholder or unitholder ratification), as it deems necessary or appropriate to fulfill its responsibilities. The Committee also may utilize the services of the Company's or the Partnership's regular outside legal counsel or other advisors to the Company and the Partnership. The Company shall provide for appropriate funding, as determined by the Committee, for payment of (a) compensation to any independent registered public accounting firm engaged for the purpose of auditing the Partnership's financial statements, rendering or issuing an audit report or performing other audit, review or attest services for the Partnership; (b) compensation to any advisors employed by the Committee; and (c) ordinary administrative expenses of the Committee that are necessary or appropriate in carrying out its duties.
3. Delegate to its chairperson, any one of its members or any subcommittee it may form, the responsibility and authority for any particular matter, as it deems appropriate from time to time under the circumstances. Each subcommittee shall keep minutes and report them to the Committee.

Responsibilities

The Committee's responsibilities are limited to oversight. Although the Committee has the responsibilities set forth in this Charter, it is not the responsibility of the Committee to

either (a) prepare the Partnership's financial statements and disclosures, (b) to plan or conduct audits or (c) to determine that the Partnership's financial statements and disclosure are complete and accurate and are in accordance with generally accepted accounting principles ("GAAP") and applicable laws, rules and regulations. These are the responsibilities of management, the internal auditor and the independent registered public accounting firm.

In fulfilling their responsibilities hereunder, it is recognized that the members of the Committee are not employees of the Company or the Partnership and, although they may be trained or licensed to be accountants or auditors, they are not, and do not represent themselves to be, acting as accountants or auditors for the Partnership or the Company. As such, it is not the duty or responsibility of the Committee or its members to conduct "field work" or other types of auditing or accounting reviews or procedures or to meet auditor independence standards. Absent actual knowledge to the contrary (which shall be promptly reported to the Board), each member of the Committee shall be entitled to rely on (i) the integrity of those persons and organizations within and independent from the Company and the Partnership from which the Committee receives information and (ii) the accuracy of the financial and other information provided to the Committee by such persons or organizations.

Interaction with the Independent Registered Public Accounting Firm

1. *Appointment and Oversight.* The Committee shall be directly responsible for the selection, appointment, compensation, retention and oversight of the work of the independent registered public accounting firm engaged for the purpose of auditing the Partnership's financial statements, rendering or issuing an audit report or performing other audit, review or attest services for the Partnership. The independent registered public accounting firm shall report directly to the Committee and the Committee shall routinely review such firm's performance. In addition, the Committee shall oversee the resolution of any disagreements between management and the independent registered public accounting firm regarding financial reporting.
2. *Pre-Approval of Services.* Before the independent registered public accounting firm is engaged by the Company, the Partnership or the Partnership's subsidiaries to render audit or non-audit services, the Committee shall pre-approve the engagement. Committee pre-approval of audit and non-audit services is not required if the engagement for the services is entered into pursuant to pre-approval policies and procedures established by the Committee. The chairperson of the Committee has the authority to grant pre-approvals, provided such approvals are presented to the Committee at a subsequent meeting.
3. *Independence of Registered Public Accounting Firm.* The Committee shall, at least annually, review the independence and quality control procedures of the independent registered public accounting firm and the experience and qualifications of the independent registered public accounting firm's senior personnel that are providing audit services to the Partnership. In conducting its review, the Committee shall:

- a. Obtain and review a report prepared by the independent registered public accounting firm describing (i) the firm's internal quality-control procedures and (ii) any material issues raised by the most recent internal quality-control review, or peer review, of the firm, or by any inquiry or investigation by governmental or professional authorities, within the preceding five years, involving one or more independent audits carried out by the firm, and any steps taken to deal with any such issues.
- b. Discuss with representatives of the independent registered public accounting firm its independence from the Partnership, and obtain and review a written statement prepared by the independent registered public accounting firm describing all relationships between the independent registered public accounting firm and the Partnership, consistent with applicable requirements of the Public Company Accounting Oversight Board regarding the independent registered public accounting firm's communications with the audit committee concerning independence, and consider the impact that any relationships or services may have on the objectivity and independence of the independent registered public accounting firm.
- c. If applicable, consider whether the provision by the independent registered public accounting firm of any permitted information technology services or other non-audit services to the Partnership is compatible with maintaining the independence of the independent registered public accounting firm.
- d. Confirm with the independent registered public accounting firm that the firm is in compliance with the partner rotation requirements established by the Securities and Exchange Commission.
- e. Consider whether, in order to assure continuing independence of the independent registered public accounting firm, it is appropriate to adopt a policy of rotating the independent registered public accounting firm on a regular basis.
- f. Review and evaluate the performance of the independent registered public accounting firm, including the lead partner.

Annual Financial Statements and Annual Audit

4. *Meetings with Management, the Independent Registered Public Accounting Firm and the Internal Auditor.* The Committee shall:
 - a. Meet with management, the independent registered public accounting firm and the internal auditor in connection with each annual audit to discuss the scope of the audit, the procedures to be followed and the staffing of the audit.

- b. Review and discuss with management and the independent registered public accounting firm: (i) major issues regarding accounting principles and financial statement presentations, including any significant changes in the Partnership's selection or application of accounting principles, and major issues as to the adequacy of the Partnership's internal controls and any special audit steps adopted in light of material control deficiencies; (ii) any analyses prepared by management or the independent registered public accounting firm setting forth significant financial reporting issues and judgments made in connection with the preparation of the Partnership's financial statements, including analyses of the effects of alternative treatments of financial information within GAAP on the Partnership's financial statements; and (iii) the effect of regulatory and accounting initiatives, as well as off-balance sheet structures, on the Partnership's financial statements.
 - c. Review and discuss the annual audited financial statements with management and the independent registered public accounting firm, including the report of the independent registered public accounting firm and the Partnership's disclosures under "Management's Discussion and Analysis of Financial Condition and Results of Operations."
5. *Separate Meetings with the Independent Registered Public Accounting Firm.* The Committee shall:
- a. Review with the independent registered public accounting firm any problems or difficulties the independent registered public accounting firm may have encountered during the course of the audit work, including any restrictions on the scope of activities or access to required information or any significant disagreements with management and management's responses to such matters. Among the items that the Committee should consider reviewing with the independent registered public accounting firm are: (i) any communications between the audit team and the independent registered public accounting firm's national office respecting auditing or accounting issues presented by the engagement and (ii) any "management" or "internal control" letter issued, or proposed to be issued, by the independent registered public accounting firm to the Partnership. The Committee shall inquire with the independent registered public accounting firm as to whether Section 10A(b) of the Exchange Act (relating to investigating and reporting illegal acts to management and audit committee) has been implicated in the course of its audit work. The review also should include discussion of the responsibilities, budget and staffing of the Partnership's internal audit function.
 - b. Discuss with the independent registered public accounting firm the report that such firm is required to make to the Committee regarding: (i) all accounting policies and practices to be used that the independent registered public accounting firm identifies as critical; (ii) all alternative treatments of financial information within GAAP for policies and

practices related to material items that have been discussed among management and the independent registered public accounting firm, including the ramifications of the use of such alternative disclosures and treatments, and the treatment preferred by the independent registered public accounting firm; and (iii) all other material written communications between the independent registered public accounting firm and management, such as any management letter, management representation letter, reports on observations and recommendations on internal control over financial reporting, the independent registered public accounting firm's engagement letter, the independent registered public accounting firm's independence letter, schedule of unadjusted audit differences and a listing of adjustments and classifications not recorded, if any.

- c. Discuss with the independent registered public accounting firm the matters required to be discussed by Statement on Auditing Standards No. 114, "The Auditors Communication With Those Charged With Governance," as then in effect.

6. *Recommendation to Include Financial Statements in Annual Report.* The Committee shall, based on the review and discussions in paragraphs 4(c) and 5(c) above, and based on the disclosures received from the independent registered public accounting firm regarding its independence and discussions with representatives of the firm regarding such independence pursuant to subparagraph 3(b) above, determine whether to recommend to the Board that the audited financial statements be included in the Partnership's Annual Report on Form 10-K for the fiscal year subject to the audit.

Quarterly Financial Statements

7. *Meetings with Management and the Independent Registered Public Accounting Firm.* The Committee shall review and discuss the quarterly financial statements with management and the independent registered public accounting firm, including the Partnership's disclosures under "Management's Discussion and Analysis of Financial Condition and Results of Operations." The Committee also shall discuss with the independent registered public accounting firm the results of their review of the quarterly financial statements and the matters required to be brought to the Committee's attention by Statement on Auditing Standards No. 114, as well as other matters that should be communicated to the Committee by the independent registered public accounting firm.

Internal Audit

8. *Appointment and Removal.* The Committee shall concur in the selection of appropriate persons to perform the internal audit function.
9. *Performance.* Each year, the Committee shall review the activities, budget, staffing, and structure of the internal audit function.

10. *Separate Meetings with the Internal Auditor.* Periodically, the Committee shall meet separately with the Partnership's internal auditor to discuss the responsibilities, budget and staffing of the Partnership's internal audit function and any issues that the internal auditor believes warrant the Committee's attention. In addition, the Committee shall discuss with the internal auditor any significant reports to management prepared by the internal auditor and any responses from management.

Other Powers and Responsibilities

11. The Committee shall review with management and the independent registered public accounting firm the Partnership's earnings press releases (including any use of "pro forma" or "adjusted" non-GAAP information), as well as financial information and earnings guidance provided to analysts and rating agencies. Such discussions may be in general terms (i.e., discussion of the types of information to be disclosed and the types of presentations to be made).
12. The Committee shall discuss with management and the independent registered public accounting firm any correspondence from or with regulators or governmental agencies, any employee complaints or any published reports that raise material issues regarding the Partnership's financial statements, financial reporting process, accounting policies or internal audit function.
13. The Committee shall discuss with the Partnership's General Counsel or outside counsel any legal matters brought to the Committee's attention that could reasonably be expected to have a material impact on the Partnership's financial statements.
14. The Committee shall meet separately with management on a periodic basis to discuss matters related to the Partnership's internal control over financial reporting and any other matters related to the Partnership's internal audit function.
15. The Committee shall review and discuss with management and the independent registered public accounting firm the Partnership's report on internal control over financial reporting prior to filing the Partnership's Annual Report on Form 10-K.
16. The Committee shall discuss with management the Partnership's guidelines and policies with respect to risk assessment and risk management. In addition, the Committee shall discuss with management the Partnership's significant financial risk exposures and the actions management has taken to monitor and control such exposures.
17. The Committee shall set clear hiring policies for employees or former employees of the Partnership's independent registered public accounting firm.
18. The Committee shall establish procedures for the receipt, retention and treatment of complaints received by the Company or the Partnership regarding accounting, internal accounting controls or auditing matters. The Committee also shall establish procedures for the confidential and anonymous submission by

employees of the Company of concerns regarding questionable accounting or auditing matters.

19. The Committee shall establish procedures for the receipt, retention and treatment of complaints received by the Company or the Partnership regarding potential violations of applicable laws, rules and regulations or of the Partnership's codes, policies and procedures. The Committee also shall establish procedures for the confidential and anonymous submission by employees of the Company of concerns regarding questionable compliance matters.
20. The Committee shall prepare for inclusion in the Partnership's proxy statement relating to the Partnership's annual meeting of unitholders, if any, and/or its Annual Report on Form 10-K the report required by the rules of the Securities and Exchange Commission.
21. The Committee shall review disclosures by the Company's Chief Executive Officer and Chief Financial Officer during their certification process for the Partnership's Annual Report on Form 10-K and Quarterly Reports on Form 10-Q about any significant deficiencies in the design or operation of internal controls or material weaknesses therein.

Procedures

1. *Meetings.* The Committee shall meet as often as may be deemed necessary or appropriate in its judgment at the call of its chairperson, two or more members of the Committee, the Chairman of the Board or the Chief Executive Officer. At a minimum, the Committee shall meet on at least a quarterly basis (prior to the filing of the Partnership's Quarterly Reports on Form 10-Q and Annual Report on Form 10-K with the Securities and Exchange Commission). The Committee may meet in person, by telephone conference call, or in any other manner in which the Board is permitted to meet under law or the Company's Limited Liability Company Agreement. Meetings of the Committee shall be held at such time and place, and upon such notice, as its chairperson may from time to time determine.

Meetings may, at the discretion of the Committee, include non-independent directors, members of management, independent advisors and consultants, representatives of the Partnership's independent registered public accounting firm, the Partnership's internal auditor, any other financial personnel employed or retained by the Company or the Partnership and such other persons as the Committee or its chairperson may determine. Those in attendance may observe meetings of the Committee, but shall not participate in any discussion or deliberation unless invited to do so by the Committee, and in any event shall not be entitled to vote. Notwithstanding the foregoing, the Committee also may exclude from its meetings any persons it deems appropriate, including, but not limited to, any director that is not a member of the Committee.

2. *Quorum and Approval.* A majority of the members of the Committee shall constitute a quorum. The Committee shall act on the affirmative vote of a majority of members

present at a meeting at which a quorum is present. The Committee also may act by unanimous written consent in lieu of a meeting.

3. *Rules.* The Committee may determine additional rules and procedures, including designation of a chairperson pro tempore in the absence of its chairperson and designation of a secretary of the Committee at any meeting thereof.
4. *Reports.* The Committee shall maintain minutes of its meetings and make regular reports to the Board, directly or through the chairperson, of its actions and any recommendations to the Board. These reports shall include a discussion of any issues that arise with respect to the quality or integrity of the Partnership's financial statements, the Partnership's compliance with legal or regulatory requirements, the performance and independence of the Partnership's independent registered public accounting firm, the performance of the Partnership's internal audit function or any other matter the Committee determines is necessary or advisable to report to the Board.
5. *Review of Charter.* Each year, the Committee shall review the need for changes in this Charter and recommend any proposed changes to the Board for approval.
6. *Performance Review.* Each year, the Committee shall review and evaluate its own performance and shall submit itself to a review and evaluation by the Board.
7. *Fees; Reimbursement of Expenses.* Each member of the Committee shall be paid the fee set by the Board for his or her services as a member of, or chairperson of, the Committee. Subject to the Partnership's and the Company's Governance Guidelines and other policies, Committee members will be reimbursed by the Company for all reasonable expenses incurred in connection with their duties as Committee members.

General Limitations:

While the Committee members have the duties and responsibilities set forth in this Charter, nothing contained in this Charter is intended to create, or should be construed as creating, any responsibility or liability of the Committee members, except to the extent otherwise provided under applicable federal or state law. Specifically:

- Nothing in this Charter will, or will be deemed to, increase, expand or modify in any manner adverse to any member of the Committee the duties, obligations, or responsibilities of any member of the Committee, it being the intent and purpose of this Charter to grant enabling power to the Committee;
- Nothing in this Charter will, or will be deemed to, decrease or modify in any manner adverse to any member of the Committee, such member's right to rely on statements and certifications made by the Company's or the Partnership's officers, employees, agents, counsel, experts and auditors, whether independent or internal;
- Nothing in this Charter will, or will be deemed to, adversely affect in any manner the rights of members of the Committee to indemnification and advancement of expenses under the By-Laws of the Company, the Partnership's Amended and Restated

Agreement of Limited Partnership, or under any contract, agreement, arrangement or understanding benefiting such member; and

- No provision of this Charter will be construed to create for the Committee or its members legally enforceable duties, liabilities or obligations in addition to duties, liabilities or obligations otherwise applicable to the Committee or its members.

Posting Requirement

The Partnership shall post this Charter on the Partnership's website as required by applicable rules and regulations. In addition, the Partnership shall disclose in its Annual Report on Form 10-K that a copy of this Charter is available on the Partnership's website.

* * *