

HOLLY ENERGY PARTNERS, L.P.
HOLLY LOGISTIC SERVICES, L.L.C.
GOVERNANCE GUIDELINES
Adopted by the Board of Directors
of Holly Logistic Services, L.L.C.
October 23, 2019

The Board of Directors (the “Board”) of Holly Logistic Services, L.L.C. (the “Company”), the general partner of the general partner of Holly Energy Partners, L.P. (the “Partnership”) has developed and adopted a set of corporate governance guidelines (the “Guidelines”) to promote the functioning of the Board and its committees and to set forth a common set of expectations as to how the Board should perform its functions.

Role of Board and Management

The business of the Company, the Partnership and their subsidiaries is conducted by the Company’s employees, managers, and officers, under the direction of the Company’s Chairman of the Board and Chief Executive Officer, to enhance the long-term value of the Partnership for its unitholders. It is the Board’s responsibility to oversee management and to assure that the long-term interests of the unitholders are being served. Both the Board and management recognize that the long-term interests of the unitholders are advanced by responsibly addressing the concerns of other stakeholders and interested parties, including employees, customers, suppliers, the communities the Partnership serves, government bodies, and the public at large.

Functions of the Board

The Board has regularly scheduled meetings each year at which it performs its oversight functions. In addition to its general oversight of the Company, the Partnership and management, the Board, including its committees as delegated and authorized under their respective charters, also perform a number of specific functions, including the following:

1. Monitoring the financial and operational performance of the Company and the Partnership.
2. Selecting, evaluating, compensating, and overseeing succession planning regarding the Company’s Chairman of the Board and Chief Executive Officer.
3. Providing counsel and oversight on the selection, evaluation, development, and compensation of the Company’s executive officers.
4. Reviewing, approving, and monitoring fundamental financial and business strategies and major Company and Partnership actions.
5. Assessing major risks facing the Company and Partnership and reviewing options for their mitigation.

6. Overseeing the processes that are in place for maintaining the integrity of the Company's and the Partnership's financial statements, the integrity of compliance with law and ethics by the Company and the Partnership, the integrity of relationships with customers and suppliers, and the integrity of relationships with other stakeholders.

Board Composition

The composition of the Board should consider the following criteria:

1. The size of the Board should facilitate substantive discussions of the whole Board in which each director can participate meaningfully.
2. The composition of the Board should encompass a range of skills, expertise, knowledge, and diversity of opinion and should take into account diversity of race, gender, age, culture, thought and geography.

Selection of Chairman of the Board and Chief Executive Officer

The Board may select its chairman and the Company's chief executive officer in the manner it considers in the best interests of the Company and the Partnership.

Selection of Directors

Nominations. The sole member of the Company (the "Sole Member") is responsible for appointing the directors to serve on the Board.

Criteria. The selection of directors will be made with consideration of the following criteria, as well as any other criteria that the Sole Member deems appropriate:

1. Personal qualities, background and reputation reflecting the highest personal and professional integrity, exceptional talent and judgment, and ability to work with other directors and director nominees to build a Board that is effective and responsive to the needs of the unitholders.
2. Current knowledge of the communities in which the Partnership does business, the Partnership's industry, other industries relevant to the Partnership's business, or other organizations of comparable size.
3. Ability and willingness to commit adequate time to the Board and committee matters.
4. Diversity of viewpoints, background, experience and other demographics.
5. The individual's agreement with the Guidelines.

Invitation. At the request of the Sole Member, the invitation to join the Board will be extended by the Board itself via the Chairman of the Board and Chief Executive Officer of the Company, together with an independent director, when deemed appropriate.

Orientation and Continuing Education. Management, working with the Board, will provide an orientation process for new directors, including background material on the Company and Partnership and meeting with senior management. Periodically, management will inform directors about educational opportunities relevant to the Company, the Partnership and their duties as Board members.

Director Retirement Policy.

1. Mandatory Retirement Age for Directors: Effective February 4, 2016, in the first quarter of the calendar year in which a director will attain the age of 75 or greater, he or she must submit to the Board his or her resignation from the Board. The Board shall accept the resignation or approve an exception to this policy and not accept the resignation in its sole discretion. If the resignation is accepted, the resignation will be effective on December 31 of the year in which the Board accepted such resignation. If the resignation is not accepted, it will be deemed withdrawn.

2. Resignation Policy for Management Directors: Management directors shall resign from the Board upon their resignation, removal or retirement as an officer of HLS and its affiliates.

3. Term Limits for Directors: The Board has considered but has decided not to impose limits on the number of terms a director may serve. The Board believes that directors who have served on the Board for an extended period of time are able to provide valuable continuity and insights based on their experience and understanding of HLS's and HEP's business and history. As an alternative to term limits, the Board believes that its annual Board evaluation process will ensure that HLS has a properly constituted and functioning Board.

4. Resignation of Directors Upon Change in Health Condition: It is the policy of the Board that its directors consist of individuals who are normally available for meetings of the Board and any of its committees. Any director who experiences a disabling health condition that adversely affects his or her ability to perform the essential functions and responsibilities of a director is expected to submit a written resignation to the Board for consideration.

Election/Term

The number of directors constituting the Board shall be fixed from time to time pursuant to a resolution adopted by the Sole Member. The directors shall be elected or approved by the Sole Member and shall serve as directors of the Company until their death or removal from office or until their successors are elected and qualified.

Board Meetings

The Board (or any committee of the Board) shall meet at such time and at such place as the Chairman of the Board (or the chairman of such committee) may designate. Meetings of the Board (or any committee of the Board) shall be called and notice of all meetings shall be provided in accordance with the Company's Limited Liability Company Agreement, as may be amended from time to time.

To ensure free and open discussion and communication among the non-management directors of the Board, non-management members of the Board of Directors shall meet at regularly scheduled executive sessions. Such sessions shall be held contemporaneously with the regularly scheduled Board meetings. The non-management directors shall designate the director who will preside at such sessions.

The Committees of the Board

The Company shall have an Audit Committee, a Compensation Committee, and a Conflicts Committee. Each of these three committees shall satisfy all applicable rules of the New York Stock Exchange (the "NYSE") and applicable federal law. Each of these three committees will have a written charter that satisfies all applicable rules of the NYSE and applicable federal law. The Board may establish additional standing or special committees from time to time to facilitate and assist in the execution of its responsibilities. As a limited partnership, the Partnership is not subject to the requirements of Sections 303A.01, 303A.04 or 303A.05 of the NYSE's Listed Company Manual.

All directors, whether members of a committee or not, are invited to make suggestions to a committee chair for additions to the agenda of his or her committee or to request that an item from a committee agenda be considered by the Board. Each committee chair will give a periodic report concerning his or her committee's activities to the Board.

A director may serve on more than one committee for which he or she qualifies.

Management Succession

The Board shall review and concur in a formal or informal succession plan, addressing the policies and principles for selection of a successor to the Chairman of the Board and Chief Executive Officer, both in an emergency situation and in the ordinary course of business. The succession plan may include an assessment of the experience, performance, skills and planned career paths for possible successors to the Chairman of the Board and Chief Executive Officer.

Executive Compensation

Compensation of the officers of the Company that are shared with HollyFrontier Corporation ("HollyFrontier") shall be determined by the Board of Directors of HollyFrontier Corporation in accordance with the terms of the Omnibus Agreement and Partnership Agreement. Officers of the Company or its affiliates may participate in employee benefit plans

and arrangements sponsored by the HEP Logistics Holdings, L.P. or its affiliates. Officers of the Company who also serve as directors will not receive additional compensation.

Board Compensation

The Board should conduct a review at least once every year of the components and amount of Board compensation. Board compensation should be consistent with market practices and the demands placed on the Board, but should not be set at a level that would call into question the Board's objectivity. All non-employee members of the Board receive the same base compensation for Board service. They may also receive compensation for committee participation, committee chairmanships, and other services. Employees of HFC or the Company that serve on the Board will not receive compensation for their services as Board members. All non-employee Board members are reimbursed for reasonable, out-of-pocket expenses they incur to attend Board meetings, committee meetings, and director continuing education.

Expectations of Directors

The business and affairs of the Company and the Partnership shall be managed by or under the direction of the Board in accordance with Delaware law. In performing their duties, the primary responsibility of the directors is to exercise their business judgment in the best interests of the Company and the Partnership. The Board has developed a number of specific expectations of directors to promote the discharge of this responsibility and the efficient conduct of the Board's business.

1. *Commitment and Attendance.* All independent and management directors should make every effort to attend meetings of the Board and meetings of committees of which they are members and are expected to dedicate sufficient time to fulfill their duties as a director of the Corporation. Members may attend by telephone to mitigate competing demands on their time.

2. *Participation in Meetings.* Each director should be sufficiently familiar with the business of the Company and the Partnership, including its financial statements and capital structure, and the risks and competition it faces, to facilitate active and effective participation in the deliberations of the Board and of each committee on which he or she serves. Upon request, management will make appropriate personnel available to answer any appropriate questions a director may have about any aspect of the Company's or the Partnership's business. Directors should also review the materials provided by management and advisors in advance of the meetings of the Board and its committees and should arrive prepared to discuss the issues presented.

3. *Loyalty and Ethics.* All directors owe a duty of loyalty to the Company and the Partnership. This duty of loyalty mandates that the best interests of the Company and the Partnership take precedence over any interests possessed by a director. The Company has adopted a Code of Business Conduct and Ethics (the "Code"). Certain portions of the Code deal with activities of directors, particularly with respect to transactions in the securities of the Partnership, potential conflicts of interest, and the taking of Company or Partnership opportunities for personal use. Directors should be familiar with the Code and should consult with counsel in the event of any questions.

4. *Other Directorships.* The Board values the experience directors bring from other boards on which they serve, but recognizes that service on other boards may also present demands on a director's time and availability and may raise conflicts of interests or other legal issues. Directors should advise the Conflicts Committee and the Chairman of the Board and Chief Executive Officer before accepting membership on other boards, including those for non-profit companies, or other significant commitments involving affiliation with other businesses or governmental units.

5. *Contact with Management.* All directors are invited to contact the Chairman of the Board and Chief Executive Officer at any time to discuss any aspect of the Company's or the Partnership's business. Directors also shall have access to other members of executive management. The Board expects that there will be frequent opportunities for directors to meet with the Chairman of the Board and Chief Executive Officer and other members of executive management in Board and committee meetings and in other formal or informal settings. Further, the Board encourages management to, from time to time, bring employees into Board meetings who: (a) can provide additional insight into the items being discussed because of personal involvement and substantial knowledge in those areas, or (b) are employees with future potential that the senior management believes should be given exposure to the Board.

6. *Contact with other Constituencies.* It is important that the Company and the Partnership speak to employees and outside constituencies with a single voice and that designated members of management serve as spokespersons for the Company and the Partnership.

7. *Access to Advisors.* The Board shall have the authority, at the expense of the Company, to retain such independent accounting, legal, and other advisors as it deems appropriate without management approval.

8. *Confidentiality.* The proceedings and deliberations of the Board and its committees are confidential. Each director shall maintain the confidentiality of information received in connection with his or her service as a director while a director and thereafter.

Evaluating Board Performance

The Board should conduct a self-evaluation at least annually to determine whether it is functioning effectively. This should include periodically considering the mix of skills and experience that directors bring to the Board to assess whether the Board has the necessary tools and background to perform its oversight function effectively.

Each committee of the Board should conduct a self-evaluation at least annually and report the results to the Board.

Review of Governance Guidelines

The Board will review these Guidelines annually.

Posting Requirement

The Partnership shall post these Guidelines on the Partnership's website as required by applicable rules and regulations. In addition, the Partnership shall disclose in its Annual Report that a copy of these Guidelines is available on its website or provided upon request by any unitholder to the Secretary of the Company.