

ENERGY TRANSFER EQUITY, L.P.

CORPORATE GOVERNANCE GUIDELINES

Energy Transfer Equity, L.P. (the “*Partnership*”) is a Delaware limited partnership. As such, the Partnership’s primary governance document is a limited partnership agreement, the Third Amended and Restated Agreement of Limited Partnership of Energy Transfer Equity, L.P., as amended from time to time (the “*Partnership Agreement*”), to which all limited partners (“*Unitholders*”) are parties. Pursuant to the terms of the Partnership Agreement, the Unitholders do not participate in the management of the Partnership, nor in the selection or election of any board of directors of the limited partnership. Under the Partnership Agreement, management of the Partnership is vested in the Partnership’s general partner, LE GP, LLC (the “*General Partner*”). The basic charter document for the General Partner is the Limited Liability Company Agreement of LE GP, LLC, as amended from time to time (the “*General Partner Agreement*”), an agreement to which the owners of the General Partner are the only parties. The General Partner Agreement provides that the General Partner will be managed by its Board of Directors, and references to the Board of Directors in the Partnership Agreement are defined to mean the Board of Directors of the General Partner (the “*Board*”). Pursuant to these agreements, the corporate governance of the General Partner is, in effect, the corporate governance of the Partnership. The New York Stock Exchange (the “*NYSE*”) has recognized the distinctive characteristics of partnerships in the application of NYSE listing standards regarding “corporate” governance. In light of the foregoing, the Board has adopted the governance guidelines set forth below.

As used herein, the term “*Partnership Group*” means the Partnership and the General Partner.

I. Board Composition

The General Partner Agreement describes the composition of the Board, and provides that the minimum number of directors shall be 5 and the maximum number of directors shall be 11.

II. Director Qualifications

A. *Board Membership Criteria.* The Board will have at least three directors who are independent as defined under the independence standards established by the Securities and Exchange Commission (the “*SEC*”) and the NYSE. The Board will assess, on an annual basis, the skills and characteristics that candidates for election to the Board should possess, as well as the composition of the Board as a whole. This assessment will include the qualifications under applicable independence standards and other standards applicable to the Board and its committees, as well as consideration of skills and experience in the context of the needs of the Board.

B. *Director Independence.* The Board will affirmatively determine annually, generally at the regularly scheduled first quarter meeting of the Board, whether each director is independent. In order to determine whether a director qualifies as “independent,” the Board will broadly consider all relevant facts and circumstances, and will apply the standards set forth in Section 303A.02 of the NYSE Listed Company Manual. Ownership of even a significant amount of securities of the Partnership, the General Partner or any of their affiliates, by itself, however, is not a bar to a finding of independence.

C. *Change in Corporate Affiliation.* The Board does not believe that an individual director who changes the position of professional responsibility or primary corporate affiliation he or she held when he or she was elected to the Board should necessarily resign from the Board. There should, however, be an opportunity for the Board to review the continued appropriateness of Board membership under the circumstances. A director who changes position of professional responsibility or primary corporate affiliation will be expected to act in accordance with the Board’s recommendation.

D. *Service on Other Boards.* No director should serve on so many other public or private company boards that his or her ability to devote the time and attention to duties to the Board would be compromised. Determination of the existence of such a situation would be subject to the discretion of the Board. Directors should advise the Chairman of the Board in advance of accepting an invitation to serve on another public company’s board. In no event should any director serve on more than three other public company boards. No member of the Audit Committee of the Board should simultaneously serve on more than two other public company audit committees unless the Board determines that such simultaneous service will not impair the ability of such member to effectively serve on the Audit Committee and such determination is disclosed in the Partnership’s annual proxy statement or, if the Partnership does not file an annual proxy statement, in the Partnership’s annual report on Form 10-K filed with the SEC.

III. Director Responsibilities

A. *General.* The function of the Board is to provide guidance to and controls on the activities of the Partnership, in the exercise of the business judgment of each individual director. In discharging that obligation, directors should be entitled to rely on the honesty and integrity of the senior management of the General Partner and the Partnership and their outside advisors and auditors.

B. *Attendance and Participation.* Directors are expected to attend Board meetings and meetings of committees on which they serve, and to spend the time needed and meet as frequently as necessary to properly discharge their responsibilities. Information and data that are important to the Board’s understanding of the business to be conducted at a Board or committee meeting should ordinarily be distributed in writing to the directors before the meeting and directors should review these materials in advance of the meeting.

C. *Separation of Offices of Chairman and CEO.* The Board has no policy requiring either that the positions of the Chairman of the Board and of the Chief Executive Officer¹ be separate or that they be occupied by the same individual. The Board believes that this issue is properly addressed as part of the succession planning process and that a determination on this subject should be made when it elects a new chief executive officer or at such other times as when consideration of the matter is warranted by circumstances.

D. *Board Meetings.* The Board shall meet at least two times per year. Additional meetings may be scheduled as necessary or appropriate in light of circumstances. The Chairman of the Board, together with the Chief Executive Officer and the Secretary of the General Partner, will prepare an annual schedule of meetings for the Board and the standing committees. To the extent practicable, the schedule shall reflect agenda subjects that are generally of a recurring nature and are expected to be discussed during the year in question.

E. *Meeting Agendas.* The Chairman of the Board and the Chief Executive Officer of the General Partner will together establish the agenda for each Board meeting. Each Board member is free to suggest the inclusion of items on the agenda. The Board will review the Partnership Group's long term strategic plans and the principal issues that the Partnership Group will face in the future during at least one Board meeting each year.

F. *Meeting of Non-Management Directors.* The non-management directors will meet regularly in executive session without management participation at each regularly scheduled board meeting. The directors meeting in executive session do not constitute a committee of the Board and therefore shall not take action at such sessions, although the participating directors may make recommendations for consideration by the full Board. These meetings will be chaired on a rotating basis by the chairmen of the General Partner's Audit Committee and Compensation Committee. If the non-management directors include directors who are not independent, the independent directors will meet separately in executive session not less than once a year.

G. *Communication with Board.* Interested parties may communicate directly with the independent directors or any of the directors of the Partnership by submitting a communication in an envelope marked "Confidential" addressed to the desired person to the attention of the Partnership's Corporate Secretary at Energy Transfer Equity, L.P., 8111 Westchester Drive, Suite 600, Dallas, Texas 75225. Communications are distributed to the Board of Directors, or to any individual director or directors as appropriate, depending on the facts and circumstances outlined in the communication.

H. *Communication with the Public.* The Board believes that management should speak for the Partnership Group. Individual Board members may, from time to time, meet or otherwise communicate with various constituencies that are involved with the Partnership Group. However, it is expected that Board members would do this with the knowledge of management and, absent unusual circumstances or as contemplated by the committee charters, only at the request of management.

¹ If there is no Chief Executive Officer, any references to Chief Executive Officer shall include the President or any such other person performing the functions of the chief executive officer.

IV. Board Committees

A. *General.* Board committees will at all times include an Audit Committee and a Compensation Committee. Each of the Audit Committee and the Compensation Committee will have its own charter. The charters will set forth the purposes, goals and responsibilities of the committees.

B. *Audit Committee.* The Audit Committee will consist of at least three members. All of the members of the Audit Committee will be independent directors under the criteria established by the NYSE, Section 10A(m)(3) of the Securities Exchange Act of 1934, and the rules and regulations of the Securities and Exchange Commission.

C. *Compensation Committee.* The Compensation Committee shall be comprised of at least two independent directors who also qualify as non-employee directors. Other non-management directors may serve as members of the Compensation Committee. The Compensation Committee shall elect a chairman annually.

D. *Independent Advisors.* The Board and each Committee of the Board shall have the authority, in their discretion and at the Partnership's expense, to retain such independent legal, financial and other advisors as they may deem necessary.

E. *Other Committees.* The Board may, from time to time, establish or maintain additional committees as necessary or appropriate. The members of all other committees will be selected based on the experience and skills of the potential members. The chairman of each committee, in consultation with the committee members, will determine the frequency and length of the committee meetings consistent with any requirements set forth in the committee's charter. The chairman of each committee, in consultation with the appropriate members of the committee and management, will develop the committee's agenda. Each committee will keep the full Board apprised of its work, unless the circumstances otherwise warrant.

V. Director Access to Officers, Employees and other Advisers². Directors will have full and free access to officers and employees of the Partnership Group. Any meetings or contacts that a director wishes to initiate may be arranged through the Chief Executive Officer of the General Partner or made directly by the director. The directors will use their judgment to ensure that any such contact is not disruptive to the business operations of the Partnership Group and will, to the extent not inappropriate, copy the Chief Executive Officer of the General Partner on any written communications (including e-mail) between a director and an officer or employee of the Partnership Group. The Board also welcomes regular attendance at each Board meeting by senior officers of the General Partner. To the extent they consider it necessary and appropriate, directors also will have access to the Partnership Group's independent advisors using the same procedures.

VI. Director Compensation. The Compensation Committee, in accordance with the policies and principles set forth in its charter, will determine or recommend to the Board the form and

² References to officers or employees of the Partnership also include persons performing such functions for the Partnership pursuant to the Shared Services Agreement between the Partnership and Energy Transfer Partners, L.P.

amount of director compensation. Directors who are employees of the Partnership Group shall not be separately compensated for their services as directors. The Compensation Committee will consider that directors' independence may be jeopardized if director compensation and perquisites exceed customary levels, if the Partnership Group makes substantial charitable contributions to organizations with which a director is affiliated, or if the Partnership Group enters into consulting contracts with or provides other indirect forms of compensation to a director or an organization with which the director is affiliated.

VII. Director Orientation and Continuing Education

A. *Orientation Program.* Each new director should participate in an orientation program, which should be conducted promptly after his or her initial election or appointment. This orientation will include presentations by senior management to familiarize new directors with the Partnership Group's operations, its significant financial, accounting and risk management issues, its compliance programs, its Code of Business Conduct and Ethics, its principal officers, and its internal and independent auditors. Other directors are also welcome to attend any of these orientation programs.

B. *Continuing Education.* The Board believes it is appropriate for directors, at their discretion, to have access to educational programs related to their duties as directors on an ongoing basis to enable them to better perform their duties and to recognize and deal appropriately with issues that arise. The Partnership Group will provide appropriate funding for any such program in which a director wishes to participate.

VIII. Chief Executive Officer Evaluation; Management Succession

A. *CEO Evaluation.* The Compensation Committee will conduct an annual review of the Chief Executive Officer's performance, as provided in its charter. The Board of Directors will review the Compensation Committee's report with a view to ensuring that the Chief Executive Officer is providing appropriate leadership for the Partnership Group in the long- and short-term.

B. *Management Succession.* The Board, with the assistance of the Compensation Committee, should identify and periodically update the qualities and characteristics necessary for an effective Chief Executive Officer. The Board recognizes that advance planning for contingencies such as the departure, death or disability of the Chief Executive Officer or other top executives is also critical so that, in the event of an untimely vacancy, the Partnership Group has in place an emergency succession plan to facilitate the transition to both interim and longer-term leadership. The designation of the Chief Executive Officer, as in the case of other officers, is a decision for the Board.

IX. Annual Review

A. *Board Performance Evaluations.* The Board of Directors will conduct an annual self-evaluation to determine whether it and its committees are functioning effectively.

B. *Review of Guidelines.* The Board of Directors will review these guidelines at least annually, in light of the annual self-evaluation of the Board as well as regulatory developments.