

# **WESTLAKE CHEMICAL PARTNERS LP**

## **Principles of Corporate Governance**

Revised effective as of July 15, 2014

### **INTRODUCTION**

Pursuant to its First Amended and Restated Agreement of Limited Partnership, Westlake Chemical Partners LP (the “Company”) is managed by its general partner, Westlake Chemical Partners GP LLC (the “General Partner”). The Board of Directors of the General Partner (the “Board”) represents the interests of the Company’s unitholders in perpetuating a successful business. It is the responsibility of the Board to provide guidance to management and to actively monitor the effectiveness of management’s policies and decisions, including the execution of its strategies, with a view towards enhancing unitholder value over the long term. These Principles of Corporate Governance reflect the Board’s commitment to regularly monitoring policies and decisions at the Board, Committee and management levels, with a view to enhancing the long-term value of the Company.

### **BOARD MEMBERSHIP**

#### **1. SIZE OF THE BOARD**

The Board believes that establishing and maintaining an effective working relationship among Board members and ensuring the selection of the most outstanding candidates as new Directors is more important than achieving any specified Board size. Therefore, the Board intends that any changes in the size of its membership will be made in a manner consistent with these objectives.

#### **2. COMPOSITION**

Because the Company is considered a limited partnership under New York Stock Exchange rules, the Company is eligible for exemptions from certain provisions of these rules, including the requirements to have a majority of independent directors, Nominating and Governance and Compensation Committees, and written charters addressing specified matters. The Company has elected to take advantage of certain of these exemptions. In the event that the Company ceases to be a limited partnership within the meaning of the rules, the Company will be required to comply with these provisions after the specified transition periods.

Currently, the Board intends to have three members that are independent. All members of the Audit Committee will be independent Directors. The Company has adopted a written charter for the Audit Committee. The Company has elected to have neither a Nominating and Governance Committee nor a Compensation Committee. The Company intends to maintain the foregoing arrangements for the foreseeable future.

All independent members of the Board must satisfy the definition of “independent director” contained in the New York Stock Exchange Corporate Governance Rules approved by the Securities and Exchange Commission on June 30, 2003, and November 4, 2003, as codified in Section 303A of the NYSE’s Listed Company Manual, as such may be amended from time to time. In addition, all members of the Audit

Committee must meet the independence standards specified in Rule 10A-3 promulgated under the Securities Exchange Act of 1934, as such rule may be amended from time to time.

Furthermore, (a) each member of the Company's Audit Committee must be financially literate and (b) at least one member of the Audit Committee must have accounting or related financial management expertise and qualify as an "audit committee financial expert." For purposes of (b) above, the Board will consider any Audit Committee member who satisfies the Securities and Exchange Commission's definition of "audit committee financial expert" to have accounting or related financial management expertise.

The Company's annual report on Form 10-K will disclose whether the independent Directors meet the categorical standards for independence set forth above, which include the specific requirements with respect to Audit Committee members set forth above. Each of these standards will be interpreted and applied by the Board in its business judgment and in a manner consistent with applicable New York Stock Exchange and Securities and Exchange Commission guidance.

### **3. MEMBERSHIP CRITERIA**

The Board is responsible for reviewing, on at least an annual basis, the need for new members and the appropriate skills and characteristics required of potential new Board members in the context of the current make-up of the Board.

### **4. SELECTION OF NEW MEMBERS**

The members of the Board shall be appointed by the General Partner's indirect parent, Westlake Chemical Corporation ("Westlake"). The Board is responsible for selecting candidates and for recommending them to Westlake for appointment. Any Director may propose a candidate for consideration consistent with the above-described criteria. The Company will establish and maintain an orientation process for new Directors that includes background materials and meetings with senior management, and which may include visits to Company facilities.

### **5. CONTINUING EDUCATION**

Although the Company does not mandate a specific level of continuing education for Board members, the Company is supportive of and will reimburse Directors for any usual and customary registration fees and related expenses associated with Director continuing education courses pertaining to corporate governance.

### **6. MULTIPLE BOARD MEMBERSHIPS**

Directors are encouraged to limit the number of other boards on which they serve, taking into account potential board meeting attendance, participation and effectiveness of the various boards. Directors also should advise the Chairman of the Board in advance of accepting an invitation to serve on another board so that the Board can continue to monitor its ongoing independence and effectiveness.

## **BOARD TERMS AND COMPENSATION**

### **1. RETIREMENT AGE**

When a Director turns 75 years of age, the Director should notify the Chairman of the Board and submit a written offer to resign from the Board. The Board in its discretion may waive the age limit and recommend to Westlake that the Director continue to serve on the Board.

## 2. **TERM**

Each Director shall serve until the Director resigns or is removed, by Westlake. Westlake may remove a Director at any time, with or without cause. The Board does not believe that it should establish term limits. As an alternative to term limits, the Board will review at the end of each year each Director's continuation on the Board and consult with each Director and confirm his or her desire to continue as a member of the Board.

## 3. **CHANGE OF STATUS**

The Board does not believe that Directors who retire or change the job responsibilities they held when appointed to the Board by Westlake should necessarily leave the Board. However, upon such event, the Director should notify the Chairman of the Board and submit a written offer to resign from the Board so that the Board will have the opportunity to review the continued appropriateness of Board membership of the Director.

## 4. **COMPENSATION**

Directors who are employees of the Company, the General Partner or Westlake will not receive additional compensation for their service as Directors.

The Board believes that compensation of non-employee Directors should be competitive with non-employee Director compensation paid by other comparable partnerships and that equity or equity-based components should comprise a portion of Director compensation to encourage increased alignment with shareholders.

## **MEETING PROCEDURES**

### 1. **AGENDAS**

The Chairman of the Board and the President and Chief Executive Officer will establish the agenda for each Board meeting. Any Board member may request the inclusion of a matter on any agenda.

### 2. **DISTRIBUTION AND REVIEW OF MATERIALS**

Background information and data that are important to the Board's and each Committee's understanding of the matters to come before it will be distributed to the Board or the Committee prior to each meeting. As a matter of practice, management will endeavor to distribute materials for regular meetings approximately one week prior to such meetings and to include summaries of lengthy materials in the distribution. Board members are expected to review the distributed materials before the relevant meeting.

### 3. **ATTENDANCE**

Directors are expected to attend all or substantially all of the Board meetings and meetings of the Committees of the Board on which they serve. The Company plans to have at least four regular Board meetings per year and such special meetings of the Board as may be required from time to time. Directors should attend meetings in person where possible. However, attendance via teleconference or videoconference may be acceptable for up to two regular meetings of the Board or Committee per year.

It is anticipated that certain officers of the Company will regularly attend portions of the Board and Committee meetings. The President and Chief Executive Officer may, from time to time, bring other individuals into the Board or Committee meeting who can provide additional insight into the matters being discussed and/or have future potential and should be given exposure to the Board.

#### **4. EXECUTIVE SESSIONS**

The non-employee Directors of the Board (including any non-employee Directors who the Board has determined are not independent) will meet in regularly scheduled Executive Session without management. The non-employee Directors will choose one among themselves to chair these sessions.

At least once a year, the independent members of the Board will hold a separate Executive Session that includes only independent directors. The independent Directors will choose one among themselves to chair these sessions.

### **COMMITTEE MATTERS**

#### **1. COMMITTEE STRUCTURE**

The Board currently has one standing Committee: Audit. From time to time there may be occasions in which the Board may want to form a new Committee or disband a current Committee, depending upon the circumstances. The charter of each such new Committee will be developed by the Committee and recommended to the full Board for approval. The Audit Committee shall conduct an annual evaluation of its performance.

#### **2. COMMITTEE ASSIGNMENTS**

The Board is responsible, with consideration for the desires of individual Directors, for the assignment of Board members to various Committees (including Committee chairs). The Board may remove a member from membership on any Committee at any time, with or without cause.

#### **3. COMMITTEE PROCEDURES**

Subject to the provisions of the relevant Committee charter, the chairman of the Committee, in consultation with the appropriate members of management and input from Committee members, will develop the Committee's procedures and agenda. Generally, each Committee will issue a schedule of agenda subjects to be discussed for the ensuing year at the beginning of each year (to the degree these can be foreseen). This forward agenda will also be shared with the Board.

### **BOARD PERFORMANCE ASSESSMENT**

At least once a year, the Board will conduct a self-evaluation to determine whether it, its Committees, and individual directors are functioning effectively. The evaluation criteria of, and process for conducting, the evaluation shall be set at the Board's discretion. Based on the results of the evaluation, the Board will consider any areas where a greater contribution to Board and/or Committee effectiveness can be made

### **ACCESS TO MANAGEMENT AND ADVISORS**

Board members have complete access to members of management, subject to reasonable efforts to avoid disruption of the Company's management, business and operations. The Board may establish a protocol to

govern such access. In addition, the Board and each Committee has access to such independent advisors as it determines is necessary and appropriate from time to time. Subject to general legal and regulatory requirements and the specific provisions of individual Committee charters, the Company will provide such funding as the Board or Committee determines is reasonably necessary for payment of usual and customary compensation to any counsel or other advisors employed by the Board or Committee.

### **CORPORATE COMMUNICATIONS**

Members of the Board should not, as such, act as spokespersons of the Company. If a Board member receives a request for information or to offer comments about the Company, that member should direct the request to the Chief Financial Officer, in the case of investors, and to the Senior Vice President – Administration, in the case of the media. If a Board member is requested to give a presentation or to appear on a panel where the Company is or may be a topic, that Board member should contact the President and Chief Executive Officer and the Senior Vice President – Administration for guidance in advance of the event. The same principle applies to any publication of which the Board member is the author or a co-author relating to the Company. In any event, no Board member should divulge non-public information about the Company.