

USD PARTNERS GP LLC

AUDIT COMMITTEE CHARTER

(Adopted as of October 8, 2014)

The Board of Directors (the “**Board**”) of USD Partners GP LLC (the “**General Partner**”), the general partner of USD Partners LP (the “**Partnership**” and, together with the General Partner and their respective subsidiaries and affiliates, the “**Partnership Group**”), has established the Audit Committee of the Board (the “**Committee**”) with authority, responsibilities and specific duties as provided in this Charter adopted by the Board as of the date set forth above.

I. Purpose

The purpose of the Committee is to assist the Board in its oversight of: (i) the integrity of the Partnership’s financial statements; (ii) the Partnership’s compliance with legal and regulatory requirements; (iii) the independent auditor’s qualifications and independence; and (iv) the performance of the Partnership’s internal audit function and independent auditor.

The Committee’s responsibilities are limited to oversight. The Partnership’s management is responsible for establishing and maintaining accounting policies and procedures in accordance with generally accepted accounting principles (“**GAAP**”) and other applicable reporting and disclosure standards and for preparing the Partnership’s financial statements. The Partnership’s independent auditors are responsible for auditing and reviewing those financial statements.

II. Composition

Subject to any applicable phase-in rules of the New York Stock Exchange (the “**NYSE**”), the Committee must consist of at least three directors, each of whom must satisfy the independence requirements of the NYSE and the more rigorous independence rules for members of the Audit Committee in accordance with the rules promulgated under the Securities Exchange Act of 1934, as amended, and any other rules issued by the Securities and Exchange Commission (the “**SEC**”) from time to time. Each Committee member must be financially literate as determined by the Board in its business judgment. In addition, at least one member of the Committee must be a financial expert as defined under SEC rules.

No Committee member may simultaneously serve on the audit committee of more than two other public companies, unless the Board determines that such simultaneous service would not impair the ability of the member to effectively serve on the Committee and this determination is disclosed in accordance with NYSE rules.

Committee members may be removed from the Committee, with or without cause, by the Board. Unless a Chair is designated by the Board, the Committee may designate a Chair by majority vote of the full Committee membership.

III. Meetings, Procedures and Authority

The Committee must meet at least once during each fiscal quarter. The Committee must meet separately, periodically, with management, with the internal auditor (or other personnel responsible for the internal audit function) and with the independent auditor.

The Committee has the authority to establish its own rules and procedures for notice and conduct of its meetings so long as they are not inconsistent with any provisions of the General Partner's governing documents that are applicable to the Committee.

A majority of the members of the Committee present in person and/or by conference call shall constitute a quorum for the transaction of business at a meeting of the Committee. The Committee shall act on the affirmative vote of a majority of members present in person and/or by conference call at a meeting at which a quorum is present. The Committee may also act by unanimous written consent in lieu of a meeting, in accordance with the limited liability company agreement of the General Partner.

The Committee shall maintain minutes of meetings of the Committee regarding the Committee's actions and any recommendations to the Board.

The Committee may retain any independent counsel, experts or advisors that the Committee believes to be necessary or appropriate. The Partnership must provide for appropriate funding, as determined by the Committee, for payment of compensation to the independent auditor for the purpose of preparing or issuing an audit report or performing other audit, review or attest services, for payment of compensation to any advisors employed by the Committee and for payment of ordinary administrative expenses of the Committee that are necessary or appropriate in carrying out its duties.

The Committee may conduct or authorize investigations into any matters within the scope of the duties and responsibilities delegated to the Committee.

IV. Duties and Responsibilities

Interaction with the Independent Auditor

1. *Appointment and Oversight.* The Committee is directly responsible for the appointment, compensation, retention (including the annual review of any engagement letter) and oversight of the work of the independent auditor (including resolution of any disagreements between the General Partner's management and the independent auditor regarding financial reporting) and any other registered public accounting firm engaged for the purpose of preparing or issuing an audit report or related work or performing other audit, review or attest services for the Partnership, and the independent auditor and each such other registered public accounting firm must report directly to the Committee. The Committee, or the Chair of the Committee, must pre-approve any audit and non-audit service provided to the Partnership by the independent auditor, unless the engagement is entered into pursuant to appropriate preapproval policies established by the Committee or if such service falls within available exceptions under SEC rules.

2. *Annual Report on Independence and Quality Control.* The Committee must, at least annually, obtain and review a report from the independent auditor describing (a) the auditing firm's internal quality-control procedures; (b) any material issues raised by the most recent internal quality-control review or peer review of the auditing firm, or by any inquiry or investigation by governmental or professional authorities within the preceding five years relating to any independent audit conducted by the auditing firm, and any steps taken to deal with any such issues; and (c) all relationships and services between the independent auditor and the Partnership Group in order to assess the independent auditors' independence.

Annual Financial Statements and Annual Audit

3. *Audit Problems.* The Committee must discuss with the independent auditor any audit problems or difficulties and management's response.

4. *Form 10-K Review.* The Committee must review and discuss the annual audited financial statements with management and the independent auditor, including the Partnership’s disclosures under “Management’s Discussion and Analysis of Financial Condition and Results of Operations.”

5. *Audit Committee Report.* The Committee must provide the Partnership with the report of the Committee with respect to the audited financial statements for inclusion in each of the Partnership’s annual proxy statements or Annual Reports on Form 10-K, as applicable.

Quarterly Financial Statements

6. *Form 10-Q Review.* The Committee must review and discuss the quarterly financial statements with management and the independent auditor, including the Partnership’s disclosures under “Management’s Discussion and Analysis of Financial Condition and Results of Operations.”

Other Duties and Responsibilities

7. *Review of Earnings Releases.* The Committee must discuss the Partnership’s earnings press releases, as well as financial information and earnings guidance provided to analysts and rating agencies.

8. *Risk Assessment and Risk Management.* The Committee must discuss the Partnership’s policies with respect to risk assessment and risk management.

9. *Hiring of Independent Auditor Employees.* The Committee must set clear hiring policies for employees or former employees of the Partnership’s independent auditor.

10. *Complaint Procedures.* The Committee must establish procedures for the receipt, retention and treatment of complaints received by the Partnership regarding accounting, internal accounting controls or auditing matters, and for the confidential and anonymous submission by employees of concerns regarding questionable accounting or auditing matters. The information regarding the proper procedures for submission of concerns, including the address and phone number for submission of concerns, shall be posted on the Partnership’s website.

11. *Reports to the Board of Directors.* The Committee must report regularly to the Board regarding the activities of the Committee.

12. *Committee Self-Evaluation.* The Committee must at least annually perform an evaluation of the performance of the Committee.

13. *Review of this Charter.* The Committee must periodically review and reassess this Charter and submit any recommended changes to the Board for its consideration.

V. Delegation of Duties

In fulfilling its responsibilities, the Committee is entitled to delegate any or all of its responsibilities to a subcommittee of the Committee.