

Magellan GP, LLC
Compensation Committee Charter

January 18, 2006

PURPOSE

The primary purpose of the Compensation Committee (the “Committee”) is to assist the Board of Directors (the “Board”) of Magellan GP, LLC (the “Company”) in fulfilling its responsibility to motivate the executive officers of the Company, and key employees of Magellan Midstream Holdings GP, LLC providing services to Magellan Midstream Partners, L.P. (the “Partnership”), toward the achievement of certain business objectives and to align their focus with the long-term interest of the Partnership’s unitholders by establishing or recommending appropriate compensation for these executive officers and key employees. The Committee approves all equity-based awards for executive officers and directors subject to Section 16 of the Securities Exchange Act of 1934 (“Section 16 reporting persons”) and other key employees of Magellan Midstream Holdings GP, LLC providing services to the Partnership. To the extent the Committee is comprised of each member of the MMP Board, the Committee establishes and approves all other forms of compensation, excluding benefits, for the Section 16 reporting persons and other key employees of Magellan Midstream Holdings GP, LLC providing services to the Partnership. If the Committee is not comprised of each member of the Company’s Board, then the Committee makes recommendations to the Board regarding all other forms of compensation, excluding benefits, for the Section 16 reporting persons and other key employees of Magellan Midstream Holdings GP, LLC providing services to the Partnership. The Chairman of the Board and Chief Executive Officer must recuse himself from all decisions regarding his personal compensation. In addition, the Committee produces an annual report on executive compensation for inclusion in the Partnership’s proxy statement, in accordance with the applicable rules and regulations of the Securities and Exchange Commission.

The Committee shall review the adequacy of this Charter annually and shall make recommendations to the Board concerning any amendments to this Charter, which shall be subject to Board approval; provided, however, that if the Committee is comprised of each member of the Company’s Board, then the Committee may approve any amendments to this Charter.

MEMBERSHIP

The Committee shall consist of at least three directors, two of whom shall be (1) a “non-employee director” within the meaning of Rule 16b-3 under the Securities Exchange Act of 1934, as amended, (2) “independent” as defined by the New York Stock Exchange, and (3) otherwise qualified in accordance with applicable law or regulations. Committee members, including the Chairman of the Committee, are appointed by the Board and may be removed by the Board.

DUTIES AND RESPONSIBILITIES

In performing its duties and responsibilities, the Committee is empowered to inquire into any matter deemed necessary, advisable or appropriate, with full access to all books, records, facilities and personnel providing services to the Partnership. The Committee shall have the authority to retain and terminate consultants, external counsel or other advisors or experts for this purpose and to determine the terms and conditions of any such engagement, including the authority to approve fees and other retention terms. If a compensation consultant is retained to assist in the evaluation of

director, chief executive officer or executive officer compensation, the Committee shall have the sole authority to retain and terminate the consulting firm, including sole authority to approve the firm's fees and other retention terms. The Committee shall also have the authority to authorize, assign and/or delegate matters within its oversight, power or responsibility directly to a subcommittee of the Board or to employees of Magellan Midstream Holdings GP, LLC providing services to the Partnership subject to limitations imposed by law or any plan or document. Except where the Committee otherwise expressly determines or applicable law otherwise expressly requires, the Committee shall not act or serve as a fiduciary with respect to any benefit plans or programs under ERISA or any other applicable law.

The following functions shall be periodic recurring activities of the Committee in carrying out its responsibilities:

- Review and approve (or make recommendations to the Board regarding same, if appropriate) the executive compensation philosophy, policies and programs that in the Committee's judgment support the Partnership's overall business strategy.
- Review the Magellan Midstream Partners Long-Term Incentive Plan, as may be amended from time to time, and make recommendations to the Board with respect to amendments to the plan; provided, however, that if the Committee is comprised of each of the members of the MMP Board, then the Committee may approve amendments to the plan, subject to any restrictions set forth in the terms of the plan.
- Approve all equity-based compensation and specific equity-based grants for the Section 16 reporting persons, including establishment of vesting targets and assessing performance relative to targets.
- Approve (or make recommendations to the Board regarding same, if appropriate) the non-equity based components of the executive officers' compensation, including salary and annual cash bonuses, including establishment of the goals and objectives relevant to the plans and assessments of performance compared to approved plan targets.
- Review and approve (or make recommendations to the Board regarding same, if appropriate) the director compensation guidelines applicable to the independent members of the Board, which guidelines shall include general principles for determining the form and amount of director compensation.
- Issue reports of the Compensation Committee as required by the Securities and Exchange Commission and other government bodies, including the annual report of the Committee on executive compensation contained in the proxy statement.
- Evaluate annually the performance of the Committee and report the results of the performance evaluation to the Board, if the Committee is not comprised of all the members of the Board.

In carrying out these functions, the Committee may engage in such other activities, as it shall from time to time deem necessary or appropriate, to carry out its purpose and responsibilities. The Committee shall also perform such additional and have such additional responsibilities as may from time to time be delegated to it by the Board.