

# TEXAS EASTERN PRODUCTS PIPELINE COMPANY, LLC

## CHARTER OF THE COMPENSATION COMMITTEE OF THE BOARD OF DIRECTORS

### I. Compensation Committee Organization

#### a. Membership

The Committee is composed of three (3) or more directors, as determined by the Board of Directors. The members of the Committee shall be elected by the Board at the annual organization meeting of the Board for terms of one year, or until their successors shall be duly elected and qualified. Unless a Chairman of the Committee is elected by the Board, the members of the Committee may designate a Chairman by majority vote of the full membership of the Committee.

When administering benefit plans of the Company with respect to which liability under Section 16(b) of the Securities Exchange Act of 1934 may arise, the membership of the Committee shall include only directors, independent of management, who are “disinterested persons” as defined in Rule 16b-3 of the Securities and Exchange Commission, 17 CFR 240.16b-3, or any successor rule.

#### b. Meetings

The Committee shall meet as required, upon the call of the Chairman of the Committee or the Chairman of the Board.

### II. Compensation Committee Purpose

The Committee (1) establishes and maintains competitive and equitable compensation and employment policies to retain the management required to carry out the business of (i) the Company and (ii) TEPPCO Partners, L.P., TE Products Pipeline Company, Limited Partnership, TCTM, L.P., and TEPPCO Midstream Companies, L.P. (“Affiliated Entities”), to stimulate their useful and profitable efforts on behalf of the Company and the Affiliated Entities, and to attract necessary additions to management with appropriate qualifications; and, (2) recommends to the Board the election of officers, and reviews the Company’s management succession plans for senior officer positions.

### **III. Compensation Committee Responsibilities and Duties**

- a. Meet periodically to review material compensation and employment matters of the Company.
- b. Approve the salaries of (i) those officers who are employed full time by the Company and (ii) other employees whose base salaries exceed \$100,000.
- c. Adopt and administer (i) compensation plans in which officers and certain key employees of the Company are eligible to participate and (ii) employment contracts for the officers and certain key employees of the Company, subject to Board approval.
- d. Recommend to the Board the granting of (i) unit options, phantom unit options and other incentive compensation awards to the officers and other incentive compensation awards to the officers and certain key employees of the Company and (ii) bonuses, pursuant to the various compensation plans of the Company.
- e. Review recommendations from management with respect to the election of officers of the Company and make recommendations to the Board with respect thereto.
- f. On at least an annual basis, review the Company's organization and plans for succession for key positions in the Company.