

TEXAS EASTERN PRODUCTS PIPELINE COMPANY, LLC

CHARTER OF THE SPECIAL COMMITTEE OF THE BOARD OF DIRECTORS

Purpose

The Special Committee (the “Committee”) is a committee of the Board of Directors (“Board”) of Texas Eastern Products Pipeline Company, LLC (“Company”). The Committee’s primary purpose is to address potential conflicts of interest that may arise between the Company or any of its affiliates, on the one hand, and TEPPCO Partners, L.P. (the “Partnership”) and any other partners of the Partnership, on the other hand.

Composition and Organization

The Committee shall be comprised of at least three members (or such greater number as may be determined by the Board), each of whom shall be independent of the Company and the Company’s affiliates. For purposes of this Charter, the Company’s “affiliates” shall include any individual, corporation, partnership or other entity that directly or indirectly controls, is controlled by, or is under common control with, the Company. No member of the Committee shall receive compensation from the Company, the Partnership or their affiliates other than director’s fees for service as a director of the Company, which may include compensation for serving on the Committee.

A director shall be considered independent for purposes of serving on the Committee if he or she has no material relationship with the Company or its affiliates including the Partnership and its subsidiaries. The Board shall determine whether such a material relationship exists, giving consideration to any analogous requirements of the New York Stock Exchange, and any published rules of the Securities and Exchange Commission; provided however, that in any event the following shall be deemed to constitute a material relationship, and shall disqualify a director from serving on the Committee:

- employment with the Company or an affiliate in an executive capacity within the last five years;
- employment or other material relationship with a company or firm that is an adviser or consultant or provides material services to the Company or an affiliate including the Partnership and its subsidiaries;
- employment or other material relationship with a significant customer or supplier of the Company or an affiliate including the Partnership and its subsidiaries;
- any personal services contract(s) with the Company or an affiliate including the Partnership and its subsidiaries;
- any business relationship with the Company or an affiliate including the Partnership and its subsidiaries (other than service as a director) for which the Company has been required to make disclosure under Regulation S-K within the last five years;

- employment with a public company at which an executive officer of the Company serves as a director; and
- an immediate family relationship with any person described above.

Appointment and Removal

The members of the Committee shall be elected by the Board for terms of one year and shall serve for such term or until such member's earlier resignation or removal. The Board shall designate a Chair from the members of the Committee who shall preside at all meetings of the Committee. Members of the Committee may be removed by the Board. All vacancies on the Committee shall be filled by the Board.

Meetings

The Committee shall meet at least annually or more frequently as circumstances dictate. The Chairman of the Board, the Chief Executive Officer of the Company or member of the Committee may call a meeting of the Committee. The Committee may meet in person or by telephone. A quorum of a majority of the members of the Committee is required for any meeting of the Committee.

The Committee Chair, after consultation with other Committee members, shall prepare an agenda in advance of each meeting. The Committee should meet separately, in executive session, with their independent advisors to discuss any matters that the Committee or its advisors believe should be discussed privately. The Committee may invite to its meetings any director, officer or employee of the Company and such other persons it deems appropriate to carry out its responsibilities.

Responsibilities

The Committee shall:

- evaluate the fairness and reasonableness to the Partnership and approve or reject transactions, which would ordinarily require Board approval, involving the Company and any or its affiliates, on the one hand, and the Partnership or its subsidiaries, on the other hand, including, without limitation (i) asset sales or purchases, (ii) operating agreements, and (iii) any other material contractual arrangements;
- evaluate the fairness and reasonableness to the Partnership and approve or reject the issuance and pricing of additional partnership interests or any other form of equity in the Partnership;
- take action with respect to any other matters delegated to the Committee from time to time by the Board.

The Committee may, in the performance of such duties, retain such independent financial and legal advisors as the Committee shall deem necessary or appropriate. The members of the Committee shall have full access to Company management.

Annual Evaluation

At least once per year, the Committee shall evaluate its performance, duties and composition and report to the full Board its conclusions and recommendations with respect to such matters.