

Magellan GP, LLC
Compensation Committee Charter

January 26, 2012

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 appropriate compensation for these executive officers and key employees.

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. 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 the adequacy of this Charter annually and make recommendations to the Board concerning any amendments to this Charter, which shall be subject to Board approval.
- Review and recommend to the Board the compensation philosophy, policies and programs for the Section 16 reporting persons that in the Committee’s judgment support the Partnership’s overall business strategy.
- Review annually a risk assessment of the Partnership’s compensation programs.
- 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.
- Review and recommend to the Board all equity-based compensation and specific equity-based grants for the Section 16 reporting persons, including the establishment of metrics.

- Approve annual discretionary pool of phantom units for non-Section 16 reporting persons and approve the target range of awards and metrics.
- Assess and approve the performance relative to metrics with respect to all equity-based grants for the Section 16 reporting persons and non-Section 16 reporting persons and any personal performance adjustments for the Section 16 reporting persons.
- Review and recommend to Board the non-equity based components of the Section 16 reporting persons' compensation, including salary and annual incentive program targets and metrics.
- Approve annual incentive program targets and metrics for non-Section 16 reporting persons.
- Assess and approve the performance relative to metrics and any personal performance adjustments with respect to the annual incentive program awards for Section 16 reporting persons and approve the annual payout pool for non-Section 16 reporting persons.
- Approve annual salary adjustment pool for non-Section 16 reporting persons.
- Review and make recommendations to the Board regarding 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.
- Review and discuss the CD&A section of the Partnership's proxy statement with the Section 16 reporting persons and recommend to the Board that the CD&A be included in the Partnership's proxy statement.
- Produce an annual Compensation Committee Report for inclusion in the Partnership's proxy statement.
- Evaluate annually the performance of the Committee and report the results of the performance evaluation to 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.

DELEGATION OF AUTHORITY

The Committee shall 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. The Committee hereby delegates to the Chief Executive Officer of Magellan GP, LLC the following authority:

- Grant awards from the annual discretionary pool of phantom units to non-Section 16 reporting persons.
- Settle awards for Section 16 reporting persons and non-Section 16 reporting persons.