

BUCKEYE GP LLC

CHARTER of the
COMPENSATION COMMITTEE

Buckeye GP LLC (the “General Partner”) is the general partner of Buckeye Partners, L.P. (the “Partnership”). The Board of Directors of the General Partner (the “Board”) has determined that it shall have a standing Compensation Committee, which shall assist the Board in fulfilling certain of the Board’s oversight responsibilities. The Board hereby adopts this charter to establish the governing principles of, and the scope of the responsibilities delegated to, the Compensation Committee.

Membership of the Compensation Committee

The Board shall appoint the members of the Compensation Committee and the members shall serve until their successors are appointed by the Board. The Board also may fill interim vacancies and remove and replace any member of the Compensation Committee at any time. The Board shall designate one member to serve as Chair of the Compensation Committee.

The Compensation Committee shall be composed of at least three Directors, two of whom must be Independent Directors as defined below. Members of the Compensation Committee also shall meet any additional requirements of applicable law and of the New York Stock Exchange. For the purpose of facilitating the availability of the exemptive provisions of Rule 16b-3 under the Securities Exchange Act of 1934, as amended (the “Exchange Act”), the Independent Directors alone shall have the power to approve grants and awards of Partnership securities to those employees who are “officers” as determined pursuant to Rule 16a-1 of the rules promulgated pursuant to the Exchange Act, and shall act as a subcommittee of the Compensation Committee for such purposes. As used herein, in order to be deemed an “Independent Director,” the member must (i) satisfy the independence requirements set forth in the Corporate Governance Guidelines of the Partnership, and (ii) be a “non-employee director” for purposes of Rule 16b-3 under the Exchange Act.

Meetings of the Compensation Committee

The Compensation Committee shall hold at least two regular meetings annually. In addition, the Compensation Committee shall hold other meetings at such times and places as the Chair and the members of the Compensation Committee may deem appropriate. A majority of the members of the Compensation Committee shall constitute a quorum.

Subject to the last sentence of this paragraph, all directors who are not members of the Compensation Committee may attend meetings of the Compensation Committee, but may not vote. The Compensation Committee may also exclude from its meetings any persons (other than a member of the Compensation Committee) it deems appropriate in order to carry out its responsibilities.

Unless otherwise restricted by the limited liability agreement, as amended from time to time, of the General Partner, (i) one or more members of the Compensation Committee may

participate in a meeting of the Compensation Committee by means of conference telephone or other communications equipment by means of which all persons participating in the meeting can hear each other and such participation in a meeting pursuant to conference telephone or other communications equipment shall constitute presence in person at such meeting and (ii) any action required or permitted to be taken at any meeting of the Compensation Committee may be taken without a meeting, if all members of the Compensation Committee consent thereto in writing or by electronic transmission, and the writing or writings or electronic transmission or transmissions are filed with the minutes of proceedings of the Compensation Committee. Such filing shall be in paper form if the minutes are maintained in paper form and shall be in electronic form if the minutes are maintained in electronic form.

Compensation Committee Reporting to the Board

The Compensation Committee shall cause minutes to be kept of each of its meetings, which will be reviewed and approved by the Compensation Committee at the next meeting. Copies of the minutes of each meeting of the Compensation Committee will be provided to the Board, and the Chair or his or her designee will report on each meeting of the Compensation Committee to the Board at the next meeting of the Board following the meeting of the Compensation Committee.

Responsibilities of the Compensation Committee

The Compensation Committee shall act with the authority of the Board with respect to any of the following actions and any other actions that the Compensation Committee reasonably determines are of a similar nature unless stated otherwise below and unless the Compensation Committee or the Board shall determine that a Compensation Committee recommendation followed by action by the Board is appropriate or desirable:

Compensation:

- Establish, implement, and oversee the administration of all compensation philosophies and policies of the Partnership.
- Establish and administer the total compensation of the executive officers (as defined in the Exchange Act) and other senior management members.
- Administer the Partnership's Long-Term Incentive Plan and Annual Incentive Plan, including by making grants thereunder, setting performance targets and objectives, and evaluating whether any such targets or objectives have been satisfied.
- Review and evaluate the performance of the executive officers and other senior management members in pursuing the goals and objectives approved by the Compensation Committee, as well any goals and objectives required by the Partnership's annual budget.

- Consult with the Chief Executive Officer regarding (i) performance evaluations of other executive officers and senior management members and (ii) personal performance goals for such executive officers and senior management members for the coming year.
- Annually review total compensation for the executive officers and other senior management members, including salaries, annual and long-term incentive plans, severance plans, retirement and savings plans, and other benefits and, where desirable, comparing such plans and arrangements to those of the Partnership's peer groups and to the executive officers and other senior management members in past years, ensuring appropriate levels of incentive to management and aligning management's objectives with the interests of unitholders.
- Ensure that the Partnership's incentive compensation programs do not encourage undue risk-taking.
- Make recommendations to the Board with respect to the adoption of, or material amendments to, incentive compensation and equity-based plans.
- Evaluate the compensation of the Independent Directors annually and make a recommendation to the Board regarding compensation for the upcoming year.
- Select and oversee the performance of any outside consultants retained to review the Partnership's compensation program, recommend to the Board approval or modification of the recommendations of such consultants, and enter into retention agreements with any such consultants establishing their fees and any other retention terms. The Compensation Committee shall have sole authority to retain and terminate consultants, outside counsel, and other advisers to assist in the evaluation of compensation programs for executive officers and to review and approve their fees and other retention terms.

Management Development:

- Review annually the succession plan for each senior management member as proposed each year by the Chief Executive Officer.
- Assist the Board with establishing the succession plan for the position of Chief Executive Officer.

Other Matters:

- Review and discuss with management the annual Compensation Discussion and Analysis required by the rules of the Securities and Exchange Commission and, based on the review and discussions, recommend to the Board whether the Compensation Discussion and Analysis should be included in the Partnership's applicable filings with the U.S. Securities and Exchange Commission ("SEC").
- Approve for inclusion in the Partnership's applicable filings with the SEC the "Compensation Committee Report" required under the rules of the SEC.

- Maintain awareness regarding current trends, developments, and emerging issues in executive compensation outside of the Partnership.
- Review and reassess the adequacy of this charter periodically and recommend changes to the Nominating and Corporate Governance Committee as necessary.
- Conduct an annual performance self-evaluation and report to the Board the results of that self-evaluation.

The foregoing list of duties is not exhaustive and the Compensation Committee may, in addition, perform such other functions as may be necessary or appropriate for the performance of its duties or as may otherwise be referred to it by the Board. In discharging the duties and responsibilities under this charter, the Compensation Committee is empowered to investigate any matter within the scope of its responsibilities, with full access to books, records, facilities, and personnel of the Partnership. The Compensation Committee shall have the power to delegate its authority and duties to subcommittees of the Compensation Committee or, subject to the terms of this charter, to individual members as it deems appropriate.

Approved by the Board of Directors on December 15, 2010.