

SEMGROUP CORPORATION (the “Company”)

Compensation Committee Charter

I. PURPOSES

The purpose of the Compensation Committee (the “Committee”) of the Board of Directors of the Company (the “Board”) shall be to: (A) assist the Board in overseeing the Company’s management compensation policies and practices, including (i) determining, reviewing, and recommending the compensation of the Company’s Chief Executive Officer (“CEO”) to the Board for approval, (ii) determining and approving the compensation of the Company’s other executive officers, (iii) reviewing and approving management incentive compensation policies and programs, and exercising discretion in the administration of such programs, and (iv) reviewing and approving equity compensation programs for employees, and exercising discretion in the administration of such programs; and (B) prepare the report of the Committee required by the rules of the Securities and Exchange Commission (“SEC”). Unless and until a separate committee is delegated or established by the Board, the Committee shall administer the Company’s Equity Incentive Plan, as it may be amended from time to time, pursuant to the terms thereof.

In discharging its role, the Committee is empowered to inquire into any matter that it considers appropriate to carry out its responsibilities, with access to all books, records, facilities and personnel of the Company, and, subject to the direction of the Board, the Committee is authorized and delegated the authority to act on behalf of the Board with respect to any matter necessary or appropriate to the accomplishment of its purposes. The Committee has the power to retain outside counsel, compensation consultants or other advisors to assist it in carrying out its activities. The Committee shall have the sole authority to retain, compensate, direct, oversee and terminate outside counsel, compensation consultants, and other advisors hired to assist the Committee, who shall be accountable ultimately to the Committee. Prior to selecting outside counsel, compensation consultants and other advisors, and then annually thereafter, the Committee shall take into consideration the independence of the outside counsel, compensation consultant or other advisor using factors established by applicable law, the rules and regulations of the SEC and the applicable listing standards of the New York Stock Exchange (“NYSE”). The Committee shall annually evaluate whether any compensation consultant who is involved in determining or recommending executive or director compensation, whether retained by the Committee or management, has any conflict of interest in accordance with Item 407(e)(3)(iv) of SEC Regulation S-K. The Company shall provide adequate resources to support the Committee’s activities, including compensation of the Committee’s counsel, consultants and other advisors.

II. COMMITTEE MEMBERSHIP

The Committee shall consist of three or more members of the Board, each of whom the Board has selected and determined to be “independent” for purposes of compensation committee membership in accordance with the applicable listing standards of the NYSE. In addition, no director may serve unless he or she (i) is a “non-employee director” for purposes of Rule 16b-3 under the Securities Exchange Act of 1934, as amended, (ii) satisfies the requirements of an

“outside director” for purposes of Section 162(m) of the Internal Revenue Code of 1986, as amended, and (iii) satisfies any other necessary standards of independence under applicable law. Failure to comply with the foregoing membership requirements shall not affect the validity of any action by the Committee.

The Chairman of the Board shall be entitled to be present and to participate in the meetings of the Committee but normally shall have no vote; provided, however, that in any instances in which the Committee does not otherwise have a quorum consisting of its current members, the Chairman may be considered a member for purposes of establishing a quorum and in any such instance, the Chairman will have a vote as a member of the Committee provided that at all times the Chairman otherwise meets the qualifications for membership in the Committee.

The Chair of the Committee shall be appointed from among the Committee members by, and serve at the pleasure of, the Board, shall preside at meetings of the Committee and shall have authority to convene meetings, set agendas for meetings, and determine the Committee’s information needs, except as otherwise provided by action of the Committee. In the absence of the Chair at a duly convened meeting, the Committee shall select a temporary substitute from among its members to serve as chair of the meeting.

III. COMMITTEE MEETINGS

The Committee shall meet on a regularly-scheduled basis as determined by the Committee and additionally as circumstances dictate.

Notice of meetings shall be given to all Committee members or may be waived, in the same manner as required for meetings of the Board. Subject to the Company’s Bylaws, and the Delaware General Corporation Law, the Committee shall otherwise establish its own rules of procedure.

The Committee shall meet at least annually with the CEO and any other corporate officers the Board and Committee deem appropriate to discuss and review the performance criteria and compensation levels of key executives.

IV. KEY RESPONSIBILITIES AND DELEGATION

The following responsibilities are set forth as a guide for fulfilling the Committee’s purposes, with the understanding that the Committee’s activities may diverge from those described below as appropriate under the circumstances.

The Committee, by resolution approved by a majority of the Committee, may form and delegate any of its responsibilities to a subcommittee so long as such subcommittee is solely comprised of one or more members of the Committee and such delegation is not otherwise inconsistent with law and applicable rules and regulations of the SEC and the NYSE.

In addition, the Committee may, by resolution approved by a majority of the Committee, delegate to the Chief Executive Officer the administration of the Company’s incentive compensation and equity-based compensation plans, to the extent permitted by law and as may be permitted by such plans and subject to such rules, policies and guidelines (including limits on

the aggregate awards that may be made pursuant to such delegation) as the Committee shall approve, provided that, consistent with paragraphs 6, 7, and 8 below, the Committee shall determine and approve the awards made under such plan to any executive officer and to any other member of senior management as the Committee shall designate, and the Committee shall review on a semi-annual basis, all other awards made under such plans.

Among its duties and responsibilities, the Committee shall:

1. establish and review the objectives of the Company's management compensation programs and its basic compensation policies;
2. review and recommend to the Board for approval annual and long term goals and objectives relevant to the compensation of the Chief Executive Officer ("CEO"); evaluate his or her performance based on these goals and objectives and determine, approve and recommend to the Board for approval his or her compensation based on such evaluation; review and recommend to the Board for approval any employment, compensation, benefit or severance agreement with the CEO;
3. review and approve annual and long term goals and objectives relevant to the compensation of the Company's executive officers other than the CEO; evaluate such persons' performance based on these goals and objectives, taking account of the Chief Executive Officer's recommendations in that regard, and determine and approve such persons' compensation based on such evaluation; review and approve any employment, compensation, benefit or severance agreement with any executive officer other than the CEO;
4. periodically discuss and review whether the incentive compensation arrangements for the Company's executive officers promote appropriate approaches to the management of risk and, specifically, do not encourage executive officers to take unnecessary and excessive risks that threaten the value of the Company;
5. determine and approve, taking account of the CEO's recommendations, the compensation level (including any awards under any equity-based compensation or non-equity-based incentive compensation plan of the Company and any material perquisites) for other members of senior management of the Company as the Committee or the Board may from time to time determine to be appropriate;
6. review at least annually the compensation of such members of senior management, other than those whose compensation is determined and approved in accordance with paragraph 5 above, as the Committee determines to be appropriate (including any awards under any equity-based compensation or non-equity-based incentive compensation plan of the Company and any material perquisites);
7. review on a periodic basis the Company's management compensation programs, including any management incentive compensation plans as well as plans and policies pertaining to perquisites, to determine whether they are appropriate,

properly coordinated, market competitive and achieve their intended purpose(s), and recommend to the Board any appropriate modifications or new plans, programs or policies; as part of this review, the Committee may consider, as appropriate, views expressed by stockholders on executive compensation, including results of stockholder advisory votes on executive compensation;

8. review, approve and recommend to the Board the adoption of any equity-based compensation plan for employees and non-employee directors of or consultants to the Company and any modification of any such plan;
9. administer the Company's equity-based compensation plans for employees, non-employee directors and consultants as provided by the terms of such plans, including authorizing all awards made pursuant to such plans, and monitor compliance by management with such rules, policies and guidelines for the issuance of awards pursuant to such plans as the Committee or the Board may establish;
10. review, approve and recommend to the Board the adoption of any non-equity-based incentive compensation plan for employees of or consultants to the Company and any material modification of any such plan and review at least annually the awards made pursuant to such plans;
11. review and discuss with management the Company's Compensation Discussion and Analysis disclosure required by SEC regulations and determine whether to recommend to the Board that it be included in the Company's Annual Report on Form 10-K, proxy statement on Schedule 14A or information statement on Schedule 14C, as applicable;
12. prepare the report of the Committee required to be included in the Company's Annual Report on Form 10-K, proxy statement on Schedule 14A or information statement on Schedule 14C, as applicable, in accordance with applicable rules and regulations of the SEC and other applicable regulatory bodies;
13. oversee the Company's submissions to stockholders on executive compensation matters, including advisory votes on executive compensation and the frequency of such votes, incentive and other executive compensation plans, and amendments to such plans;
14. review the form and amount of director compensation at least annually, and make recommendations thereon to the Board;
15. monitor compliance of directors and executive officers with any of the Company's stock ownership programs;
16. conduct an annual self-evaluation of the performance of the Committee, including its effectiveness and compliance with this Charter;

17. review and reassess the adequacy of this Charter annually, and recommend to the Board amendments as the Committee deems appropriate; and
18. report regularly to the Board on Committee actions, findings and recommendations and any other matters the Committee deems appropriate or the Board requests.