

SOUTHCROSS ENERGY PARTNERS GP, LLC

COMPENSATION COMMITTEE CHARTER

Adopted as of October 30, 2012

1. Purpose

The Compensation Committee, a standing committee of the Board of Directors (the “*Board*”) of Southcross Energy Partners GP, LLC (the “*General Partner*”), the sole general partner of Southcross Energy Partners, L.P. (the “*Partnership*” and, together with the General Partner and their respective affiliates and subsidiaries, the “*Company*”), will assist the Board in discharging its responsibilities relating to overall compensation matters, including, without limitation, matters relating to compensation programs for directors and executive officers.

The Compensation Committee will have overall responsibility for evaluating and approving the compensation plans, policies and programs of the Company. To that end, the Compensation Committee will have the responsibility, power and authority to set the compensation and benefits of elected officers and senior executives, determine distributions and grant awards under and administer the Company’s various equity incentive plans, and assume responsibility for all matters related to the foregoing.

The Compensation Committee will establish compensation practices and programs that are: designed to attract, retain and motivate exceptional leaders; structured to align compensation with the Partnership’s overall performance and growth in distributions to unitholders; implemented to promote achievement of short-term and long-term business objectives consistent with the Partnership’s strategic plans; and applied to reward performance.

2. Composition

The Compensation Committee will consist of three or more members of the Board, and will be appointed by the Board. All members of the Compensation Committee will meet the independence requirements of applicable law and the rules of any exchange on which the Partnership’s securities are listed. All members of the Compensation Committee should be suitably knowledgeable in matters pertaining to executive compensation. The Board will appoint a member of the Compensation Committee to serve as its chairman, and the chairman will generally direct the business of the Compensation Committee. The Board will have the authority at any time to change the membership of the Compensation Committee and to fill vacancies on the Compensation Committee.

3. Meetings

The Compensation Committee will meet at least once each year, and more frequently as necessary to carry out its responsibilities. A quorum at any Compensation Committee meeting will be a majority of the members, but not fewer than two members. All determinations of the Compensation Committee will be made by a majority of its members present at a meeting duly called and held, except as specifically provided herein (or where the Compensation Committee consists of only two members, by unanimous vote). Any decision or determination of the

Compensation Committee reduced to writing and signed by all of the members of the Compensation Committee will be fully effective as if it had been made at a meeting duly called and held. Written minutes for all meetings of the Compensation Committee will be prepared and submitted for approval at a subsequent meeting of the Compensation Committee.

4. Authority and Responsibility

The Compensation Committee's powers, authority, duties and responsibilities include the following:

- a) The Compensation Committee has the sole authority to retain and terminate any compensation consultant to be used to assist in the evaluation of directors' and executive officers' compensation and will have the sole authority to approve the consultant's fees and other retention terms. The Compensation Committee also will have authority to obtain advice and assistance from internal or outside legal, accounting or other advisors it determines necessary to carry out its duties.
- b) The Compensation Committee will annually review the philosophy regarding executive compensation and the Partnership's goals and objectives, review market and industry data to assess the Partnership's competitive position, and discuss with the Chief Executive Officer different compensation approaches.
- c) The Compensation Committee will review and approve annually the Partnership's goals and objectives relevant to the compensation of the Company's Chief Executive Officer, evaluate the Chief Executive Officer's performance in light of those goals and objectives, and, either as a committee or together with the other independent directors (as directed by the Board), determine and approve, in executive session, the Chief Executive Officer's applicable compensation levels based on this evaluation and in accordance with any applicable employment agreement. In determining the long-term incentive component of the Chief Executive Officer's compensation, the Compensation Committee should consider the Partnership's performance and relative unitholder return, the value of similar incentive awards to chief executive officers at comparable companies, the type and number of long term incentive awards given to the Chief Executive Officer in past years and such other matters as it deems relevant. To the extent any such compensation is set forth in the Chief Executive Officer's employment agreement, such compensation will be calculated in accordance with such agreement.

Entry into any executive employment agreement by the Company is subject to the review and approval of the Compensation Committee and the Board.

- d) The Compensation Committee will consider the judgment and recommendation of the Chief Executive Officer for the compensation of the Company's principal executives and officers (other than the Chief Executive Officer) and other key employees (the "*Other Officers*"), and will review annually and make recommendations to the Board to approve, for the Other Officers, as applicable

(a) the annual base salary amount, (b) the annual short-term incentive compensation (bonus) payment, (c) any long-term incentive compensation, (d) any amendments to any employment agreements, any proposed severance arrangements or change in control and similar agreements/provisions, and any amendments, supplements or waivers to the foregoing agreements, in each case as, when and if deemed necessary or advisable, and (e) any perquisites, special or supplemental benefits, all in accordance with applicable law, rules and regulations, and to the extent appropriate or necessary to comply with any federal securities or tax law requirements, such as Rule 16b-3 of the Securities Exchange Act of 1934, as amended, or Section 162(m) of the Internal Revenue Code of 1986, as amended. To the extent any such compensation is set forth in existing employment agreements, such compensation shall be calculated in accordance with each such executive's employment agreement, subject to compliance with all applicable laws, rules and regulations.

- e) The Compensation Committee will periodically review and make recommendations to the Board with respect to the compensation of directors, including board and committee retainers, meeting fees, equity-based compensation, and such other forms of compensation as the Compensation Committee may consider appropriate.
- f) The Compensation Committee will administer and annually review the Company's incentive compensation plans and equity-based plans, including, but not limited to, (a) approving restricted unit or other awards, (b) interpreting the plans, (c) determining rules and regulations relating to the plans, (d) modifying or canceling existing grants or awards and (e) imposing limitations, restrictions and conditions upon any grant or award as the Compensation Committee deems necessary or advisable.
- g) The Compensation Committee will assess annually the desirability of proposing and make recommendations to the Board with respect to any new incentive-based compensation plans and equity-based plans and any increase in shares reserved for issuance under existing plans.
- h) The Compensation Committee will review and discuss with the Company's management the Compensation Disclosure and Analysis (CD&A) and determine the Compensation Committee's recommendation for the CD&A's inclusion in the Partnership's annual report filed on Form 10-K with the SEC, if applicable. The Compensation Committee will, if applicable, also prepare and produce an annual "Compensation Committee Report" on executive compensation for inclusion in the Partnership's annual meeting proxy statement, or, if the Partnership does not file a proxy statement, in the Partnership's annual report filed on Form 10-K with the SEC, in accordance with applicable rules and regulations.
- i) The Compensation Committee will review, administer and recommend other benefit plans on an as needed basis.

- j) The Compensation Committee will report regularly to the Board the Compensation Committee's activities, findings and recommendations, including the results of the Compensation Committee's self-evaluation and any recommended changes to this Charter.
- k) The Compensation Committee will have such other authority and responsibilities as may be assigned to it from time to time by the Board.

5. Annual Review

The Compensation Committee will evaluate its performance on an annual basis and develop criteria for such evaluation. In addition, at least annually, this Charter will be reviewed and reassessed by the Compensation Committee, and any proposed changes will be submitted to the Board for approval.