

**CHARTER OF THE COMPENSATION COMMITTEE
OF THE BOARD OF DIRECTORS OF
INERGY GP, LLC**

I. COMPENSATION COMMITTEE PURPOSE

The Compensation Committee (the “Committee”) is appointed by the Board of Directors of Inergy GP, LLC (the “General Partner”) of Inergy, LP (the “Partnership”). The Committee assists the board in fulfilling its responsibility to effectively compensate the Chief Executive Officer and the senior management of the General Partner in a manner consistent with the growth strategy of the Partnership and to administer the General Partner’s Long Term Incentive Plan and the Employee Unit Purchase Plan.

II. COMPENSATION COMMITTEE COMPOSITION AND MEETINGS

The Committee will be comprised of two or more directors of the General Partner as determined by the Board. Each member will not be an employee of the General Partner or any of its subsidiaries, and will be free of any relationship that, in the opinion of the Board, would interfere with his or her exercise of independent judgment. The Committee shall meet as required to fulfill its responsibilities as set forth in this Charter.

III. PRINCIPAL RESPONSIBILITIES AND DUTIES

The Committee’s responsibilities shall include:

- review and approve the level and elements of the total compensation for the Chief Executive Officer;
- review and approve general compensation guidelines for senior management;
- review and recommend to the board the total compensation for non-management directors, including annual fees, committee fees, committee chair fees, equity compensation and other related benefits;
- review, adopt and amend, as necessary, the stock option, equity incentive and other equity-based compensation plans including the Long-Term Incentive Plan and the Employee Unit Purchase Plan;
- in conjunction with senior management, including the Chief Executive Officer, establish and evaluate any grants of options, warrants, restricted units or other similar items pursuant to any stock option, equity incentive or other equity-based compensation plan;

- develop, review and oversee succession plans and procedures for executive officers and other key management personnel;
- annually review, assess and, if necessary, present to the board for approval any modifications or amendments to this charter;
- as appropriate, obtain advice and assistance from outside legal or other advisers;
- prepare minutes of all Committee meetings and regularly report all Committee activities to the full Board of Directors; and
- perform any other activities consistent with this Charter and governing law, as the Committee or the Board deems necessary or appropriate.

The foregoing list of duties is not exhaustive, and the Committee may, in addition, perform such other functions as directed or determined by the Board. The Committee shall have the power to delegate its authority and duties to individual members as it deems appropriate.