

EXTERRAN CORPORATION

AUDIT COMMITTEE CHARTER

The Board of Directors (the “Board”) of Exterran Corporation (the “Company”) recognizes the critical need to ensure the accuracy and completeness of the financial statements, reports and public statements of the Company in preserving the integrity of the public markets for the Company’s securities. To this end, the Board seeks to empower the audit committee (the “Committee”) with sufficient authority and responsibility to achieve these goals and the other purposes set forth in this Charter.

Purpose

The primary purposes of the Committee are to (i) assist the Board in its oversight of (a) the integrity of the financial statements of the Company, (b) the Company’s compliance with legal and regulatory requirements, (c) the independence, qualifications and performance of the independent auditor, (d) the performance of the Company’s internal audit function, and (e) the Company’s systems of disclosure controls and procedures and internal controls over financial reporting; (ii) prepare an audit committee report as required by the U.S. Securities and Exchange Commission (the “SEC”) to be included in the Company’s annual proxy statement; and (iii) perform an annual evaluation of the Committee.

Composition

The Committee shall consist of a minimum of three Directors. All members of the Committee shall (i) be “independent” as defined under applicable law and regulation, (including the Sarbanes-Oxley Act of 2002), the Company’s Corporate Governance Principles and the rules of the New York Stock Exchange (“NYSE”); (ii) be “financially literate” (or become financially literate within a reasonable time after appointment) and satisfy any additional standards (other than independence) which may be imposed by the NYSE or other law or regulation; and (iii) have sufficient financial experience and ability to enable them to discharge their responsibilities. In addition, at least one member shall be an “audit committee financial expert” as defined by the SEC. All such determinations shall be in the judgment of the Board. No member of the Committee may simultaneously serve on the audit committees of more than two other public companies without first obtaining a determination of the Board that such member’s service on the Committee would not be impaired by such simultaneous service. No member of the Committee may receive any compensation from the Company other than (i) director’s fees, which may be received in cash, stock, stock options, other forms of equity awards or other in-kind consideration ordinarily available to directors and (ii) a pension or other deferred compensation for prior service that is not contingent on future service.

The Chairman of the Board or, in his or her absence or at his or her election, any Vice Chairman or Lead Independent Director shall provide recommendations to the Nominating and Corporate Governance Committee as to the member or members of the Board to be appointed to the Committee, including the Committee chairperson. The Nominating and Corporate Governance Committee, in turn, shall provide its recommendations to the Board, and the Board shall appoint the members of the Committee, including the Committee chairperson, by a majority vote of the members of the Board. Members of the Committee shall serve at the pleasure of the Board and for

such term or terms as the Board may determine. Members of the Committee may be removed by a majority vote of the members of the Board. Unless a Committee chairperson is designated by the Board, the Committee may designate a chairperson by majority vote of the full Committee membership.

Meetings

The Committee shall meet (either in person or telephonically) as often as it determines but not less frequently than four times per year. The Committee shall meet periodically with management, the internal auditors (or other personnel responsible for the internal audit function) and the independent auditor in separate executive sessions to discuss any matters the Committee or any of these groups believe should be discussed privately.

All matters before the Committee shall be determined by a majority vote of the Committee members present.

The Committee has the authority to establish its own rules and procedures for notice and conduct of its meetings so long as they are not inconsistent with any provisions of the Company's bylaws that are applicable to the Committee.

Authority and Responsibilities

The Committee may conduct or authorize investigations into any matters within the scope of the authority and responsibilities delegated to the Committee.

The Committee shall have the following authority and responsibilities:

I. FINANCIAL REPORTING

1. To review and discuss the Company's annual audited financial statements and quarterly financial statements with management and the independent auditor, including the Company's disclosures under "Management's Discussion and Analysis of Financial Condition and Results of Operations" before filing of the Company's Form 10-Q or Form 10-K. To review, as appropriate, the Company's financial disclosures, particularly those related to off-balance sheet arrangements, contractual obligations and non-GAAP financial measures.
2. To review and discuss with management and the independent auditor (i) major issues regarding accounting principles and financial statement presentations, including any significant changes in the Company's selection or application of accounting principles, and major issues as to the adequacy of the Company's internal controls and any special audit steps adopted in light of material control deficiencies, (ii) analyses prepared by management and/or the independent auditor setting forth significant financial reporting issues and judgments made in connection with the preparation of the financial statements, including analyses of the effects of alternative GAAP methods on the financial statements and (iii) the effect of regulatory and accounting initiatives on the financial statements of the Company.

3. At least annually prior to the filing of the audit report with the SEC (and more frequently if appropriate), to review and discuss reports from the independent auditor on (i) the independent auditor's audit of the financial statements, report on internal controls and their report thereon, (ii) all critical accounting policies and practices to be used, (iii) all alternative treatments of financial information within U.S. generally accepted accounting principles that have been discussed with management, including ramifications of the use of such alternative disclosures and treatments and the treatment preferred by the independent auditor and (iv) other material written communications between the independent auditor and management, such as any management letter or schedules of unadjusted differences.
4. To prepare and publish an audit committee report in the Company's annual proxy statement and any other reports or statements required by any applicable law, rule or regulation or the NYSE.
5. To discuss the Company's periodic earnings press releases, as well as financial information and earnings guidance provided to analysts and rating agencies. The Committee may discuss earnings releases generally (i.e., the types of information to be disclosed, paying particular attention to any use of non-GAAP information). The Committee need not discuss in advance each earnings release.
6. To review the Company's financial reporting and accounting standards and principles, significant changes in such standards or principles or in their application and the key accounting decisions affecting the Company's financial statements, including alternatives to, and the rationale for, the decisions made.
7. To establish and review procedures for the (i) receipt, retention and treatment of complaints regarding accounting, internal accounting controls, or auditing matters and (ii) confidential anonymous submission by employees of concerns regarding questionable accounting or auditing matters. To review any submissions that have been received, the current status and resolution if one has been reached.
8. To set clear hiring policies for employees or former employees of the independent auditor.
9. To meet with the independent auditor and Chief Accounting Officer to discuss the independent auditor's proposed audit planning, scope, staffing and approach, including coordination of its effort with internal auditors. To discuss the coordination of audit efforts to assure completeness of coverage, avoidance of redundant efforts and effective use of audit resources.
10. To recommend, for stockholder ratification, the independent auditor to examine the Company's accounts, controls and financial statements. The Committee shall have the sole authority and responsibility to select, evaluate, compensate, oversee (including resolution of disagreements between management and the Company's

auditor regarding financial reporting) and if necessary replace the independent auditor, which shall report directly to the Committee.

11. To determine the appropriate amount of compensation to any registered public accounting firm engaged for the purpose of preparing or issuing an audit report or performing other audit, review or attest services for the Company, for payment of compensation to any advisors employed by the Committee, and for payment of ordinary administrative expenses of the Committee that are necessary or appropriate in carrying out its duties. The Committee shall have the sole authority to approve all audit engagement fees and terms (including proposed budgets) and the Committee, or a member of the Committee, must pre-approve any audit service or pre-approve or establish a pre-approval policy regarding permissible non-audit service provided to the Company by the Company's independent auditor.
12. To monitor and review written submissions made by the independent auditor on a periodic basis to the Committee delineating all relationships between the independent auditor and the Company and to engage in a dialogue with the independent auditor with respect to any disclosed relationships or services that may impact the objectivity and independence of the independent auditor and to recommend that the Board take appropriate action in response to the independent auditor's report to satisfy itself of the independent auditor's independence. In order to assess auditor independence, the Committee will review at least annually all relationships between the independent auditor and the Company.
13. To review with the independent auditor any audit problems or difficulties and management's response thereto. The review should also include discussion of management's cooperation or interference with the audit.
14. To review regularly with the independent auditor: (i) any accounting adjustments that were noted or proposed by the independent auditor but were "passed" by management as immaterial or otherwise; (ii) any "management" or "internal control" letter issued, or proposed to be issued, by the independent auditor to the Company; and (iii) any disagreement within the Company's management regarding accounting or disclosure issues.
15. To at least annually, obtain and review a report by the independent auditor describing; the independent auditing firm's internal quality-control procedures; any material issues raised by the most recent internal quality-control review, or peer review, of the independent auditing firm or by any inquiry or investigation by governmental or professional authorities, within the preceding five years, respecting one or more independent audits carried out by the independent auditing firm; and any steps taken to deal with any such issues.
16. To take appropriate steps to ensure the rotation of the lead (or coordinating) audit partner as required by law and to evaluate the independent auditor's qualifications, independence and performance based on the report described in paragraph 15, the statement described in paragraph 12, the auditor's work throughout the year and

such other factors and information as the Committee deems advisable. The Committee shall present its conclusions with respect to the independent auditor to the Board.

17. To discuss with the independent auditor any communications with its national office concerning auditing or accounting issues presented by the engagement.
18. At least annually, review and discuss with management the Company's effective tax rate, uncertain tax positions, adequacy of tax reserves, status of tax audits and significant tax developments.

II. INTERNAL CONTROLS

1. To review and approve the internal audit functions and the internal audit charter, including: (i) purpose, authority and organizational reporting lines; (ii) annual audit plan and coverage, budget and staffing; and (iii) concurrence in the appointment and compensation of internal audit staff managers. To the extent that the internal audit function is performed under the direction of a general auditor that is a Company employee, the Committee shall ensure that the head of the internal audit department reports directly to the Committee, which shall be responsible for reviewing and approving the individual's compensation. To the extent that the internal audit function is outsourced, the Committee shall ensure that the engagement is managed under the direction of the Committee, with applicable fees and costs being approved by the Committee.
2. To review with appropriate individuals the Company's plan for reviewing and assessing its internal controls (including revenue recognition controls), disclosure control procedures and internal system of controls.
3. To review, at least four times per year, significant findings on internal audits, including any material weaknesses or significant deficiencies found and management's responses thereto, and to direct remedial action, if necessary.
4. To review any difficulties the internal audit team encountered in the course of their audits, including any restrictions on the scope of their work or access to required information.
5. To review with management the policies and procedures with respect to officers' expense accounts and perquisites, including their use of corporate assets, and consider the results of any review of these areas by internal audit or the independent auditor.

III. CORPORATE GOVERNANCE

1. To discuss the guidelines and policies governing the process by which the Company assesses and manages its risks and to discuss the Company's major financial risk exposures, including risks related to cybersecurity and unauthorized access to the

Company's facilities and information technology infrastructure, and the steps that management has taken to monitor and control such exposures; provided, however, that the Committee is not required to be the sole body responsible for risk assessment and management.

2. To evaluate and take appropriate action with respect to information provided by the Chief Executive Officer and the Chief Financial Officer in connection with their certifications under Section 302 and Section 906 of the Sarbanes-Oxley Act of 2002, by the Chief Executive Officer in connection with his certification under the NYSE rules regarding corporate governance and by the Company in connection with its certification under the NYSE rules regarding audit committee independence. If applicable, to review disclosures made to the Committee by management regarding fraud involving management or other employees who have a significant role in the Company's internal controls.
3. To obtain from the independent auditor assurance that there has been no required response pursuant to Section 10A(b) of the Securities Exchange Act of 1934, as amended. Such response is required if in the course of conducting an audit, such independent auditor detects or becomes aware of information indicating that an illegal act has or may have occurred.
4. To discuss with the pertinent executive officers or the Company's Chief Compliance Officer, as appropriate, (i) any questionable or possible illegal activities or payments reported to the Committee, (ii) any legal matters that may have a material impact on the financial statements of the Company, (iii) the Company's compliance policies and (iv) any material reports or inquiries received from regulators or governmental agencies and management's proposed responses.
5. To periodically review the Company's Code of Business Conduct.
6. To review with the Company's internal auditor and the Company's Chief Compliance Officer the results of their review of the monitoring of compliance with the Company's Code of Business Conduct, and to ensure proper disclosure of any waivers of the Code of Business Conduct for officers and Directors.

IV. GENERAL

1. In addition to the duties and responsibilities expressly delegated to the Committee in this Charter, the Committee may exercise any other powers and carry out any other responsibilities consistent with this Charter, the purposes of the Committee, the Company's bylaws and applicable NYSE and SEC rules.

Subcommittees

The Committee shall have the authority to delegate any of its responsibilities to subcommittees, as the Committee may deem appropriate in its sole discretion.

Outside Advisors

The Committee shall have authority to retain such outside counsel, experts and other advisors as the Committee may deem appropriate in its sole discretion. The Committee shall have authority to approve related fees and retention terms. The Company will provide for appropriate funding, as determined by the Committee, for payment of fees to any outside counsel, experts or other advisors retained by the Committee, including appropriate funding as determined by the Committee for payment of (i) compensation to the independent auditor for the audit of the Company's financial statements and any other services performed for the Company, (ii) compensation to any advisors employed by the Committee and (iii) ordinary administrative expenses of the Committee that are necessary or appropriate in carrying out its duties.

Reporting and Charter Review

The Committee shall regularly report activities to the Board, at least after each Committee meeting, any issues that arise with respect to the quality or integrity of the Company's financial statements, the Company's compliance with legal requirements, the performance and independence of the Company's independent auditor, the performance of the internal audit function or such other matters it deems necessary or advisable. The Committee shall prepare any report or other disclosures, including any recommendation of the Committee, required by the rules of the SEC to be included in the Company's annual proxy statement. The Committee shall annually review the adequacy of this Charter and the duties and responsibilities of the Committee and recommend any proposed changes to the Board for approval. The Committee shall conduct and present to the Board an annual performance evaluation of the Committee.

Limitation of Audit Committee's Role

While the Committee has the responsibilities and powers set forth in this Charter, it is not the duty of the Committee to plan or conduct audits, to determine that the financial statements are complete and accurate and are in accordance with U.S. generally accepted accounting principles, or to assure compliance with laws and regulations or the Company's internal policies, procedures and controls. These are the responsibilities of management, the internal auditors and the independent auditor. The Committee's role is one of oversight, and the Committee relies on the expertise and knowledge of management, the internal auditor and the independent auditor in carrying out its oversight responsibilities.