

EXTERRAN CORPORATION

COMPENSATION COMMITTEE CHARTER

The Board of Directors (the “Board”) of Exterran Corporation (the “Company”) recognizes the critical role played by the Company’s Chief Executive Officer (“CEO”) and other senior executives and the importance to the Company and its stockholders of attracting, developing, retaining and compensating such individuals. The Board seeks to empower the compensation committee (the “Committee”) in a manner that facilitates these goals and the other purposes set forth in this Charter.

Purpose

The primary purpose of the Committee shall be to discharge the Board’s responsibilities described below relating to compensation of the Directors, CEO and other executive officers, including by adopting a compensation philosophy and strategy that (i) assists management in the identification, development and retention of superior executive talent, (ii) rewards employees for performance consistent with the Company’s values and (iii) ensures that the interests of management are aligned with the Company’s stockholders. The Committee is also responsible for producing an annual report on executive compensation and approving the Compensation Discussion and Analysis, both for inclusion in the Company’s annual proxy statement or annual report on Form 10-K filed with the SEC.

Composition

The Committee shall consist of a minimum of three Directors. All members of the Committee shall be “independent” as defined under applicable law and regulation, the Company’s Corporate Governance Principles and the rules of the New York Stock Exchange (“NYSE”). Additionally, each member of the Committee shall (i) be a “non-employee director” for purposes of Rule 16b-3 under the Securities Exchange Act of 1934, as amended, (ii) satisfy the requirements of an “outside director” for purposes of Section 162(m) of the Internal Revenue Code (the “Code”), and (iii) satisfy the additional independence requirements specific to compensation committee membership set forth in the NYSE’s Listed Company Manual.

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 three times per year.

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:

1. Approve the annual and long-term performance goals and objectives relevant to CEO compensation, evaluate the CEO's performance in light of those goals and objectives and determine and approve the CEO's compensation based on this evaluation and other factors deemed relevant by the Committee. During its consideration of the compensation of the CEO, the Committee shall meet in executive session without the CEO.
2. Produce a compensation committee report on executive compensation as required by the U.S. Securities and Exchange Commission (the "SEC") to be included in the Company's annual proxy statement or annual report on Form 10-K filed with the SEC.
3. Review and approve on an annual basis the Company's compensation philosophy and strategy consistent with the Company's values, operating principles and objectives and with the goal of aligning the interests of management with the Company's stockholders.
4. Approve matters related to non-CEO executive officer compensation, incentive-compensation plans and equity-based plans. The Committee shall, to the extent permitted by law and the operative plan documents, have and shall exercise all the authority of the Board with respect to the administration, amendment, modification and approval of such plans, and shall carry out the responsibilities delegated to it under such plans; provided, however, that any change requiring stockholder approval shall be first submitted to the full Board for consideration and approval.
5. Review and recommend to the Board on an annual basis non-employee Director compensation and benefits. In discharging this duty, the Committee shall be guided by three goals: (i) compensation should fairly pay Directors for work required in a company of the Company's size and scope; (ii) compensation should align Directors' interests with the long-term interests of stockholders; and (iii) the structure of the compensation should be simple, transparent and easy for stockholders to understand. The Chairman shall, if he or she is a member of the Committee, recuse himself or herself from all discussions and recommendations regarding his or her own compensation as Chairman.

6. In consultation with management, oversee SEC, NYSE and other regulatory compliance with respect to compensation matters, including overseeing the Company's policies on structuring compensation programs to preserve tax deductibility and, as and when required, establishing performance goals and certifying that performance goals have been attained for purposes of Section 162(m) of the Code, as well as overseeing the rules and regulations regarding stockholder approval of certain executive compensation matters, including advisory votes on executive compensation, the frequency of such votes and the requirements relating to stockholder approval of equity compensation plans.
7. Provide oversight of management's decisions concerning the performance and compensation of other Company officers and employees.
8. When and as appropriate, review and approve all employment agreements, severance arrangements and change-in-control agreements with the CEO and other members of senior management.
9. Oversee the management of risks relating to the Company's executive compensation plans and arrangements.
10. Review and discuss with the Company's management the "Compensation Discussion and Analysis" as required by the rules of the SEC, and, based on such review and discussion, to determine whether to recommend to the Board that the "Compensation Discussion and Analysis" be included in the Company's annual proxy statement or annual report on Form 10-K filed with the SEC.
11. 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 SEC and NYSE 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 the authority, in its sole discretion, to retain or obtain the advice of a compensation consultant, independent legal counsel or other adviser (collectively, "compensation advisers"). The Committee shall be directly responsible for the appointment, compensation and oversight of the work of any compensation adviser retained by the Committee. The Company will provide for appropriate funding, as determined by the Committee, for payment of compensation to any compensation adviser retained by the Committee. Prior to selecting any compensation adviser, the Committee shall consider factors relevant to such adviser's (or his or her employer's) independence, including those required to be considered by the rules of the SEC and applicable requirements and guidelines of the NYSE. The Committee shall have sole authority to approve related fees and retention terms.

Reporting and Charter Review

The Committee shall report its actions and any recommendations to the Board as soon as practicable after each Committee meeting and shall conduct and present to the Board an annual performance evaluation of the Committee. The Committee shall review at least annually the adequacy of this Charter and recommend any proposed changes to the Board for approval.