

Exterran Corp
Form DEF 14A
March 13, 2019

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of the
Securities Exchange Act of 1934

Filed by the Registrant Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material Pursuant to §240.14a-12

EXTERRAN CORPORATION

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

No fee required.

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OUR CORE VALUES

Our core values guide our actions as individuals and as a company. The foundation of our values is our commitment to people and safety. Together they shape our culture, results and reputation.

Dear Fellow Shareholders:

As the world's population grows - and demand for energy grows with it - we are fortunate at Exterran to provide systems and processes for the oil, gas, water, and power generation sectors that are required to meet these demands, manage environmental and safety risks, and improve efficiencies.

In 2018, we were able to secure strong orders, and improve revenue, profitability, and cash flow from operations. We used this period to develop new product lines, increase our services presence in the US, and commercialize Exterran Water Solutions. We expect our global footprint, together with our focus on people and outstanding execution, will position us well as we move forward.

We are also continuing to further strengthen our governance foundation. We have annual director elections, one-share one-vote, majority voting, a diverse and an experienced board, pay-for-performance compensation and strict stockholding requirements. We received over 97% support for our 2018 pay referendum, "say on pay." In 2018, we also adopted a clawback policy and conducted an independent evaluation of our Board.

We are focused on reducing our environmental impact, supporting the communities in which we operate, and being a good employer to our over 4,300 employees. We channel our global community and charitable activities through our Exterran Cares™ program. We continue to emphasize development of our talent, through our global learning management system and leadership development initiatives. We prioritize global safety standards through our ISO certified global One Exterran Management System and our Goal Zero™ training initiatives. The nature of our business also enables us to assist our customers in becoming more sustainable. Our Board, either directly or through its committees, oversees our environmental and social risks and opportunities.

We reached out to many of you during the year, engaging with several of our largest shareholders representing over 50% of our outstanding shares. We value your feedback and continue to learn from our investors. You will find in this proxy information on how to contact us throughout the year as well as information about what is proposed for a vote, how to vote and how to join us at our annual meeting.

On behalf of the entire Board of Directors and our employees, thank you for your continued support and investment in Exterran Corporation.

Sincerely,

Mark R. Sotir

Executive Chair of the Board

March 13, 2019

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

Time and Place:

Thursday, April 25, 2019, jointly at 9:00 a.m. Central Daylight Time at Baker McKenzie LLP, Bank of America Center, 700 Louisiana Street, Suite 3000, Houston, Texas, USA and at 11:00 a.m. Argentina Standard Time at Baker McKenzie, LLP, Cecilia Grierson 255, 6th Floor, Buenos Aires, Argentina. We are holding a live annual meeting simultaneously in two locations by tele-video conferencing in order to allow our international shareholders to attend in person. The meeting is being held for the following purposes:

Items of Business:

- to elect eight directors to serve for a term expiring at the next annual meeting of shareholders;
- to conduct an advisory vote to approve the compensation of Exterran Corporation's named executive officers;
- to ratify the appointment of PricewaterhouseCoopers LLP as Exterran Corporation's independent registered public accounting firm for fiscal year 2019; and
- to transact such other business as may properly come before the meeting or any adjournment thereof.

Record Date:

The record date for the determination of shareholders entitled to vote at our 2019 Annual Meeting of Shareholders or any adjournments or postponements thereof is the close of business on February 28, 2019.

YOUR VOTE IS IMPORTANT. Whether or not you plan to attend the Annual Meeting of Shareholders, we urge you to submit your vote by the Internet, telephone or mail.

By Order of the Board of Directors,

Valerie L. Banner
Senior Vice President, General Counsel and Corporate Secretary
Exterran Corporation
Houston, Texas
March 13, 2019

Important Notice Regarding the Availability of Proxy Materials for the Annual Meeting of Shareholders to be held on April 25, 2019

We are making our Proxy Statement and Annual Report available to our shareholders electronically via the Internet. We will mail most of our shareholders a Notice on or about March 15, 2019, containing instructions on how to access this Proxy Statement and our Annual Report over the Internet and Vote by Internet or telephone. All shareholders who do not receive a Notice should receive a paper copy of the proxy materials by mail. Shareholders may access the proxy materials at www.exterran.com or www.proxyvote.com or request a printed set of the proxy materials be sent to them by following the instructions in the Notice.

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PROXY SUMMARY

The following is a summary of certain key information in our Proxy Statement. For complete information, please review this Proxy Statement and our Annual Report on Form 10-K for the year ended December 31, 2018. In this Proxy Statement, we refer to Exterran Corporation as “Exterran,” the “Company,” “we” or “us.”

2019 Annual Meeting Information

Date: Thursday, April 25, 2019
 Time: Jointly by tele-video conferencing at 9:00 a.m. Central Daylight Time and 11:00 a.m. Argentina Standard Time, respectively
 Place: Baker McKenzie LLP, Bank of America Center, 700 Louisiana Street, Suite 3000, Houston, Texas, USA and Baker McKenzie LLP, Cecilia Grierson 255, 6th Floor, Buenos Aires, Argentina
 Record Date: February 28, 2019

For additional information about the 2019 Annual Meeting of Shareholders see Frequently Asked Questions about the Meeting and Voting beginning on page 63.

Voting Matters and Board Recommendations

Proposals	Board Recommendation	Page
Proposal 1 Election of Eight Directors	FOR each Director Nominee	6
Proposal 2 Advisory Vote to Approve Named Executive Officer Compensation	FOR	56
Proposal 3 Ratification of Appointment of Independent Registered Public Accounting Firm	FOR	57

You may vote in the following ways:

Using the Internet at http://www.proxyvote.com	Calling 1-800-690-6903 if in the United States and Canada	Mailing your signed and dated proxy card or voting instruction form	Attending the Annual Meeting
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For telephone and Internet voting, you will need the 16-digit control number included on your Notice, proxy card or voting instruction form that accompanied your proxy materials. Internet and telephone voting is available through 11:59 p.m. Eastern Daylight Time on April 24, 2019 for all shares.

Proxy Summary

Our Business

Exterran is a global systems and process company offering critical midstream infrastructure solutions in the oil, gas, water and power markets to customers throughout the world. Formed in late 2015 through a spin-off from Archrock, Inc., our responsibility to our employees, environment, customers and communities, together with the creation of shareholder value, drive our strategy and business objectives. We strive to achieve these goals by delivering strong financial results through commercial and operational excellence, incorporating our sustainability efforts and leveraging our global resources and technical capabilities across our three global methods of going to market: Contract Operations, Product Sales and Aftermarket Services.

Our Director Nominees

The Exterran Board of Directors (the “Board”) is currently comprised of seven members and includes a diverse group of leaders in their respective fields. The Board, acting on the recommendation of our Nominating and Governance Committee, has determined to increase the size of the Board to eight members effective as of the 2019 Annual Meeting of Shareholders and has nominated the eight individuals identified below for election as directors. Each of the nominees is currently a director, other than Mr. Soliman. We believe their varied backgrounds, skills and experiences contribute to a balanced and diverse Board that is able to provide effective oversight of our Company and our senior executive team. Our director nominees’ skills and expertise include:

- energy industry experience
- enterprise risk / environmental management
- executive leadership / human capital management
- financial expertise or literacy
- geographic experience

The following chart sets forth information with respect to our eight nominees standing for election.

Name	Age	Independent	Director Since	Primary Occupation	Committee Memberships
William M. Goodyear (Lead Independent Director)	70	Yes	2015	Retired Executive Chairman, Navigant Consulting Inc. Vice Chairman, Rush University Medical Center	Audit (Chair) Compensation
James C. Gouin	59	Yes	2015	President, Chief Executive Officer and Director of Tower International, Inc.	Audit Compensation Audit
John P. Ryan	67	Yes	2015	Retired President and Chief Executive Officer, Dresser, Inc.	Compensation (Chair) Nominating and Corporate Governance
Christopher T. Seaver	70	Yes	2015	Retired Chairman and Chief Executive Officer, Hydril Company	Audit Nominating and Corporate Governance (Chair)
Hatem Soliman	60	Yes	—	Retired Executive President, Schlumberger Middle East and Asia Executive Chair and Director;	—
Mark R. Sotir Executive Chair	55	No	2015	Co-President, Equity Group Investments	—
Andrew J. Way	47	No	2015	President, Chief Executive Officer and Director	—

Ieda Gomes Yell	62	Yes	2015	Retired Managing Director, Energix Strategy Ltd.	Compensation Nominating and Corporate Governance
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Proxy Summary

Corporate Governance Highlights

The Board is committed to sound and effective corporate governance practices and continually reviews best practices and views of our shareholders on various issues. Following is a summary of our key governance policies and practices, including changes we implemented after considering input received in 2018 from our shareholders and other stakeholders:

Changes Since 2018 Annual Meeting	We increased disclosure regarding Board committee oversight responsibilities, our Board composition, and our Board evaluation and nominating process
	We enhanced our annual Board and committee evaluation process, including conducting a third-party independent evaluation in 2018
	We adopted a clawback policy
	We enhanced disclosure regarding how we develop our executive compensation program
	We engaged with shareholders owning more than 50% of our outstanding shares