

Exterran Corp
Form PRE 14A
March 06, 2018

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
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EXTERRAN CORPORATION

(Name of Registrant as Specified In Its Charter)

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

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No fee required.

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(1) Title of each class of securities to which transaction applies:

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(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

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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 Stockholders:

I am pleased to open this letter to you, our stockholders, by highlighting that we increased our stock price 31.5% in 2017, following our 48.9% increase in 2016. We are one of the top performers in our peer group and in the broader energy and equipment and services industry. In addition, Exterran executed on several key internal initiatives in 2017, established the foundation for implementing value-creating, long-term strategic goals and delivered solid financial performance.

I want to share with you here some of the things we are doing to continue-as we did in 2017-to increase our services and products offerings, increase profitability and generate strong cash flow. I also want to share some of the things we are doing to operate sustainably as a good corporate citizen.

In 2018 and beyond, we intend to execute on a global strategy that will help Exterran evolve into a systems and process company serving customers in the areas of oil, natural gas, power generation and water. At the same time, our Board and management will continue to focus on building and maintaining a strong foundation for the Company, highlighted by ensuring a culture of accountability and core values are in place, supported by internal processes, systems and controls.

We are also continuing to update and strengthen our governance foundation. We have annual director elections, one-share-one vote, an experienced and diverse board, a mandatory board retirement age, pay-for-performance compensation, superb internal and external pay parity and best-in-class stockholding requirements. We received 98% support for our 2017 pay referendum, "say on pay." In 2017, we also removed our super-majority vote provision to amend our Bylaws and provided for majority voting to elect our directors.

We also work hard at being a good steward of our environment, a good member of our community, and a good employer to our over 4,400 employees. We make no political contributions and channel our community and charitable activities through our Exterran Cares™ program. We place heavy emphasis on creating opportunities for our people through our recruiting, training and benefits programs. And we prioritize global safety standards through our Goal Zero™ initiative. The nature of our business also enables us to assist our customers in becoming more energy efficient. And our Board, via its committees, oversees our environmental and social risks and opportunities.

We reached out to many of you during the year and continue to expand our engagement efforts. We believe we can learn a lot from people who have placed their faith in us through their investments. You will find in this proxy information on how to contact us throughout the year as well as information about what is up 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 Chairman of the Board
March 16, 2018

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

Time and Place:

Thursday, April 26, 2018, jointly at 8:30 a.m. Central Daylight time at King & Spalding LLP, 1111 Louisiana Street, Suite 4000, Houston, Texas, USA and at 5:30 p.m. Gulf Standard Time at King & Spalding LLP, Al Fattan Currency House, Tower 2, Level 24, Dubai International Financial Centre, Dubai, UAE. We are holding a live annual meeting simultaneously in two locations by tele-video conferencing in order to allow our international stockholders to attend in person. The meeting is being held for the following purposes:

Items of Business:

- to elect seven directors to serve for a term expiring at the next annual meeting of stockholders;
- to conduct an advisory vote to approve the compensation of Exterran Corporation's named executive officers;
- to ratify the appointment of Deloitte & Touche LLP as Exterran Corporation's independent registered public accounting firm for fiscal year 2018;
- to approve an amendment to Exterran Corporation's Amended and Restated Certificate of Incorporation to eliminate the super-majority vote required for stockholders to amend the Company's Amended and Restated Bylaws; 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 stockholders entitled to vote at our 2018 Annual Meeting of Stockholders or any adjournments or postponements thereof is the close of business on February 28, 2018.

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

By Order of the Board of Directors,

Valerie L. Banner
Vice President, General Counsel and Corporate Secretary
Exterran Corporation
Houston, Texas
March 16, 2018

Important Notice Regarding the Availability of Proxy Materials for the Annual Meeting of Stockholders to be held on April 26, 2018

We are making our Proxy Statement and Annual Report available to our stockholders electronically via the Internet. We will mail most of our stockholders a Notice on or about March 16, 2018, containing instructions on how to access this Proxy Statement and our Annual Report over the Internet and Vote by Internet or telephone. All stockholders who do not receive a Notice should receive a paper copy of the proxy materials by mail. Stockholders 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, 2017. In this Proxy Statement, we refer to Exterran Corporation as “Exterran,” the “Company,” “we” or “us.”

2018 Annual Meeting Information

Date: Thursday, April 26, 2018
 Time: Jointly by tele-video conferencing at 8:30 a.m. Central Daylight Time and 5:30 p.m. Gulf Standard Time, respectively
 Place: King & Spalding LLP, 1111 Louisiana Street, Suite 4000, Houston, Texas, USA and Al Fattan Currency House, Tower 2, Level 24, Dubai International Financial Centre, Dubai, UAE
 Record Date: February 28, 2018

For additional information about the 2018 Annual Meeting of Stockholders see Frequently Asked Questions About the Meeting and Voting beginning on page 58.

Voting Matters and Board Recommendations

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Proposal 4	Approval of Amendment to Amended and Restated Certificate of Incorporation to Eliminate Super-Majority Vote Required for Stockholders to Amend Bylaws	FOR	53

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 25, 2018 for all shares.

1 EXTERRAN CORPORATION

Our Business

Exterran is a global systems and process company offering natural gas processing and treating, compression and production products and services, and produced water treatment solutions in the oil, gas, water and power markets. Formed in late 2015 through a spin-off from Archrock, Inc., the creation of stockholder value is the foundation of our strategy. We strive to achieve this by delivering strong financial results through commercial and operational excellence, in part by leveraging our global resources and technical capabilities across our three global methods of going to market: Contract Operations, Product Sales and Aftermarket Services.

Our Board of Directors

The Exterran Board of Directors (the “Board”) includes a diverse group of leaders in their respective fields. We believe their varied backgrounds, skills and experiences contribute to a balanced and diversified Board that is able to provide effective oversight of our Company and our senior executive team. Our Board members’ skills and expertise include:

- executive leadership experience
- financial expertise
- governance and board service
- industry experience
- strategic planning
- risk management
- international business experience
- community involvement

The following chart sets forth information with respect to our seven nominees standing for election. Mr. Stewart is not standing for reelection at the Annual Meeting. The size of our Board will be reduced to seven members immediately following the Annual Meeting.

Name	Age	Independent	Director Since	Primary Occupation	Committee Memberships
William M. Goodyear (Lead Independent Director)	69	Yes	2015	Retired Executive Chairman and Chief Executive Officer of Navigant Consulting, Inc.	Audit (Chair) Compensation
James C. Gouin	58	Yes	2015	President and Chief Executive Officer of Tower International, Inc.	Audit Compensation Audit Compensation (Chair)
John P. Ryan	66	Yes	2015	Retired President and Chief Executive Officer of Dresser, Inc.	Nominating and Corporate Governance Audit Compensation
Christopher T. Seaver	69	Yes	2015	Retired President and Chief Executive Officer of Hydril Company	Nominating and Corporate Governance (Chair)

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Mark R. Sotir Executive Chairman	54	No	2015	Executive Chairman and Director	
Andrew J. Way	46	No	2015	President, Chief Executive Officer and Director	
Ieda Gomes Yell	61	Yes	2015	Retired Managing Director, Energix Strategy Ltd.	Nominating and Corporate Governance

2018 PROXY STATEMENT 2

Corporate Governance Highlights

The Board is committed to sound and effective corporate governance practices and continually reviews best practices and views of our stockholders on various issues. Following is a summary of our key governance policies and practices:

Changes Since 2017 Annual Meeting	Following our Board’s amendment of our Amended and Restated Bylaws (“Bylaws”) to eliminate the super-majority vote required for stockholders to amend our Bylaws, we have included Proposal 4 in this proxy to make the same change in our Amended and Restated Certificate of Incorporation (“Certificate of Incorporation”) After review of best practices and discussions with stockholders, we amended our Bylaws to provide for majority voting in uncontested elections of directors We implemented a prohibition on pledging Company stock We increased the stockholder ownership guidelines for our Chief Executive Officer (“CEO”) We expanded our stockholder engagement process
Corporate Governance Best Practices	We provide for: Annual election of directors Majority voting for directors