

<b>Compensation and Governance Committee Members:</b>
<b>David Ross, Chairman C. Baker Cunningham Nathan Avery</b>

**CHARTER  
OF THE  
COMPENSATION AND GOVERNANCE COMMITTEE  
OF THE  
BOARD OF DIRECTORS OF COOPER CAMERON CORPORATION**

1. Statement of Purpose

The Board of Directors of Cooper Cameron Corporation has created the Compensation and Governance Committee (the "Committee") to assist it in the discharge of its responsibilities both with respect to compensation and with respect to succession and corporate governance.

With respect to compensation the Committee will:

- a. In coordination with senior management establish the Company's compensation philosophy and strategy generally, and those relating to executives and directors specifically;
- b. In coordination with senior management assure an internally consistent and externally competitive executive compensation program in order to attract, retain and motivate qualified executives and Board members, and provide incentive for the attainment of the Company's strategic goals and objectives;
- c. Represent the Company's executive compensation program to the shareholders, public and employees, and produce an annual report on executive compensation for inclusion in the Company's proxy statement; and,
- d. Provide guidance, direction and monitoring of the Company's compensation, benefit and deferral plans and programs.

With respect to succession and corporate governance, the Committee will:

- a. Select and recommend to the Board director nominees for each annual meeting of shareholders;
- b. Provide guidance and recommendations to the Board on corporate governance principles for the Company; and
- c. Review and make recommendations to Management regarding the executive development and succession program of the Company.

## 2. Composition and Structure

The Compensation and Governance Committee shall be comprised of at least three directors appointed by the Board and shall serve at the pleasure of the Board. The members of the Committee shall be “independent” directors as defined by the New York Stock Exchange Listing Standards, and shall be “non-employee directors” within the meaning of the Securities and Exchange Commission Rule 16b-3, and “outside directors” within the meaning of Internal Revenue Code Section 162(m).

## 3. Duties and Powers

In carrying out its purpose, the Compensation and Governance Committee will have the following duties and powers with respect to compensation:

- a. Review and approve periodically the Company’s compensation philosophy and strategy;
- b. Review and approve the selection of peer group companies for competitive pay and performance comparison and approve target competitive positioning of program elements and total compensation;
- c. Review and approve corporate goals and objectives relevant to CEO compensation, evaluate the CEO’s performance in light of those goals and objectives, and set the CEO’s compensation level based on this evaluation, giving consideration to the Company’s performance and relative shareholder return, the value of similar incentive awards to CEO’s at comparable companies, and the awards given to the Company’s CEO in past years;
- d. Review and approve the compensation of the officers and certain key employees of the Company, taking into consideration the Company’s performance, competitive review and standard procedures with respect to compensation, and such other factors as may, in the Committee’s discretion, be appropriate;
- e. Make recommendations to the Board with respect to incentive-compensation plans and equity-based plans;
- f. Exercise oversight responsibility for severance policies and employment and severance arrangements outside the policy;
- g. Review compliance with executive and director stock ownership guidelines;
- h. Review executive benefits and perquisites;
- i. Oversee the administration of the Company’s long-term incentive plans and (i) approve the award guidelines to be used in determining individual awards, (ii) approve target and maximum award levels, (iii) approve performance goals and objectives, (iv) certify attainment of goals and approve payouts, and (v) approve grants to officers and key employees and the number of shares available for grant to other employees;

- j. Oversee the administration of the Company's annual incentive award plans and (i) approve eligible classes of participants, (ii) approve performance targets, (iii) approve target and maximum awards, and (iv) certify attainment of goals and approve payouts;
- k. Oversee the administration of the Company's deferred compensation plan and retirement plans; and,
- l. Review all Board of Director fee arrangements, and other compensation and benefit programs for Board members, and make recommendations to the full Board concerning same.

In carrying out its purpose, the Compensation and Governance Committee will have the following duties and powers with respect to succession and corporate governance:

- a. Recommend to the Board for approval the criteria and the qualifications both necessary and desirable for future Board members;
- b. Identify and or evaluate potential individuals for Board membership;
- c. Review periodically the Company's corporate governance principles;
- d. Oversee the evaluation of the Board with respect to its performance and its compliance with the Company's corporate governance principles;
- e. Oversee the evaluation of Management of the Company.

The Committee also will:

- a. Review the Committee's charter periodically and refer any recommended changes to the Board; and,
- b. Make an annual performance evaluation of the Committee.

#### 4. Process and Procedures

The Compensation and Governance Committee shall conduct no less than three regularly scheduled meetings each year. Other meetings may be held at the discretion of the Committee Chairman or the CEO. Each meeting of the Committee will have an "Executive Session" as an agenda item. In addition to Committee Members, the CEO, the Vice President with responsibility for Human Resources, and the General Counsel are expected to attend. The Corporate Secretary is responsible for preparing the meeting agenda, back-up and other meeting materials, and the preparation of the minutes.

The Committee shall have the authority to obtain and consider materials, advice and recommendations from independent advisors and consultants, and to retain and terminate them and approve their fee and retention terms.

The Committee shall have the authority to act by unanimous written consent and by telephonic meetings, and to create and delegate to subcommittees.

5. Committee Accountability

The Committee Chairman will report to the Board at the next regularly scheduled Board meeting all actions it has taken since its previous report, and the Committee will report to the stockholders annually.

November 2003