

**UNIVERSAL COMPRESSION HOLDINGS, INC.**

**NOMINATING AND  
CORPORATE GOVERNANCE  
COMMITTEE CHARTER**

**May 2004**

## **NOMINATING AND CORPORATE GOVERNANCE COMMITTEE CHARTER**

### **I. Purpose of Committee**

The purpose of the Nominating and Corporate Governance Committee (the “Committee”) of the Board of Directors of Universal Compression Holdings, Inc. (the “Company”) is to identify and recommend to the Board individuals qualified to become Board members and to develop and recommend to the Board a set of corporate governance principles applicable to the Company. The Committee shall report to the Board on a regular basis and not less than once a year.

### **II. Committee Membership**

The Committee shall be comprised of three or more members of the Board, each of whom the Board has determined has no material relationship with the Company or any of its consolidated subsidiaries and each of who is otherwise “independent” under the rules of The New York Stock Exchange, Inc.

The members shall be appointed by the Board. Members shall serve at the pleasure of the Board and for such term or terms as the Board may determine.

### **III. Committee Structure and Operations**

The Board shall designate one member of the Committee as its chairperson. The Committee shall meet in person or telephonically at least once a year at a time and place determined by the Committee chairperson, with further meetings to occur, or actions to be taken by unanimous written consent, when deemed necessary or desirable by the Committee or its chairperson.

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

### **IV. Committee Duties and Responsibilities**

The following are the duties and responsibilities of the Committee:

1. To make recommendations to the Board from time to time as to changes that the Committee believes to be desirable as to the size of the Board or any committee thereof.

2. Subject to the rights of the Company’s stockholders under the Company’s by-laws or any contract granting stockholders the right to nominate candidates for director, to identify individuals believed to be qualified to become Board members, consistent with criteria approved by the Board, and to recommend to the Board the nominees to stand for election as directors at the annual meeting of stockholders or, if applicable, at a special meeting of stockholders. In the case of a vacancy in the office of a director (including a vacancy created by an increase in the size of the Board), the Committee shall recommend to the Board an individual to fill such vacancy either through appointment by the Board or through election by stockholders. In

nominating candidates, the Committee shall take into consideration such factors as it deems appropriate. These factors may include the following:

- Personal qualities and characteristics, accomplishments and reputation in the business community;
- Current knowledge and contacts in the communities in which the Company does business and in the Company's industry or other industries relevant to the Company's business;
- Ability and willingness to commit adequate time to Board and committee matters;
- The fit of the individual's skills and personality with those of other directors and potential directors in building a Board that is effective, collegial and responsive to the needs of the Company; and
- Diversity of viewpoints, background, experience and other demographics.

The Committee will consider nominees recommended by stockholders who submit their recommendations in writing to the Committee Chair in compliance with the procedures, requirements and deadlines set forth in the Company's Corporate Governance Guidelines and By-laws. The Committee may consider candidates proposed by management, but is not required to do so.

3. To develop and recommend to the Board standards to be applied in making determinations as to the absence of material relationships between the Company and a director.

4. In the case of a director nominee to fill a Board vacancy created by an increase in the size of the Board, make a recommendation to the Board as to the class of directors in which the individual should serve.

5. To identify Board members qualified to be appointed to or fill vacancies on any committee of the Board (other than the Committee) and to recommend that the Board appoint the identified member or members to the respective committee. In nominating a candidate for committee membership, the Committee shall take into consideration the factors set forth in the charter of the committee, if any, as well as any other factors it deems appropriate, including without limitation the consistency of the candidate's experience with the goals of the committee and the interplay of the candidate's experience with the experience of other committee members.

6. Establish procedures for use by the Committee in exercising oversight of the evaluation of the Board and management.

7. Develop and recommend to the Board a set of corporate governance principles applicable to the Company, review those principles at least once a year and recommend any proposed changes to the Board for approval.

8. Prepare and issue the evaluation required under "Performance Evaluation" below.

9. Any other duties or responsibilities expressly delegated to the Committee by the Board from time to time relating to the nomination of Board and committee members or to corporate governance guidelines.

**V. Delegation to Subcommittee**

The Committee may, in its discretion, delegate all or a portion of its duties and responsibilities to a subcommittee consisting of one or more members of the Committee.

**VI. Performance Evaluation**

The Committee will facilitate for the Board and all of its committees on at least an annual basis a self-evaluation process to assist the Board in determining whether it and its committees are functioning effectively. The Committee will periodically consider the mix of skills and experience that directors bring to the Board to assess whether the Board has the necessary tools to perform its oversight function effectively.

The Committee shall produce and provide to the Board an annual performance self-evaluation of the Committee, which evaluation shall compare the performance of the Committee with the requirements of this charter. The performance evaluation shall also recommend to the Board any improvements to the Committee's charter deemed necessary or desirable by the Committee. The performance evaluation by the Committee shall be conducted in such manner, as the Committee deems appropriate. In the discretion of the Committee, the report to the Board may take the form of an oral report by the chairperson of the Committee or any other member of the Committee designated by the Committee to make this report.

**VII. Resources and Authority of the Committee**

The Committee shall have the resources and authority appropriate to discharge its duties and responsibilities, including the authority to select, retain, terminate, and approve the fees and other retention terms of special counsel or other experts or consultants, as it deems appropriate, without seeking approval of the Board or management. With respect to consultants or search firms used to identify director candidates, this authority shall be vested solely in the Committee.