

- The tax matters agreement governs the respective rights, responsibilities and obligations of Archrock and us with respect to tax liabilities and benefits, tax attributes, the preparation and filing of tax returns, the control of audits and other tax proceedings and certain other matters regarding taxes.
- The employee matters agreement governs the allocation of liabilities and responsibilities between Archrock and Exterran Corporation relating to employee compensation and benefit plans and programs, including the treatment of retirement, health and welfare plans and equity and other incentive plans and awards. The agreement contains provisions regarding stock-based compensation. See Note 18 for additional information relating to the Exterran Corporation Stock Incentive Plan.
- The transition services agreement sets forth the terms on which Archrock provides to us, and we provide to Archrock, on a temporary basis, certain services or functions that the companies historically have shared. During the year ended December 31, 2016, we recorded selling, general and administrative expense of \$0.7 million and other income of \$1.3 million associated with services under the transition services agreement. For the period from November 4, 2015 through December 31, 2015, we recorded selling, general and administrative expense of \$0.2 million and other income of \$0.2 million associated with services under the transition services agreement.
- The supply agreement sets forth the terms under which we provide manufactured equipment, including the design, engineering, manufacturing and sale of natural gas compression equipment, on an exclusive basis to Archrock and Archrock Partners. This supply agreement has an initial term of two years, subject to certain cancellation clauses, and is extendable for additional one year terms by mutual agreement of the parties. Pursuant to the supply agreement, each of Archrock and Archrock Partners is required to purchase their requirements of newly-manufactured compression equipment from us, subject to certain exceptions. Subsequent to November 3, 2015, sales to Archrock and Archrock Partners are considered sales to third parties.
- The storage agreements set forth the terms under which we provide each of Archrock and Archrock Partners with storage space for equipment purchased under the supply agreement, as well as the terms under which Archrock provides storage space to us for certain of our equipment.
- The services agreements set forth the terms under which we provide Archrock (or Archrock's customers on its behalf) with engineering, preservation and installation and commissioning services and Archrock provides us (or our customers on our behalf) with make-ready, parts sales, preservation and installation and commissioning services. These services agreements will continue in effect until terminated by either party on 30 days' written notice.

Transactions with Affiliates

All intercompany transactions and accounts within these financial statements have been eliminated. All affiliate transactions occurring prior to the Spin-off between the international services and product sales businesses of Archrock and the other businesses of Archrock have been included in these financial statements. Prior to the Spin-off, sales of newly-manufactured compression equipment from the oil and gas product sales business of EESLP to Archrock Partners were used in the U.S. services business of Archrock and were made pursuant to an omnibus agreement between the parties and other affiliates of both entities. Through November 3, 2015, per the omnibus agreement, revenue was determined by the cost to manufacture such equipment plus a fixed margin. During the years ended December 31, 2015 and 2014, we recorded oil and gas product sales revenue from affiliates of \$154.3 million and \$233.0 million, respectively, and cost of sales of \$141.9 million and \$212.2 million, respectively, from the sale of newly-manufactured compression equipment to Archrock Partners. Subsequent to November 3, 2015, sales to Archrock Partners are considered sales to third parties.

Prior to the closing of the Spin-off, EESLP also had a fleet of compression units used to provide compression services in the U.S. services business of Archrock. Revenue prior to the Spin-off was not recognized in our statements of operations for the sale of compressor units by us that were used by EESLP to provide compression services to customers of the U.S. services business of Archrock. The costs of these units were treated as a reduction of parent equity in the balance sheets and a distribution to parent in the statements of cash flows and totaled \$32.3 million and \$59.1 million during the years ended December 31, 2015 and 2014, respectively. Subsequent to November 3, 2015, sales to Archrock are considered sales to third parties.