

# **OIL STATES INTERNATIONAL, INC.**

---

## **AMENDED AND RESTATED COMPENSATION COMMITTEE CHARTER**

---

**Effective as of May 15, 2008**

The Board of Directors (the “Board”) of Oil States International, Inc. (the “Company”) established the Compensation Committee of the Board on February 7, 2001. The Charter of the Compensation Committee is amended and restated as set forth herein as of the effective date set forth above.

### **Purposes**

The purposes of the Compensation Committee are to:

1. Review, evaluate, and approve the compensation agreements, plans, policies and programs of the Company;
2. Review and discuss with management the Compensation Discussion and Analysis (“CD&A”) to be included in the Company's proxy statement for its annual meeting of stockholders (“Proxy Statement”) and to determine whether to recommend to the Board that the CD&A be included in the Proxy Statement, in accordance with applicable rules and regulations;
3. Produce an annual report to be published in the Company's Proxy Statement;
4. Otherwise discharge the Board’s responsibilities relating to compensation of the Company’s officers and directors;
5. Direct all matters relating to the succession of the Company’s Chief Executive Officer; and
6. Perform such other functions as the Board may assign to the Compensation Committee from time to time.

### **Composition**

The Compensation Committee shall consist of at least three members, all of whom must be members of the Board. One of the members shall serve as the chairperson of the Compensation Committee. Each member of the Compensation Committee shall be “independent” under the rules of the New York Stock Exchange applicable to domestic listed companies. In addition, at least two members of the Compensation Committee shall be “Non-Employee Directors” for the purposes of Rule 16b-3 under the Securities Exchange Act of 1934, as in effect from time to time (“Rule 16b-3”), and “outside directors” for the purposes of Section 162(m) of the Internal Revenue Code, as in effect from time to time (“Section 162(m”).

The Board shall appoint the members of the Compensation Committee based on the recommendation of the Nominating & Corporate Governance Committee. The chairperson of the Compensation Committee shall be designated by the Board, based on the recommendation of the Nominating and Corporate Governance Committee, or, if no such designation is made, shall be selected by the affirmative vote of the majority of the Compensation Committee. The Board may remove or replace the chairperson and any other member of the Compensation Committee at any time by the affirmative vote of the majority of the Board.

### **Committee Authority and Responsibilities**

The Compensation Committee is delegated all authority of the Board as may be required or advisable to fulfill the purposes of the Compensation Committee. The Compensation Committee may form and delegate some or all of its authority to subcommittees when it deems appropriate, whether or not such delegation is specifically contemplated under any plan or program. In particular, the Compensation Committee may delegate the approval of award grants and other transactions and other responsibilities regarding the administration of compensatory programs to a subcommittee consisting solely of members of the Compensation Committee who are (1) "Non-Employee Directors" for the purposes of Rule 16b-3, and/or (2) "outside directors" for the purposes of Section 162(m).

Without limiting the generality of the preceding statements, the Compensation Committee shall have authority, and is entrusted with the responsibility, to perform the following actions:

1. Each year, the Compensation Committee shall:
  - review, modify (if necessary) and approve corporate goals and objectives relevant to the compensation of the Company's Chief Executive Officer;
  - evaluate the performance of the Chief Executive Officer in light of those goals and objectives; and
  - set the annual compensation, including salary, bonus, incentive and equity compensation, of the Chief Executive Officer based on this evaluation.
  
2. Each year, the Compensation Committee, or a subcommittee of the Compensation Committee consisting entirely of independent directors, shall review and make a recommendation to the Board regarding the form and amount of director compensation. The Compensation Committee will consider that a director's independence may be jeopardized if (a) his or her compensation and perquisites exceed customary levels, (b) the Company makes substantial charitable contributions to organizations with which the director is affiliated or (c) the Company enters into consulting contracts with (or provides other indirect forms of compensation to) the director or an organization with which the director is affiliated. Directors who are employees of the Company shall not receive any additional compensation for service on the Board.

3. Each year, the Compensation Committee shall review, modify (if necessary) and approve the compensation structure for all executive officers and other employees with a base salary of \$250,000 or greater.

4. Each year, the Compensation Committee shall review and make recommendations to the Board with respect to incentive-compensation plans and equity-based plans that are subject to Board approval. Stockholders shall be given the opportunity to vote on equity compensation plans, as required by law, applicable listing standards, the Company's Amended and Restated Certificate of Incorporation (as the same may be amended) or Amended and Restated Bylaws (as the same may be amended, the "Bylaws"), or the Company's Amended and Restated Corporate Governance Guidelines.

5. Each year, the Compensation Committee shall review and approve, for the Chief Executive Officer and the executive officers of the Company, all annual and other compensation arrangements and components, which may include the following:

- the annual base salary level,
- the annual incentive opportunity level,
- the long-term incentive opportunity level, and
- any special or supplemental benefits.

In determining the long-term incentive component of compensation, the Compensation Committee should consider the Company's performance and relative stockholder return, the value of similar incentive awards to the Chief Executive Officer and other executive officers at comparable companies, and the awards given to the Chief Executive Officer and the executive officers in past years.

6. The Compensation Committee shall review and approve, for the Chief Executive Officer and the other executive officers of the Company:

- all benefits and perquisites; and
- all employment agreements, severance arrangements, and change-in-control agreements and provisions.

7. The Compensation Committee shall review and approve, or review and recommend to the Board for its approval of, any transaction in equity securities of the Company, or derivatives of those equity securities, between the Company and any officer or director of the Company who is subject to the reporting and short-swing liability provisions of Section 16 of the Securities Exchange Act of 1934, as amended, other than the exercise of stock options or netting out of restricted shares upon vesting to satisfy the payment of taxes. Accordingly, the Compensation Committee is delegated authority to administer, and constitutes the "Committee" for, the 2001 Equity Participation Plan of the Company, as amended and restated, and any other stock-based plan of the Company that may be adopted subsequent to the adoption of this Charter.

8. The Compensation Committee shall have the sole authority to retain, amend the engagement with, and terminate any compensation consultant to be used to assist in the evaluation of director, Chief Executive Officer or officer compensation. The Compensation Committee shall have sole authority to approve the consultant's fees and other retention terms and shall have authority to cause the Company to pay the fees and expenses of such consultants. The Compensation Committee shall also have authority to obtain advice and assistance from internal or external legal, accounting or other advisors, to approve the fees and expenses of such outside advisors, and to cause the Company to pay the fees and expenses of such outside advisors.

9. The Compensation Committee shall review and discuss with the Company's management the CD&A to be included in the Company's Proxy Statement and, based on that review, determine whether to recommend to the Board that the CD&A be included in the Proxy Statement, in accordance with applicable rules and regulations.

10. The Compensation Committee shall produce a committee report each year and publish the report in the Company's Proxy Statement, in accordance with applicable rules and regulations.

11. From time to time as considered necessary by the Compensation Committee or as requested by the Board, the Compensation Committee shall meet on succession planning with respect to the Company's key executive positions and consult with the Chief Executive Officer regarding the same.

12. The Compensation Committee shall monitor the Company's compliance with the requirements under the Sarbanes-Oxley Act of 2002 relating to loans to directors and officers and with all other applicable laws affecting employee compensation and benefits.

13. Issues which arise requiring Board level review or decision making regarding compliance with other applicable laws affecting employee compensation and benefits shall be the responsibility of the Compensation Committee.

### **Responsibilities Delegated to Management**

Subject to the specific determinations to be made by the Compensation Committee as set forth above, authority relating to the following matters is delegated to management:

- review and approval of the total compensation of employees (other than executive officers) with a salary below \$250,000 (subject to individual limits approved by the Compensation Committee); and
- recommendations to the Compensation Committee regarding grants to employees (other than executive officers) under the annual and long-term incentive and stock option plans (within guidelines approved by the Compensation Committee).

The Company's management shall make an annual report to the Compensation Committee on the actions taken by management during the preceding year with respect to the items enumerated above.

## Committee Procedures

1. **Meetings.** The Compensation Committee shall meet at the call of its chairperson, two or more members of the Compensation Committee, or the Chairman of the Board. The Compensation Committee may meet in person, by telephone conference call, or in any other manner in which the Board is permitted to meet under law or the Company's Bylaws. The Compensation Committee shall meet as frequently as circumstances dictate (but in no event less than two times per year) in order to fulfill its responsibilities and to complete the activities required by this Charter.

Meetings may, at the discretion of the Compensation Committee, include non-independent directors, members of the Company's management, independent advisors and consultants or any other persons whose presence the Compensation Committee believes to be necessary or appropriate. Those in attendance may observe meetings of the Compensation Committee, but shall not participate in any discussion or deliberation unless invited to do so by the Compensation Committee, and in any event shall not be entitled to vote. Notwithstanding the foregoing, the Compensation Committee may also exclude from its meetings any persons it deems appropriate, including, but not limited to, any director that is not a member of the Compensation Committee.

2. **Quorum and Approval.** A majority of the members of the Compensation Committee shall constitute a quorum. The Compensation Committee shall act on the affirmative vote of a majority of members present at a meeting at which a quorum is present. The Compensation Committee may also act by unanimous written consent in lieu of a meeting.

3. **Rules.** Except as expressly provided in this Charter, the Company's Certificate of Incorporation or Bylaws, or the Company's Amended and Restated Corporate Governance Guidelines, the Compensation Committee may determine additional rules and procedures to govern it or any of its subcommittees, including designation of a chairperson pro tempore in the absence of the chairperson and designation of a secretary of the Compensation Committee or any meeting thereof.

4. **Reports.** The Compensation Committee shall maintain minutes of its meetings and make regular reports of its actions and any recommendations to the Board, directly or through the chairperson.

5. **Review of Charter.** Each year, the Compensation Committee shall review the adequacy of this Charter and recommend any proposed changes to the Board for approval.

6. **Performance Review.** Each year, the Compensation Committee shall review and evaluate its own performance and shall submit itself to the review and evaluation of the Board.

7. **Fees; Reimbursement of Expenses.** Each member of the Compensation Committee shall be paid the fee set by the Board for his or her services as a member or chairperson of the Compensation Committee. Subject to the Company's Amended and Restated Corporate Governance Guidelines and other policies, members of the Compensation Committee will be reimbursed by the Company for all reasonable expenses incurred in connection with their duties as members of the Compensation Committee.

## **Posting Requirement**

This Charter shall be posted on the Company's website as required by applicable rules and regulations. In addition, the Company shall disclose in its Proxy Statement that a copy of this Charter is available on the Company's website.

\* \* \*

While the Compensation Committee members have the duties and responsibilities set forth in this Charter, nothing contained in this Charter is intended to create, or should be construed as creating, any responsibility or liability of the Compensation Committee members, except to the extent otherwise provided under applicable federal or state law.