

## POLICY FOR ARCHROCK



Title: Related Party Transactions

Policy Number: 427

Revision Code: N/A

**1.0 APPLICABILITY.** This policy applies to Archrock, Inc.'s (the "Company") officers who are required to file reports under Section 16 of the Securities Exchange Act of 1934, as amended ("Executive Officers"), members of our board of directors ("Directors") and Director nominees.

**2.0 POLICY.** It is the Company's policy to enter into or ratify Related Party Transactions (as defined below) only when the Board of Directors (the "Board"), acting through the Audit Committee (the "Committee"), determines that the Related Party Transaction in question is in, or is not inconsistent with, the best interests of the Company and its shareholders.

### 3.0 DEFINITIONS.

#### Related Party

- Any person who is or was (since the beginning of the last fiscal year for which the Company has filed a Form 10-K and proxy statement, even if they do not presently serve in that role) a Director or Executive Officer of the Company;
- Any nominee for Director;
- Any person who is known to the Company to be the beneficial owner of more than 5% of any class of the Company's voting securities; and
- Any immediate family member of the foregoing, which includes a child, stepchild, parent, stepparent, spouse, sibling, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law, sister-in-law and anyone sharing such person's home (other than a tenant or employee).

#### Related Party Transactions

A Related Party Transaction (or, "Transaction") is a transaction, arrangement or relationship (including any indebtedness or guarantee of indebtedness), or any series of similar transactions, arrangements or relationships, in which

- (1) the Company (including any subsidiary or other entity controlled by the Company) was, is or will be a participant,
- (2) the amount involved exceeds \$120,000 and
- (3) any Related Party had, has or will have a direct or indirect material interest. An "**indirect**" interest of a Related Party in a transaction is one that arises from the person's position or relationship with an entity that engages in the transaction.

#### Excluded Transactions

The Audit Committee has determined that each of the following transactions shall be deemed to be pre-approved by the Committee, even if the aggregate amount involved exceeds \$120,000:

- *Compensation.*
  - A Director's or Executive Officer's compensation that is required to be reported in the Company's proxy statement (generally applicable to "named executive officers" under Item 402 of the SEC's disclosure requirements); or
  - With respect to an Executive Officer who is not an immediate family member of another Executive Officer or Director of the Company, the compensation that would have been

reported in the Company's proxy statement if such Executive Officer was a "named executive officer" and the Board (or a committee thereof) approved such compensation.

- *Certain transactions with other entities.* Any transaction with another entity where the Related Party's interest arises only from (a) his or her position as a director of such entity or (b) the ownership by such person and all other Related Parties, in the aggregate, of less than a 10% equity interest in such entity or (c) if the aggregate amount involved does not exceed the greater of \$1 million or 2 percent of such other company's consolidated gross revenues.
- *Transactions where all shareholders receive proportional benefits.* Any transaction where the Related Party's interest arises solely from the ownership of the Company's common stock and all holders of the Company's common stock receive the same benefit on a pro rata basis (e.g., dividends).
- *Certain Company charitable contributions.* Any charitable contribution by the Company to an established not-for-profit organization with which a Related Party is affiliated (other than as an officer), if the aggregate amount involved does not exceed the lesser of \$500,000 or 2 percent of the not-for-profit organization's total annual receipts.
- *Generally available transactions.* Any transaction available to Company employees generally.
- *Transactions involving competitive bids.* Any transaction involving a Related Party where the rates or charges involved are determined by competitive bids and are on substantially the same terms as those prevailing at the time for comparable services provided by the Company.
- *Ordinary course transactions.* Any ordinary course commercial transactions (e.g., contract compression services or AMS) involving a Director or entity controlled by a Director, based on (i) Archrock's standard terms and conditions or (ii) negotiated, arms-length terms and conditions reviewed by Archrock's Legal Department pursuant to Policy 501 – Business Transactions and Contract Management and executed pursuant to applicable approval policies and procedures.
- *Regulated transactions.* Any transaction with a Related Party involving the rendering of services as a common or contract carrier, or public utility, at rates or charges fixed in conformity with law or governmental authority.
- *Certain banking-related services.* Any transaction with a Related Party involving services as a bank depository of funds, transfer agent, registrar, trustee under a trust indenture, or similar services.

**4.0 APPROVAL AND PROCEDURES.** The Committee shall review the material facts of all Related Party Transactions that require the Committee's approval and either approve or disapprove of the entry into the Transaction, subject to the exceptions described above. In determining whether to approve a Transaction, the Committee will take into account, among other factors it deems appropriate,

- the key terms of the Transaction and whether the terms are generally available to an unaffiliated third party under the same or similar circumstances and whether the terms are fair to the Company;
- whether the Transaction is material to the Company;
- the role and interests of all Related Parties in the Transaction; and
- the potential impact of the Transaction on the Related Party's independence (as defined in the Company's Corporate Governance Guidelines and the New York Stock Exchange Listing Standards).

No Director shall participate in any discussion or approval of a Related Party Transaction for which he or she is a Related Party, except that the Director shall provide information concerning the Transaction to the Committee. If a Transaction will be ongoing, the Committee may establish guidelines for the Company's management to follow in its ongoing dealings with the Related Party.

Thereafter, the Committee, on at least an annual basis, shall review and assess ongoing relationships with the Related Party to see that they are in compliance with the Committee's guidelines and that the Related Party Transaction remains appropriate.

## **5.0 INTERNAL MONITORING**

Annual Review. Executive Officers and Directors are required to complete a questionnaire in connection with the annual proxy statement that requests information about their Immediate Family Members, any Related Parties and Related Party Transactions.

Quarterly Review. The Company shall maintain a list of known Related Parties and Financial Reporting shall perform a quarterly review of payments to and from Related Parties based on of the Company's books and records. See Policy 427-1 Related Party Listing.

Any newly identified Related Parties will be reported by the Legal Department to Financial Reporting as part of the quarterly close process.

**6.0 DESCRIPTION OF CHANGES SINCE LAST PUBLICATION.** Separated the Conflict of Interest Policy from the Related Party Policy.

**7.0 PUBLICATION DATE.** July 30, 2021

**8.0 QUESTIONS.** Questions regarding this policy should be referred to the General Counsel and the Chief Accounting Officer.