

Compensation Committee Members:
Peter J. Fluor, Chairman C. Baker Cunningham Nathan Avery

**CHARTER
OF THE
COMPENSATION COMMITTEE
OF THE
BOARD OF DIRECTORS OF CAMERON INTERNATIONAL CORPORATION**

Statement of Purpose

The Board of Directors of Cameron International Corporation (the “Company”) has created the Compensation Committee (the “Committee”) to assist it in the discharge of its responsibilities with respect to compensation of the directors, executive officers and other key employees of the Company as more specifically set forth under “Duties and Powers” below.

For the purposes of this Charter, “compensation” shall include all elements of direct and indirect compensation including: (a) annual base salary, (b) bonus, (c) long-term incentive compensation, (d) equity-based compensation, (e) employment agreements and extensions thereto, severance arrangements and change in control agreements or provisions and (f) any special or supplemental benefits, including management perquisites.

Composition and Structure

The Committee shall be comprised of at least three directors, each of whom shall serve at the pleasure of the Board. The Board shall select as members of the Committee only persons the Board has determined to be “independent” as such term is defined by the New York Stock Exchange Listing Standards. In addition, each of the members of the Committee shall be a “non-employee director” within the meaning of the Securities and Exchange Commission Rule 16b-3, and an “outside director” within the meaning of Internal Revenue Code Section 162(m).

The Board shall appoint the Chairman and other members upon recommendation of the Nominating and Governance Committee and shall have the power to fill vacancies on the Committee. Additionally, the Board shall have the power to remove any member at any time with or without cause.

Duties and Powers

In carrying out its purpose, the Committee will have the following duties and powers:

Overall Policy:

- Periodically review and approve the Company's compensation philosophy and strategy and regularly evaluate the effectiveness of the different elements of the Company's overall compensation program to assure an internally consistent and externally competitive compensation program in order to attract, retain and motivate qualified executive officers and other key employees and provide incentive for the attainment of the Company's strategic goals and objectives;
- Review and approve the selection of peer group companies for competitive pay and performance comparisons and approve target competitive positioning of program elements and total compensation;
- Engage or terminate, as deemed advisable by the Committee, an independent outside compensation consultant to assist in the evaluation of director, CEO, other executive officers or other key employees compensation and to advise it regarding "best practices" in director, CEO, other executive officers and other key employees compensation and annually review market data (data from the Company's peer group, other companies in the energy industry and general industry information) to assess the Company's competitive position for director, CEO, other executive officer and other key employees compensation;

Chief Executive Officer ("CEO") and Executive Officer Compensation:

- Review and approve corporate goals and objectives relevant to CEO compensation, and conduct a formal evaluation of the CEO's performance in light of those goals and objectives;
- Determine the CEO's compensation level based on this evaluation, giving consideration to the Company's performance and relative shareholder return, the value of incentive awards to CEOs at comparable companies, recommendations of the outside compensation consultant, the awards given to the Company's CEO in past years, as well as such other factors as may, in the Committee's discretion, be appropriate;
- Review and approve the compensation of the executive officers (other than the CEO) and other key employees of the Company, taking into consideration recommendations made by the CEO and the outside compensation consultant, the Company's performance, competitive review and standard procedures with respect to compensation, as well as such other factors as may, in the Committee's discretion, be appropriate;
- Review annually the total annual compensation of, and total amounts payable under compensation plans and arrangements under various termination of employment scenarios to, the CEO, other executive officers and other key employees;
- Review annually benefits, deferred compensation and perquisites;

Incentive Plans:

- Oversee the administration of the Company's long-term incentive plans, through, including but not limited to,
 - approving the award guidelines to be used in determining individual awards,
 - approving target, minimum and maximum award levels,

- approving performance goals and objectives,
- approving the terms of long-term incentive grant agreements, including, but not limited to vesting and post-termination and change of control treatment of awards,
- certifying attainment of goals and approve payouts, and
- approving awards to officers and key employees and the number of shares available for grant to other employees;
- Oversee the administration of the Company's annual incentive award plans through, including but not limited to, ,
 - approving eligible classes of participants
 - approving financial performance targets,
 - approving target, minimum and maximum awards, and
 - certifying attainment of goals and approve payouts;
- Oversee the administration of the Company's deferred compensation plan and retirement plans;
- Make recommendations to the Board with respect to incentive compensation plans, equity-based plans and other compensation and benefit plans;
- Authorize the issuance of the Company's common stock, options and other awards pursuant to the provisions of the Company's compensation and benefits plans;

Contracts and Severance Arrangements:

- Exercise oversight responsibility for executive officer and other key employee severance policies and employment and severance arrangements;
- Review and approve the material terms of employment agreements, severance arrangements and change of control agreements for executive officers and other key employees;
- Review and approve the material terms of employment offers for executive officers and other key employees;

Board of Director Compensation:

- Review all Board of Director fee arrangements and other compensation and benefit programs for Board members and make recommendations to the full Board concerning the same;

Ownership Guidelines:

- Establish stock ownership guidelines for directors and executive officers;
- Review annually compliance with director and executive officer stock ownership guidelines;

Disclosure

- Issue a report on executive compensation as required by rules of the Securities and Exchange Commission to be included in the Company's annual proxy statement or annual report on Form 10-K.
- Approve any disclosures of compensation-related information in the Company's filings with the Securities and Exchange Commission.

Executive Succession and Development

- Identify and evaluate potential individuals for the position of CEO;
- Annually review and make recommendations regarding the executive development and succession planning of the Company;

Annual Performance Review:

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

Miscellaneous:

- Fulfill such other duties and responsibilities as are consistent with the purposes of the Committee enumerated in this CHARTER or as may be delegated by the Board from time to time.

Authority

The Committee shall have and may exercise all the powers and authority of the Board of Directors with respect to the duties and responsibilities assigned to it herein.

In addition to the authority to engage and terminate an independent outside compensation consultant, the Committee shall have the authority to engage and terminate outside counsel and other advisors, as well as to 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.

The Committee shall also have the authority to create and delegate its responsibilities and authorization to subcommittees or, subject to the requirements of applicable law and the NYSE Listing Standards, one or more executive officers.

Process and Procedures

The Committee shall conduct no less than two regularly scheduled meetings each year. Other meetings may be held at the discretion of the Committee Chairman. Each meeting of the Committee will have an "Executive Session" as an agenda item.

The Committee shall be given the resources and assistance necessary to discharge its responsibilities, including unrestricted access to Company personnel and documents. The Corporate Secretary is responsible for preparing the meeting agenda, backup and other meeting materials, the timely delivery of the meeting materials, and the preparation of the minutes.

Any member of the Board of Directors who is not a member of the Committee may attend any Committee meeting with the concurrence of the Committee Chair or a majority of the members of the Committee.

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.

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