

HANOVER COMPRESSOR CO /

Form 8-K

March 21, 2007

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**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549**

**FORM 8-K  
CURRENT REPORT**

**Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934  
Date of report (Date of earliest event reported): March 15, 2007**

**HANOVER COMPRESSOR COMPANY**  
(Exact Name of Registrant as Specified in Its Charter)

**Delaware**  
(State or Other Jurisdiction of  
Incorporation or Organization)

**001-13071**  

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**(Commission  
File Number)**

**76-0625124**  
(I.R.S. Employer  
Identification No.)

**12001 North Houston Rosslyn  
Houston, Texas**  
(Address of Principal Executive Offices)

**77086**  
(Zip Code)

Registrant's Telephone Number, including Area Code: **(281) 447-8787**

**Not Applicable.**

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
  - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
  - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
  - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Retention Bonus Plan

Form of Retention Bonus Award Letter

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**Table of Contents****Item 5.02 Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.**

On March 15, 2007, the Management Development and Compensation Committee (the Compensation Committee ) of the Board of Directors (the Board ) of Hanover Compressor Company (the Company ), approved increases to the base salary of the following executive officers, except for John E. Jackson which the Board approved, each of such increases to be effective as of April 1, 2007:

<b>Officer</b>	<b>Title</b>	<b>Amount of Increase</b>	<b>New Salary</b>
John E. Jackson	President and Chief Executive Officer; Director	\$35,000	\$600,000
Brian A. Matusek	Senior Vice President Western Hemisphere	\$30,000	\$340,000
Norman A. Mckay	Senior Vice President Eastern Hemisphere	\$30,000	\$340,000
Gary M. Wilson	Senior Vice President, General Counsel and Secretary	\$25,000	\$335,000
Lee E. Beckelman	Senior Vice President and Chief Financial Officer	\$30,000	\$330,000
Steven W. Muck	Vice President Global Human Resources and Health, Safety and Environment	\$20,000	\$270,000
Stephen P. York	Vice President Investor Relations and Technology	\$12,000	\$212,000
Peter G. Schreck	Vice President Treasurer	\$12,000	\$210,000
Anita H. Colglazier	Vice President Controller	\$15,000	\$200,000

**Retention Bonus Plan**

Additionally, on March 15, 2007, the Compensation Committee approved the adoption of a Retention Bonus Plan (the Retention Plan ) for key employees, including certain executive officers, to provide such employees with an incentive to continue employment with the Company in light of the proposed merger with Universal Compression Holdings, Inc. Participants in the Retention Plan will receive a retention bonus (the Retention Bonus ), which bonus is not necessarily the same for each participant, upon continuing employment with the Company until March 31, 2008 (the Key Date ). If a participant's employment with the Company is terminated prior to the Key Date by reason of death, disability or termination by the Company without cause, the participant is entitled to his or her Retention Bonus within ten days of such event. The Retention Plan administrator, as designated by the Compensation Committee, is empowered to select and approve participants, determine the amount of the Retention Bonus for each participant, and to interpret and administer the Retention Plan.

The foregoing description of the Retention Plan does not purport to be complete and is qualified in its entirety by reference to the full text of the Retention Plan filed as Exhibit 10.1. Participants will receive a Retention Bonus Award Letter setting forth their Retention Bonus and Key Date, a form of which is filed as Exhibit 10.2.

Subject to the terms of the Retention Plan, the Retention Bonus amounts for executive officers will be as follows:

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<b>Officer</b>	<b>Title</b>	<b>Estimated Retention Bonus</b>
John E. Jackson	President and Chief Executive Officer; Director	\$ 0
Brian A. Matusek	Senior Vice President Western Hemisphere	\$ 0
Norman A. McKay	Senior Vice President Eastern Hemisphere	\$310,000
Gary M. Wilson	Senior Vice President, General Counsel and Secretary	\$310,000
Lee E. Beckelman	Senior Vice President and Chief Financial Officer	\$ 0
Steven W. Muck	Vice President Global Human Resources and Health, Safety and Environment	\$250,000
Stephen P. York	Vice President Investor Relations and Technology	\$200,000
Peter G. Schreck	Vice President Treasurer	\$ 0
Anita H. Colglazier	Vice President Controller	\$150,000

**Item 9.01 Financial Statements and Exhibits.**

(c) Exhibits

<b>Exhibit No.</b>	<b>Description</b>
10.1*	Retention Bonus Plan
10.2*	Form of Retention Bonus Award Letter

\* Filed herewith

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**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

**HANOVER COMPRESSOR COMPANY**

Date: March 21, 2007

By: /s/ Suzanne B. Kean  
Name: Suzanne B. Kean  
Title: Vice President and Deputy General  
Counsel

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