



# Corporate Governance Guidelines

(Adopted October 1, 2019)

The following Corporate Governance Guidelines (“*Guidelines*”) of The Williams Companies, Inc. (the “*Company*”) provide a framework for the governance of the Company. These Guidelines are posted on the Company’s website and also are available in print to any stockholder requesting them.

## **I. Operation of the Board.**

### **A. The Role of the Board.**

The Board has the responsibility for establishing broad corporate policies and for overseeing the overall performance of the Company and the operation of the Company by the Chief Executive Officer and other officers. The Board focuses on the following core responsibilities:

- Evaluating and approving the Company’s strategic and financial plans and monitoring the implementation and results of those plans;
- Succession planning for management, the Board and its committees;
- Overseeing the integrity of the Company’s financial statements and financial reporting process;
- Promoting the conduct of the Company’s business in accordance with the highest ethical standards and overseeing compliance with laws, regulations and other standards;
- Shaping the Company’s corporate governance;
- Overseeing the process for identifying, assessing and managing risk;
- Assessing the performance of the Chief Executive Officer and other senior executive officers, and setting compensation accordingly; and
- Assessing whether appropriate processes are in place to properly manage the Company.

The Chief Executive Officer is responsible for the overall management and functioning of the Company.

### **B. Director Responsibilities.**

The basic responsibility of the Directors is to exercise their business judgment to act in what they reasonably believe to be in the best interests of the Company and its stockholders in accordance with their duties of care and loyalty.

### **C. Board Leadership.**

The Board periodically reviews its leadership structure to evaluate whether it remains appropriate for the Company. While the positions of Chairman of the Board and Chief Executive Officer may be held by the same person, the Board's current preferred governance structure is to have an independent Director serve as Chairman of the Board. In cases where the Board determines it is in the best interests of the Company's stockholders to combine the positions of Chairman of the Board and Chief Executive Officer, the independent Directors shall determine if a Lead Director shall also be designated. The position of Chairman of the Board is currently held by an independent Director.

The Chairman of the Board's responsibilities include presiding over executive sessions of the independent Directors, overseeing the planning of the annual Board calendar, and in consultation with the Chief Executive Officer, scheduling and setting the agenda for Board meetings. The Chairman of the Board is also responsible for overseeing the appropriate flow of information to the Board, acting as a liaison between the independent Directors and management, assisting the Chairs of the various Board committees in preparing agendas for the respective Committee meetings, chairing the Company's Annual Meeting of Stockholders, and performing any other function described elsewhere in these Guidelines or as may otherwise be requested by the Board from time to time. If a Lead Director is designated, the Chairman of the Board may seek the assistance of the Lead Director in fulfilling any of the aforementioned responsibilities.

### **D. Executive Sessions of Independent Directors.**

At every regularly scheduled Board meeting, the independent Directors meet without the Chief Executive Officer or other management present. The Chairman of the Board presides at these sessions and has the authority to call additional executive sessions as appropriate, and to empower a Director to preside at or call such sessions.

### **E. Frequency of Meetings; Attendance.**

The Board holds regularly scheduled meetings at least four times throughout the year and holds additional meetings as necessary to carry out its responsibilities. The Chairman of the Board, the Chief Executive Officer, or a majority of the Directors may also call special meetings of the Board from time to time as necessary. Directors are expected to attend in person all regularly scheduled Board and committee meetings, as well as the Annual Meeting of Stockholders, and to participate telephonically when they are unable to attend in person.

### **F. Agenda Items for Board Meetings.**

The Chairman of the Board establishes the Board meeting agenda in consultation with the Chief Executive Officer, as well as other executive officers of the Company and the Corporate Secretary. All Directors are also encouraged to suggest agenda topics and are free to raise any subject at a meeting that is not on the agenda for that meeting.

## **G. Meeting Materials; Preparation; Participation.**

Materials are generally distributed to the Directors one week in advance of each regular Board or committee meeting. In some cases, due to the sensitive nature of an issue or if an issue arises without sufficient time to complete distribution of materials within this time frame, materials are presented only at the meeting. Directors are expected to be prepared for meetings by reviewing advance materials and otherwise to participate actively in the Board's or committee's deliberations.

## **H. Access to Management, Employees and Stockholders.**

The Board at all times has free access to all members of management and the employees of the Company. The Board meets periodically with various stockholders to obtain their perspectives and discuss matters of interest to the Company.

## **I. Access to Non-Management Directors.**

Interested parties wishing to communicate with the non-management Directors, individually or as a group, may do so by contacting them in care of the Corporate Secretary, or the Chairman of the Board. The Company publishes on its website contact information for this purpose.

## **J. Chief Executive Officer Evaluation and Compensation.**

Annually, the Board, based on the recommendation of the Compensation and Management Development Committee, approves the Chief Executive Officer's goals and objectives and then meets in executive session to review the Chief Executive Officer's performance based on those goals and objectives. The session, which is led by the Chairman of the Board, is conducted without the Chief Executive Officer present. The results of this performance review are shared with the Chief Executive Officer and are used by the Compensation and Management Development Committee in establishing the Chief Executive Officer's compensation.

## **K. Management Succession.**

The Board maintains a process for planning orderly succession for the position of Chief Executive Officer as well as other senior management positions. The Board also has available, on a continuing basis, the Chief Executive Officer's recommendation of a potential successor in the event of unexpected disability.

## **L. Strategic Planning.**

The Board reviews the Company's long-term strategic plan at least once annually and monitors implementation of the strategic plan throughout the year. The Board also reviews the Company's financial plans at least once annually. The Board receives frequent updates from the Chief Executive Officer regarding the implementation of the strategic and financial plans.

## **II. Board Structure.**

### **A. Independent Directors.**

It is the policy of the Company that all members of the Board, except the Chief Executive Officer, shall be “independent” Directors as defined by the rules of the New York Stock Exchange. Annually, the Board, through the Nominating and Governance Committee, reviews the independence of the Directors and the Board affirmatively makes a determination as to the independence of each Director.

### **B. Term of Directors; Size of the Board.**

All Directors are elected to one-year terms. The total number of Directors is determined by resolution adopted by the affirmative vote of a majority of the Board, except that the total number of Directors may not be less than five nor more than 17.

### **C. Majority Voting.**

The Company has adopted majority voting in the uncontested election of Directors and plurality voting in contested elections. In uncontested elections, a nominee must be elected by a majority vote of our stockholders, which means the nominee must receive more votes cast "for" than "against" his or her election or re-election in order to be elected or re-elected to the Board. The Board shall nominate for election or re-election as Director only candidates who agree to tender, promptly following the annual meeting at which they are elected or re-elected as Director, irrevocable resignations that will be effective upon (i) the failure to receive the required vote at any annual meeting at which they face re-election, and (ii) Board acceptance of such resignation. In addition, the Board shall fill Director vacancies and new directorships only with candidates who agree to tender, promptly following their appointment to the Board, the same form of resignation tendered by other Directors in accordance with this Board practice.

If an incumbent Director fails to receive the required vote for re-election, the Nominating and Governance Committee will act on an expedited basis to determine whether to accept the Director's tendered resignation and will submit such recommendation for consideration by the Board. The Board will act on the Nominating and Governance Committee's recommendation and publicly disclose its decision within 90 days from the date of the certification of the election results. The Board expects the Director whose tendered resignation is under consideration to abstain from participating in any decision regarding that tendered resignation. The Nominating and Governance Committee and the Board may consider any factors they deem relevant in deciding whether to accept a Director's tendered resignation. If the Board accepts a Director's tendered resignation pursuant to this process, the Nominating and Governance Committee shall recommend to the Board whether to fill such vacancy or reduce the size of the Board. If, for any reason, the Board is not elected at an annual meeting, they may be elected thereafter at a special meeting of the stockholders called for that purpose in the manner provided in the By-laws.

#### **D. Selection of Directors; Board Membership Criteria.**

The Board is responsible for selecting its members and nominating them for election by the stockholders and for filling vacancies on the Board. The Nominating and Governance Committee is responsible for developing and recommending to the Board the qualifications and criteria for assessing candidates for Board membership, identifying the Company's candidates for Board membership, and development of a Board succession plan. Qualifications sought by the Nominating and Governance Committee in independent Director candidates include the following:

1. An understanding of business and financial affairs and the complexities of a business organization. Although a career in business is not essential, the nominee should have a proven record of competence and accomplishments through leadership in industry, education, the professions or government, and should be willing to maintain a committed relationship with the Company as a Director.
2. A genuine interest in the Company and in representing all of its stockholders.
3. A willingness and ability to spend the necessary time to function effectively as a Director.
4. An open-minded approach to matters and the resolve to independently analyze matters presented for consideration.
5. A reputation for honesty and integrity beyond question.
6. Independence as defined by the New York Stock Exchange, and qualifications otherwise required in accordance with applicable law or regulation.
7. Strong intellectual capital, performance enhancing ideas, and strong networks that contribute to stockholder value.
8. The ability to enhance the decision-making process by bringing knowledge, understanding of rigorous analysis, and constructive engagement.
9. A demonstrated, seasoned judgment applicable to making decisions involving broad and multi-faceted issues.

In addition, the Nominating and Governance Committee routinely evaluates the size, structure, composition and functioning of the Board and its committees and assesses the skills and experience that are currently represented on the Board, as well as the skills and experience that the Board will find valuable in the future, given the Company's current situation and strategic plans. The Nominating and Governance Committee seeks a variety of occupational and personal backgrounds on the Board in order to obtain a range of viewpoints and perspectives and to enhance the diversity of the Board in such areas as geography, race, gender, ethnicity, and age. This assessment enables the Board to update (if necessary) the skills and experience it seeks in the Board as a whole, and in individual Directors, as the Company's needs evolve and change over time.

## **E. Outside Board Service.**

Directors should limit their service as Directors on publicly held company and investment company boards to no more than four (including the Company's Board), provided that the Company's CEO be limited to only two public company boards (including the Company's Board). Service on the boards of companies for which the Company has the power to name Directors (such as subsidiaries of the Company or companies in which the Company owns a substantial equity investment), non-profit organizations, and non-public for-profit organizations is not included in this calculation. Moreover, if a Director sits on several mutual fund boards within the same fund family, it will count as one board for purposes of this calculation. If an Audit Committee member simultaneously serves on the audit committee of more than three public companies (including the Company's Audit Committee), the Board must determine that such simultaneous services would not impair the ability of such member to effectively serve on the Company's Audit Committee.

Directors should advise the chair of the Nominating and Governance Committee in advance of accepting an invitation to serve on another for-profit board. The Committee reviews at least annually directorships (or positions on similar governing bodies) held by Directors and executive officers (which review may take place in conjunction with the annual independence review). The Chief Executive Officer approves in advance all such commitments of executive officers, and the Nominating and Governance Committee approves in advance all such commitments of the Chief Executive Officer.

## **F. Material Change in Status.**

A Director who has a material change in his or her status (including matters relating to the Director's occupation, principal affiliations with business and other organizations, health, etc.) shall promptly report such material change to the Chair of the Nominating and Governance Committee (the "Chair"). If the Chair believes that such material change could negatively impact the Director's ability to appropriately exercise his or her fiduciary duties as a member of the Board or could negatively impact the Company in a manner deemed by the Chair to be significant, the Chair will advise the Chairman of the Board, and if the Chairman of the Board agrees, these two directors will discuss with the Director the advisability of the Director remaining as a director of the Company. In any event, the Nominating and Governance Committee will consider the Director's change in status when considering if the Director should be re-nominated to the Board. In the event the Chair or the Chairman of the Board experiences a material change in his or her status, the responsibilities set forth above for such affected Director shall be fulfilled by the chair of the Audit Committee.

## **G. Director Compensation.**

The Compensation and Management Development Committee annually reviews and recommends to the Board the appropriate compensation for non-management Directors. The committee's goal is to fairly and reasonably compensate the Directors commensurate with their duties and responsibilities. A combination of cash and Company stock is used to compensate Directors. The Compensation and Management Development Committee periodically reviews the

status of the Company's Board compensation in relation to other comparable U.S. companies to assess whether compensation is competitive to attract and retain the most qualified candidates.

## **H. Stock Ownership Guidelines.**

The Compensation and Management Development Committee shall develop, recommend for Board approval, review, and monitor compliance by Directors and senior executive officers with the Company's stock ownership guidelines.

## **I. Length of Service; Director Retirement.**

There are no limits to the number of terms that a Director may serve. However, the normal retirement date for a Director shall be at the first Annual Meeting of Stockholders of the Company following the Director's 75th birthday, unless the Nominating and Governance Committee has voted, on an annual basis, to waive or to continue to waive, the mandatory retirement age of such person as a Director.

## **III. Committees of the Board.**

The Board has established standing committees to oversee designated matters. The committees of the Board are Audit, Nominating and Governance, Compensation and Management Development, and Environmental, Health and Safety. The Board annually elects from its members, as recommended by the Nominating and Governance Committee, the members and the chair of each committee. All committee members are independent Directors as determined in accordance with New York Stock Exchange rules. In addition, Directors who serve on the Audit Committee meet additional, heightened independence criteria applicable to audit committee members under New York Stock Exchange rules and Securities and Exchange Commission rules. Directors who serve on the Compensation and Management Development Committee shall meet additional, heightened independence criteria applicable to compensation committee members under New York Stock Exchange rules and Securities and Exchange Commission rules. Each standing committee has a written charter setting forth the duties, authority and responsibilities of the committee. The Board may also establish and maintain other committees from time to time as it deems necessary and appropriate. All committees report regularly to the full Board with respect to their activities.

## **IV. Other Board Practices.**

### **A. Director Orientation; Continuing Education.**

New Directors participate in an orientation program upon joining the Board. All Directors are given the opportunity and encouraged to participate in continuing education programs.

### **B. Evaluations.**

Annually, the Nominating and Governance Committee evaluates the performance of the Board to assess the Board's effectiveness. Each of the Audit, Nominating and Governance, Compensation and Management Development, and Environmental, Health and Safety Committees

conducts a self-evaluation annually. The Nominating and Governance Committee evaluates each Director's individual performance on an as needed basis.

### **C. Access to Outside Advisors.**

The Board and its committees, consistent with the provisions of their respective charters, have the right to retain outside advisors as they determine necessary to carry out their duties.

### **D. Confidentiality.**

Each Director shall retain in strict confidence and, except as may be obligated by law or authorized in writing by the Company, not release or disclose, in any manner, to any other party, including any employee of an entity directly or indirectly controlled by or under common control with a Director, (a "Director Controlled Party"), non-public, confidential, or proprietary information obtained from the Company, or from any director, management member, officer, employee, agent, affiliate, representative, supplier or customer of the Company, its subsidiaries or affiliates, in connection with his or her service as a Director. The Board may consider authorizing a Director's prior, written request to disclose specifically identified information to a Director Controlled Party. In such a case, a Director should expect that the Board will require such party, as a condition to receiving the information, to enter into a confidentiality and non-disclosure agreement, acceptable to the Company. The Board expects that such an agreement will require, among other terms, that the party will comply with all applicable laws, including securities laws, and will use the information for the sole and exclusive purpose of assisting the Director in acting for the Company and its stockholders' benefit. The Board will view a Director as being responsible for any unauthorized public disclosure or improper use of the subject information by a party to whom the Director has disclosed information regardless of whether the Director's disclosure to such party was authorized by the Board.

### **E. Review of Corporate Governance Guidelines.**

These Guidelines will be reviewed by the Nominating and Governance Committee from time to time as developments or circumstances make review appropriate. The Nominating and Governance Committee will report to the Board, for its consideration and adoption, any recommendations for amendments to these Guidelines.