



## WASHINGTON GAS LIGHT COMPANY

### Corporate Governance Guidelines

#### Purpose

Washington Gas Light Company (the "Company") is an indirect wholly-owned subsidiary of AltaGas Ltd. ("AltaGas"). The Board of Directors (the "Board") of the Company has adopted these corporate governance guidelines. These guidelines are intended to provide an overall structure for the operation of the Board and its committees, including a description of the basic functions and procedures of the Board, to be followed by the Board of the Company. These guidelines are subject to requirements of the articles and bylaws of the Company, as well as applicable law. These guidelines may be modified at any time as the Board, in its discretion, deems appropriate.

#### Director Qualifications

Factors that may be considered in ensuring directors are qualified to serve on the Board include, but are not limited to, the following:

**Commitment.** Directors should be able to contribute the time necessary to be actively involved in the Board and its decision-making and should be able and willing to prepare for and attend required meetings.

**Diversity.** Directors should be selected so that the Board is a diverse body. The Board considers the term "diversity" to include differences of viewpoint, professional experience, education, skill and other individual qualities and attributes that contribute to Board heterogeneity as well as differences in race, gender and ethnicity.

**Experience.** Directors should be or have been in leadership positions in their field of endeavor and have a record of excellence in that field.

**Independence.** Directors should neither have, nor appear to have, a conflict of interest that would impair the Director's ability to represent the interests of the Company and to fulfill the responsibilities of a Director.

**Integrity.** Directors should have a reputation of integrity and be of the highest ethical character.

**Judgment.** Directors should have the ability to exercise sound business judgment on a wide range of matters.

**Knowledge.** Directors should have a firm understanding of the Company's business strategy, corporate governance and Board operations.

**Skills.** Directors should be selected so that the Board has an appropriate mix of skills in core areas such as: accounting, compensation, finance, government relations, law, management, risk oversight and strategic planning.

At least a majority of the members of the Board shall meet the requirements for "independence," as defined by the rules of the New York Stock Exchange (the "NYSE"). No member of the Board will qualify as independent unless the Board affirmatively determines that the member has no material relationship with the Company (either directly or as a partner, stockholder or officer of an organization that has a material relationship with the Company). The Company will disclose the Board's determinations as to independence in its filings with the Securities and Exchange Commission as may be required from time to time.

The Board may adopt and may revise, from time to time, these Corporate Governance Guidelines and other policies and procedures concerning corporate governance of the Board as the Board deems appropriate or required, including any related person transaction policies.

### **Board Committees**

The Board will elect an Audit Committee of the Board and such other committees as the Board may establish from time to time. Each of those committees shall have such purposes and responsibilities as shall be included in the charters for such committees and as shall be delegated to such committees by the Board from time to time.

Meeting agendas, related materials and meeting schedules will be distributed to all Directors in advance of each Board meeting and each committee meeting. The Chair of the Board shall review, revise (as necessary) and approve these items for meetings of the full Board. The respective Chair of the committees shall review, revise (as necessary) and approve these items for their respective committee meetings. Each Director shall review, and may suggest revisions (as appropriate) to, these items in advance of a full meeting of

the Board and in advance of a meeting of each committee of which the Director is a member. Each Chair of a committee shall act as an independent liaison between the Chair of the Board and the respective committee members in order to ensure that accurate and timely information is provided to committee members on matters relevant to their committees.

## **Director Responsibilities**

### **A. General**

Directors shall exercise their business judgment in considering all matters coming before the Board and committees and act in what they reasonably believe to be the best interests of the Company. In discharging their obligations, Directors are entitled to rely in good faith on the Board's committees, management and the advice of the Company's outside advisors and auditors selected with due care acting within their areas of competence. The Directors shall adhere to the AltaGas Ltd. Code of Business Ethics, which also applies to all employees and independent contractors of the Company.

### **B. Meeting Participation**

Directors are expected to attend all meetings of the Board and meetings of the committees on which they serve. When necessary and appropriate, a Director may participate in a Board or committee meeting by conference telephone call. Directors who are unable to attend a meeting should, if possible, notify the Chair or the Secretary in advance of the meeting. Each Director is expected to be familiar with the agenda for each meeting, have reviewed the materials distributed in advance of the meeting and be prepared to participate fully in the consideration of all scheduled items of business.

Pursuant to fiduciary duties of loyalty and care and the Company's applicable policies, each Director is required to protect and hold confidential all non-public information obtained by virtue of his or her position as a Director, absent the express or implied permission of the Board to disclose such information.

### **C. Executive Sessions – Non-management Directors**

Non-management Directors may hold regularly scheduled executive sessions without management present. For this purpose, "non-management"

Directors are all those who are not officers of the Company. Non-management Directors may include Directors who are not "independent" under NYSE rules.

In these executive sessions, the Chair of the Board shall serve as Chair of the executive session. If the Chair of the Board is not able to attend an executive session, the senior member of the Board present, in terms of service on the Board, will serve as Chair of the executive session. If the executive session includes or is devoted to a report of a committee, the Chair of that committee will preside in that portion of the executive session.

#### **D. Delegation of Authority**

The Board has the authority to delegate certain responsibilities and authority to management, subject to requirements of the articles and bylaws of the Company, as well as applicable law. The Board has oversight over the adoption, review and revision of such a delegation of authority document.

### **Director Access to Management and Independent Advisors**

#### **A. Board Access to Management**

Directors shall have complete access to the Company's management in order to become and remain informed about the Company's business and for such other purposes as may be helpful to the Board in fulfilling its responsibilities. Management representatives shall from time to time report directly to the Board on matters in their areas of responsibility.

#### **B. Board Access to Independent Advisors**

The Board shall have the authority to directly retain such outside professionals to act as advisors to the Board and/or management as may be deemed necessary or appropriate in the discharge of their duties. The Board may consider such relevant factors in engaging an outside advisor as it deems appropriate, including the independence of such advisor. The Company shall pay the cost of any such advisors.

Board committees may hire their own outside counsel, consultants and other professionals to advise them in the discharge of their duties as and to the extent set forth in the respective committee charters. The Company shall pay the cost of any such advisors.

## **Executive Compensation**

### **A. Compensation and Compensation Related**

The Board will review and approve the compensation level (including in relation to grants under short-term incentive (“STI”) and long-term incentive (“LTI”) programs) of the executive officers of the Company and the performance objectives of the executive officers for each year and the Board will evaluate executive officer performance against their respective objectives of the prior year.

The Board will review the compensation level (including in relation to grants under STI and LTI programs, if any) of all other officers of the Company.

The Board will approve or may delegate to the Chair or President, as applicable, the approval of the material terms of, or amendments to, any employment agreement or severance agreement relating to the executive officers of the Company, including the application of any “change of control” provision in such agreements.

### **B. Incentive Plans and Compensation**

The Board will oversee the administration of the STI and LTI programs, and any incentive plans established by the Company for its employees relating to securities or cash-based awards including, without limitation, any performance unit or restricted unit plan including:

- a. reviewing STI plan performance prior to payout, as applicable, including reviewing scorecard results and the funding of STI pools;
- b. approving any grants to be made under the LTI programs, including any grant pools to be established and the eligibility, targets, performance unit measures and other material terms of such grants;
- c. approving LTI program performance unit measures and payout prior to payout; and
- d. approving any amendments (other than those that are administrative in nature) to existing STI and LTI program plans and the adoption of any new plans.

The Board will approve any other bonus pool or retention pool arrangement for employees.

### **C. Succession Planning**

The Board will approve the appointment of officers of the Company.

On an annual basis, the Board will review matters relating to succession planning for the executive officer positions of the Company, including assessing risks relating to development, retaining, training and recruiting.

### **D. Executive Officer Exit Interviews**

The Chair of the Board, at his or her discretion, may conduct interviews (including telephonic interviews) with any executive officer who ceases employment with the Company to help identify opportunities for improvement in the Company's executive officer recruitment and retention strategies.

## **Performance Evaluation of the Board**

The Board may from time to time conduct a self-evaluation of the performance of the Board and the Board committees to determine their effectiveness. This evaluation may be done at such times and in such manner as the Board, in its discretion, deems appropriate. Board committees may conduct their own self-evaluation.

## **Director Orientation and Continuing Education**

The Company's management will provide newly-elected Directors with appropriate reference materials and arrange meetings with members of senior management to assist the Director in becoming more familiar with the Company and its operations. In addition, the Company will provide regular updates on financial and operating matters in each Board meeting and in materials distributed to all Board members in advance of Board and Board committee meetings. All Board members may have direct access to senior management of the Company to obtain any further information about the Company and its operations.

To the extent desired by the Board or any Board member and with the approval of the Chair the Company will provide access to other appropriate continuing education programs, the cost of which will be paid by the Company.

### **Code of Business Ethics**

The Board has adopted the AltaGas Ltd. Code of Business Ethics (“COBE”) which AltaGas has adopted organization wide for all its subsidiaries. The COBE applies to the directors, all employees and independent contractors of the Company. The Board will monitor processes for compliance with COBE and monitor compliance as it relates to the Company and will adopt changes to the COBE as may be recommended to the Board and that the Board determines to be appropriate.

### **Environment, Health and Safety**

The Board will monitor the Company’s approach to environmental, health and safety matters which may include, but is not limited to, reviewing the Corporation’s performance on environment, health and safety matters, including consolidated environment, health and safety key performance indicators or DART rates.

### **Periodic Review of these Corporate Governance Guidelines**

These Corporate Governance Guidelines will be reviewed periodically by the Board at such times as it deems appropriate, and changes, if any, will be effective upon approval by the Board.