

## WASHINGTON GAS LIGHT COMPANY

### Corporate Governance Guidelines

#### Purpose

The Board of Directors (the “Board”) of Washington Gas Light Company (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. 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 Qualification Standards

The Governance & Environment, Health and Safety Committee of the Board is responsible for identifying candidates qualified for election as directors (each, a “Director”) on the Board and for oversight of the environment, health and safety programs for the Company.

With respect to governance issues, and as provided in its committee charter, the Governance & Environment, Health and Safety Committee will seek candidates having experience and abilities relevant to serving as a Director of the Company and who will represent the best interests of the Company as a whole, and not any specific interest group or constituency. In evaluating the qualifications of Board nominees, the Governance & Environment, Health and Safety Committee considers factors, including, but 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.** The Board does not have a formal policy regarding the consideration of diversity in identifying nominees for Director. Nevertheless, 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 Governance & Environment, Health and Safety Committee may recommend, and the Board may adopt, policies from time to time regarding an age limitation for membership on the Board, the maximum number of boards on which a Director may serve and other policies and procedures as deemed appropriate by the Governance & Environment, Health and Safety Committee and the Board.

## **Board Committees**

The Board will elect Audit, Governance & Environment, Health and Safety and Human Resources Committees 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 Chairman of the Board shall review, revise (as necessary) and approve these items for meetings of the full Board. The respective Chairpersons 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 Chairperson of a committee shall act as an independent liaison between the Chairman 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 and the Company's Code of Conduct, both of which apply to all employees of the Company.

### **B. Meeting participation**

Directors are expected to attend all meetings of the Board, meetings of the committees on which they serve and shareholder meetings. 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 Chairman 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 shall hold regularly scheduled executive sessions without management present. For this purpose, as defined by NYSE rules, "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 Chairman of the Board shall serve as Chairman of the executive session. If the Chairman 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 Chairperson of the executive session. If the executive session includes or is devoted to a report of a committee, the Chairperson of that committee will preside in that portion of the executive session.

## **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 Corporation'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 Company shall pay the cost of 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.

### **Board Compensation**

The Human Resources Committee of the Board will from time to time consider possible adjustments to compensation for members of the Board. Any proposed adjustments to Board compensation will be recommended for action by the full Board. The Human Resources Committee may obtain the advice of one or more independent compensation and/or benefits consultants in considering Board compensation matters, and the Company shall pay the cost of any such consultants. Board compensation shall be reasonable in light of the responsibility, expertise and time required of persons serving on the Board and consistent with other similarly situated companies. Independent Directors on the Board will receive no additional compensation from the Company in the form of consulting fees or other benefits.

### **Management Succession**

The Human Resources Committee of the Board will consider succession planning matters for the Chief Executive Officer and other senior executives and Directors of the Company. As provided in the charter of the Human Resources Committee, in conducting succession planning, the committee will consider the Company's long-term business strategies and the skills necessary for the Company's long-term success. Recommendations regarding succession planning matters will be discussed with the other independent members of the Board.

### **Performance Evaluation of the Board**

The Board shall 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 annually, or at such other times and in such manner as the Board, in its discretion, deems appropriate. Board committees shall conduct their own self-evaluation on an annual basis, pursuant to their respective committee charters and these Corporate Governance Guidelines.

### **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, the Company will provide access to other appropriate continuing education programs, the cost of which will be paid by the Company.

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

These Corporate Governance Guidelines will be reviewed annually by the Governance & Environment, Health and Safety Committee, and changes, if any, will be recommended to the Board for consideration.