

The Williams Companies, Inc.
Compensation Committee Charter
(as adopted on November 19, 2009)

- I. Purpose.** The primary purpose of the Compensation Committee (the “*Committee*”) of the Board of Directors (the “*Board*”) of The Williams Companies, Inc. (the “*Company*”) is to oversee the design and implementation of strategic programs that promote the attraction, retention and appropriate reward of executive officers and are designed to motivate the Company’s executive officers toward the achievement of business objectives and to align the executive officers focus with the long-term interest of shareholders. The Committee shall also approve and make recommendations to the Board to assist in fulfilling its responsibility to oversee the establishment and administration of the Company’s compensation programs, including incentive compensation and equity based plans, and related matters for employees subject to Section 16 of the Securities Exchange Act of 1934, as amended (“*Section 16*”).
- II. Composition.** The Committee shall consist of at least three directors each of whom shall be (1) a “non-employee director” within the meaning of Rule 16b-3 under the Securities Exchange Act of 1934, as amended, (2) an “outside director” within the meaning of Section 162(m) of the Internal Revenue Code of 1986, as amended, and (3) “independent” as defined by the New York Stock Exchange, as determined by the Board. Committee members, including the Chairman of the Committee, are appointed by the Board on an annual basis upon the recommendation of the Nominating and Governance Committee and may be removed by the Board.
- III. Meetings.** The Committee shall meet at least four times per year, either in person or telephonically, at such times and places and by such means as the Chairman shall determine, and record and maintain adequate minutes from each meeting. The Committee shall report regularly to the Board about its activities. A majority of the members of the Committee shall constitute a quorum. The Committee shall have the authority to delegate to subcommittees of not less than two members of the Committee in its sole discretion.
- IV. Duties and Responsibilities.** Among its duties and responsibilities, the Committee shall:
- A. Review and approve the executive compensation philosophy, policies and programs that in the Committee’s judgment support the Company’s overall business strategy.
 - B. Review and make recommendations to the Board with respect to equity-based plans, and any amendments thereto.
 - C. Review and make recommendations to the Board with respect to cash based incentive-compensation plans for the Executive Officer Team, and any amendments thereto.

- D. Review and approve the corporate goals and objectives relevant to the Chief Executive Officer's and other Executive Officer Team members' compensation, evaluate the Chief Executive Officer's and other Executive Officer Team members' performance in light of those goals and objectives and, based on this evaluation, determine and approve the Chief Executive Officer's and other Executive Officer Team members' compensation level, including salary, incentive compensation, equity-based compensation, severance benefits, perquisites and any other remuneration, and assess whether the total compensation proposed to be paid to the Chief Executive Officer and other Executive Officer Team members is competitive and linked to Company performance. The Executive Officer Team consists of the Chief Executive Officer and all direct reports of the Chief Executive Officer that are also employees subject to Section 16.
- E. Approve all equity-based compensation for any employee subject to Section 16 and monitor aggregate equity compensation share use, dilution and expense.
- F. As detailed under the Company's plans, approve, amend, modify, or terminate, in its settlor (non-fiduciary) capacity, the terms of any benefit plan that does not require shareholder approval.
- G. Approve the salary increase budgets for all non-Executive Officer Team Vice Presidents.
- H. Review annually succession and development plans relating to the position of Chief Executive Officer and other Executive Officer Team positions.
- I. Issue reports of the Committee as required by the Securities and Exchange Commission ("*SEC*") and other governmental bodies, including the Compensation Committee Report in the proxy statement. Review and discuss the Compensation Discussion and Analysis ("*CD&A*") with management and based on the review and discussions recommend to the Board that the CD&A be included in the Company's proxy statement.
- J. Annually evaluate the performance of the Committee and report the results of the evaluation to the Board and assess annually the adequacy of the Committee's charter and recommend any changes to the Board.
- K. Monitor compliance by the Executive Officer Team with the Company's stock ownership guidelines.

Any action duly and validly taken by the Committee pursuant to the power and authority conferred under this Charter shall for all purposes constitute an action duly and validly taken by the Board and may be certified as such by the Secretary

or other authorized officer of the Company. The Board shall be informed of any such action.

- V. **Outside Advisors.** The Committee shall have the sole authority to engage separate independent counsel and other advisors to represent the Committee as the Committee determines necessary to carry out its duties and shall receive appropriate funding, as determined by the Committee, from the Company for payment of compensation to any such advisors.