

WILLIAMS COMPANIES INC

Form DEF 14A

April 08, 2010

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

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of the Securities
Exchange Act of 1934 (Amendment No.)

Filed by the Registrant
Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material Pursuant to §240.14a-12

The Williams Companies, Inc.

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

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1) Amount Previously Paid:

2) Form, Schedule or Registration Statement No.:

3) Filing Party:

4) Date Filed:

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STEVEN J. MALCOLM
CHAIRMAN OF THE BOARD

Dear Williams Stockholders:

You are cordially invited to attend the 2010 annual meeting of stockholders of The Williams Companies, Inc. The meeting will be held on Thursday, May 20, 2010, in the Williams Resource Center Theater, One Williams Center, Tulsa, Oklahoma, at 11:00 a.m., Central time. We look forward to greeting personally as many of our stockholders as possible at the annual meeting.

The notice of the annual meeting and proxy statement accompanying this letter provide information concerning matters to be considered and acted upon at the annual meeting. Also at the annual meeting we will provide a report on our operations, followed by a question-and-answer and discussion period.

For security reasons, briefcases, backpacks, and other large bags are not permitted in the theater. All such items can be checked with security upon arrival at the theater.

I know that most of our stockholders are unable to attend the annual meeting in person. However, it is important that your shares be represented and voted at the meeting. Whether or not you plan to attend, you can be sure your shares are represented by promptly voting and submitting your proxy by phone, by Internet, or by completing, signing, dating, and returning your proxy card in the enclosed postage-paid envelope.

Thank you for your continued interest in our Company.

Very truly yours,

Steven J. Malcolm

Enclosures
April 8, 2010

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**THE WILLIAMS COMPANIES, INC.
One Williams Center
Tulsa, Oklahoma 74172**

**NOTICE OF ANNUAL MEETING OF STOCKHOLDERS
May 20, 2010**

Details for the annual meeting of stockholders of The Williams Companies, Inc. are below:

TIME	11:00 a.m., Central time, on Thursday, May 20, 2010
PLACE	Williams Resource Center Theater, One Williams Center, Tulsa, Oklahoma 74172
ITEMS OF BUSINESS	<ol style="list-style-type: none">1. To elect the three director nominees identified in this proxy statement;2. To approve the amendment to our Restated Certificate of Incorporation to provide for the annual election of all directors;3. To approve the amendment to The Williams Companies, Inc. 2007 Incentive Plan;4. To ratify the appointment of Ernst & Young LLP as our independent auditors for 2010;5. To consider a stockholder proposal requesting a report regarding the environmental impact of certain fracturing operations of the Company's Exploration and Production business unit, if properly presented;6. To consider a stockholder proposal requesting an advisory vote related to compensation, if properly presented; and7. To transact such other business as may properly come before the annual meeting or any adjournment of the meeting.
RECORD DATE	You can vote and attend the annual meeting if you were a stockholder of record at the close of business on March 29, 2010.
ANNUAL REPORT	Our 2009 annual report, which includes a copy of our annual report on Form 10-K, accompanies this proxy statement.
VOTING	<p>Even if you intend to be present at the annual meeting, please promptly vote in one of the following ways so that your shares of common stock may be represented and voted at the annual meeting:</p> <ol style="list-style-type: none">1. Call the toll-free telephone number shown on the proxy card;

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2. Vote via the Internet on the website shown on the proxy card; or
3. Mark, sign, date, and return the enclosed proxy card in the postage-paid envelope.

Important Notice Regarding The Availability Of Proxy Materials For The Stockholder Meeting To Be Held On May 20, 2010:

The annual report and proxy statement are available at www.edocumentview.com/wmb.

By order of the Board of Directors,

La Fleur C. Browne
Corporate Secretary

Tulsa, Oklahoma
April 8, 2010

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**THE WILLIAMS COMPANIES, INC.
One Williams Center
Tulsa, Oklahoma 74172**

PROXY STATEMENT

GENERAL

We are providing this proxy statement as part of a solicitation by the Board of Directors (the **Board**) of The Williams Companies, Inc. for use at our 2010 annual meeting of stockholders and at any adjournment or postponement thereof. We will hold the meeting in the Williams Resource Center Theater, One Williams Center, Tulsa, Oklahoma, on Thursday, May 20, 2010, at 11:00 a.m., Central time.

As permitted by the rules of the Securities and Exchange Commission (**SEC**), we have elected to send you this full set of proxy materials, including a proxy card, and additionally to notify you of the availability of these proxy materials on the Internet. This proxy statement and our 2009 Annual Report are available at www.edocumentview.com/wmb, which does not have **cookies** that identify visitors to the site.

We expect to mail this proxy statement and accompanying proxy card to stockholders beginning on April 8, 2010.

Unless the context otherwise requires, all references in this proxy statement to **Williams**, the **Company**, **we**, **us**, and **our** refer to The Williams Companies, Inc. and its consolidated subsidiaries.

QUESTIONS AND ANSWERS ABOUT THE ANNUAL MEETING AND VOTING

Q: Why am I receiving these materials?

A: You are receiving these materials because, at the close of business on March 29, 2010 (the **Record Date**), you owned shares of Williams common stock. All stockholders of record on the Record Date are entitled to attend and vote at the annual meeting. Each stockholder will have one vote on each matter for every share of common stock owned on the Record Date. On the Record Date, we had 584,206,588 shares of common stock outstanding. (The shares held in our treasury are not considered outstanding and will not be voted or considered present at the meeting.)

Q: What information is contained in this proxy statement?

A: This proxy statement includes information about the nominees for director and other matters to be voted on at the annual meeting. It also explains the voting process and requirements, describes the compensation of the principal executive officer, the principal financial officer and the three other most highly compensated officers (collectively referred to as our **Named Executive Officers** or **NEOs**), describes the compensation of our directors,

and provides certain other information required under SEC rules.

Q: What matters can I vote on?

A: You can vote on the following matters:

election of three of our directors;

approval of the amendment to our Restated Certificate of Incorporation to provide for the annual election of all directors;

approval of the amendment to The Williams Companies, Inc. 2007 Incentive Plan;

ratification of the appointment of Ernst & Young LLP as our independent auditors for 2010;

a stockholder proposal requesting a report regarding the environmental impact of certain fracturing operations of the Company's Exploration and Production business unit, if properly presented;

a stockholder proposal requesting an advisory vote related to compensation, if properly presented; and

any other business properly coming before the annual meeting.

In the election of directors, you may vote **FOR** or **AGAINST** each individual nominee or indicate that you wish to **ABSTAIN** from voting on one or more nominee. For the other matters, you may vote **FOR** or **AGAINST** the matter, or you may indicate that you wish to **ABSTAIN** from voting on the matter.

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We are not aware of any matter to be presented at the annual meeting that is not included in this proxy statement. However, your proxy authorizes the persons named on the proxy card to take action on additional matters that may properly arise. These individuals will exercise their best judgment to vote on any other matter, including a question of adjourning the annual meeting.

All votes are confidential unless disclosure is legally necessary.

Q: How does the Board recommend that I vote on each of the matters?

A: **FOR ITEMS 1-4:** The Board recommends that you vote **FOR** each of the director nominees, **FOR** the amendment to our Restated Certificate of Incorporation to provide for the annual election of all directors, **FOR** the amendment to The Williams Companies, Inc. 2007 Incentive Plan, and **FOR** the ratification of Ernst & Young LLP as our independent auditors for 2010.

AGAINST ITEMS 5 and 6: The Board recommends that you vote **AGAINST** both of the stockholder proposals.

Q: What is the difference between a stockholder of record and a stockholder who holds stock in street name?

A. If your shares are registered in your name with our transfer agent, Computershare Investor Services, LLC (Computershare), you are a stockholder of record, and the Company's proxy materials, including a proxy card, were sent to you directly by Computershare.

If you hold your shares with a broker or in an account at a bank, then you are a beneficial owner of shares held in street name. The Company's proxy materials were forwarded to you by your broker or bank, who is considered the stockholder of record for purposes of voting at the annual meeting. Your broker or bank should also have provided you with instructions for directing the broker or bank how to vote your shares.

Q: How do I vote if I am a stockholder of record?

A: As a stockholder of record, you may vote your shares in any one of the following ways:

Call the toll-free number shown on the proxy card;

Vote on the Internet on the website shown on the proxy card;

Mark, sign, date, and return the enclosed proxy card in the postage-paid envelope; or

Vote in person at the annual meeting.

Q: How do I vote if I am a beneficial owner?

A: As the beneficial owner, you have the right to direct your broker or bank how to vote your shares by following the instructions sent to you by your broker or bank. You will receive proxy materials and voting instructions for each account you have with a broker or bank. As a beneficial owner, if you wish to change the directions you have provided your broker or bank, you should follow the instructions sent to you by your broker or bank.

As a beneficial owner, you are also invited to attend the annual meeting. However, since you are not the stockholder of record, you may not vote your shares in person at the meeting unless you obtain a signed legal proxy from your broker or bank giving you the right to vote the shares.

Q. Will my shares held in street name be voted if I do not tell my broker how I want them voted?

A. Under the current rules of the New York Stock Exchange (NYSE), if you are a beneficial owner, your broker or bank only has discretion to vote on certain routine matters without your voting instructions. The proposal to ratify Ernst & Young LLP as our independent auditors and the amendment to our Restated Certificate of Incorporation are considered routine matters. However, the election of directors, the amendment to The Williams Companies, Inc. 2007 Incentive Plan, and the stockholder proposals are not considered routine matters. Accordingly, your bank or broker will not be permitted to vote your shares on such matters unless you provide proper voting instructions.

Q. How do I vote if I participate in The Williams Investment Plus Plan?

A. If you hold shares in The Williams Investment Plus Plan, Computershare sent you the Company s proxy materials directly. You may direct the trustee of the plan how to vote your plan shares by calling the toll-free number shown on the proxy card, voting on the Internet on the website shown on the proxy card, or completing and returning the enclosed proxy card in the postage-paid envelope. Please note, in order to permit the trustee to

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tally and vote all shares of Williams common stock held in The Williams Investment Plus Plan, your instructions, whether by Internet, by telephone, or by proxy card, must be completed **prior to 1:00 a.m. Central time on Monday, May 17, 2010**. You may not change your vote related to such plan shares after this deadline.

If you do not instruct the trustee how to vote, your plan shares will be voted by the trustee in the same proportion that it votes shares in other plan accounts for which it did receive timely voting instructions. The proportional voting policy is detailed under the terms of the plan and the trust agreement.

Q: What if I return my proxy card or vote by Internet or phone but do not specify how I want to vote?

A. If you are a stockholder of record and sign and return your proxy card or complete the Internet or telephone voting procedures, but do not specify how you want to vote your shares, we will vote them as follows:

FOR the election of each of the director nominees.

FOR the amendment of our Restated Certificate of Incorporation to provide for the annual election of all directors.

FOR the amendment to The Williams Companies, Inc. 2007 Incentive Plan.

FOR the approval ratifying the appointment of Ernst & Young LLP as our independent auditors for the fiscal year ending December 31, 2010.

AGAINST the stockholder proposals.

Q: Can I change my vote or revoke my proxy?

A: If you are a stockholder of record, you can change your vote within the regular voting deadlines by voting again by telephone or on the Internet, executing and returning a later dated proxy, or attending the annual meeting and voting in person. If you are a stockholder of record, you can revoke your proxy by delivering a written notice of your revocation to our corporate secretary at One Williams Center, MD 47, Tulsa, Oklahoma 74172.

Q: What shares are included on my proxy card?

A. You will receive one proxy card for all the shares of common stock you hold in certificate form, in book-entry form, and in The Williams Investment Plus Plan.

If you hold your shares in street name, you will receive voting instructions for each account you have with a broker or bank.

Q: What is the quorum requirement for the meeting?

A: There must be quorum to take action at the meeting (other than adjournment or postponement of the meeting). A quorum will exist at the meeting if stockholders holding a majority of the shares entitled to vote at the annual meeting are present in person or by proxy. Stockholders of record who return a proxy or vote in person at the meeting will be considered part of the quorum. Abstentions are counted as present for determining a quorum. Uninstructed broker votes, also called broker non-votes, are also counted as present for determining a quorum so long as there is at least one matter that a broker may vote on without specific instructions from a beneficial owner. See *Will my shares held in street name be voted if I do not tell my broker how I want them voted?*

Q: What is the voting requirement to approve each of the matters?

A: Items 1-6 may be approved by a majority of the votes cast. Other matters that may properly come before the annual meeting may require more than a majority vote under our bylaws, our Restated Certificate of Incorporation, the laws of Delaware, or other applicable laws.

Q: How will the votes be counted?

A: Abstentions from voting on the election of a director nominee will not be considered a vote cast with respect to that director's election and therefore will not be counted in determining whether the director received a majority of the votes cast. Abstentions from voting on any other proposal will have the same effect as a vote against that proposal.

Broker non-votes (i.e., shares held by brokers or nominees that cannot be voted because the beneficial owner did not provide specific voting instructions) will be treated as not present and not entitled to vote.

Q: Who will count the votes?

A: A representative of Computershare will act as the inspector of elections and count the votes.

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Q: Where can I find the voting results of the meeting?

A: We will announce the voting results at the meeting. We also will disclose the voting results in a Form 8-K within four business days after the annual meeting.

Q: May I propose actions for consideration at the 2011 meeting of stockholders?

A: Yes. For your proposal to be considered for inclusion in our proxy statement for the 2011 meeting, we must receive your written proposal no later than December 9, 2010. If we change the date of the 2011 meeting by more than 30 days from the anniversary of the date of this year's meeting, then the deadline to submit proposals will be a reasonable time before we begin to print and mail our proxy materials. Your proposal, including the manner in which you submit it, must comply with SEC regulations regarding stockholder proposals.

If you wish to raise a proposal (including a director nomination) from the floor during our 2011 annual meeting of stockholders, we must receive a written notice of the proposal between January 20, 2011 and February 19, 2011. Your submission must contain the additional information required by our bylaws. Proposals should be addressed to our corporate secretary at One Williams Center, MD 47, Tulsa, Oklahoma 74172.

Q: Who is paying for this proxy solicitation?

A: Your proxy is solicited by the Board. We expect to solicit proxies in person, by telephone, or by other electronic means. We have retained MacKenzie Partners, Inc. to assist in this solicitation. We expect to pay MacKenzie Partners, Inc. an estimated \$17,500 in fees, plus expenses and disbursements.

We also will pay the expenses of this proxy solicitation including the cost of preparing and mailing the proxy statement and accompanying proxy card. Such expenses may include the charges and expenses of banks, brokerage firms and other custodians, nominees, or fiduciaries for forwarding proxy materials to beneficial owners of our common stock.

Q. Are you householding for stockholders sharing the same address?

A. The SEC's rules permit us to deliver a single copy of this proxy statement and our 2009 Annual Report to an address shared by two or more stockholders. This method of delivery is referred to as "householding" and can significantly reduce our printing and mailing costs. It also reduces the volume of mail you receive. We will deliver only one proxy statement and 2009 Annual Report to multiple registered stockholders sharing an address, unless we receive instructions to the contrary from one or more of the stockholders. We will still send each stockholder an individual proxy card.

If you would like to receive more than one copy of this proxy statement and our 2009 Annual Report, we will promptly send you additional copies upon request directed to our transfer agent, Computershare. You can call Computershare toll free at 1-800-884-4225. You can call the same phone number to notify us that you wish to receive a separate annual report or proxy statement in the future, or to request delivery of a single copy of any materials if you are receiving multiple copies now.

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CORPORATE GOVERNANCE AND BOARD MATTERS

Corporate Governance

General

Our Board believes that strong corporate governance is critical to achieving our performance goals and to maintaining the trust and confidence of investors, employees, suppliers, business partners, regulatory agencies, and other stockholders.

Corporate Governance Guidelines

Our Corporate Governance Guidelines provide a framework for the governance of Williams as a whole and also address the operation, structure, and practice of the Board and its committees. The Nominating and Governance Committee reviews these guidelines at least annually.

Strategic Planning

During the year, the Board meets with management to discuss and approve strategic plans, financial goals, capital spending, and other factors critical to successful performance. The Board also conducts a mid-year review of progress on objectives and strategies. During Board meetings, directors review key issues and financial performance. The Board meets privately with the Chief Executive Officer (CEO) six times per year and meets in executive session at each regular Board meeting and additionally as required. Further, the CEO communicates regularly with the Board on important business opportunities and developments. In 2009, the Board held one of its regularly scheduled meetings at one of our field locations to further educate the directors about our operations.

Board/Committee/Director Evaluations

The Board and each of its committees conduct annual self-assessments. In addition, the Nominating and Governance Committee evaluates each individual director annually.

Chief Executive Officer Evaluation and Management Succession

The Board and the CEO annually discuss and collaborate to set the CEO's performance goals and objectives. The Board meets annually in executive session to assess the CEO's performance. The Board maintains a process for planning orderly succession for the CEO and other executive officer positions and oversees executive officer development.

Board Leadership Structure

The Board believes that the Company and its stockholders are best served at this time by a leadership structure in which a single leader serves as chairman and CEO and the Board has an independent lead director.

Combining the roles of chairman and CEO makes clear that the person serving in these roles has primary responsibility for managing the Company's business, subject to the oversight and review of the Board. Under this structure, the chairman and CEO chairs Board meetings, where the Board discusses strategic and business issues. The Board believes that this approach is preferable because the CEO is the individual with primary responsibility for

implementing the Company's strategy, directing the work of other officers and leading implementation of the Company's strategic plans as approved by the Board. This structure creates a single leader who is directly accountable to the Board and, through the Board, to stockholders, and enables the CEO to act as the key link between the Board and other members of management. In addition, Mr. Malcolm personally brings to the combined role of chairman and CEO a strong history with Williams. Since joining the Company in 1984, Mr. Malcolm performed roles of increasing responsibility related to business development, gas management and supply, and gathering and processing, before ultimately assuming the chief executive officer position in 2002.

Because the Board also believes that strong, independent Board leadership is a critical aspect of effective corporate governance, the Board has established the position of Lead Director. The Lead Director, who must be

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independent, is elected annually by the independent directors. The Lead Director presides over executive sessions of the independent directors, consults with the chairman of the Board and our corporate secretary to establish an agenda for each Board meeting, oversees the flow of information to the Board, and acts as liaison between the non-employee directors and management. Mr. W. R. Howell currently serves as the Lead Director.

The Board believes that having a single leader serving as Chairman and CEO, together with an experienced and engaged Lead Director, is the most appropriate leadership structure for the Board at this time. However, the Board maintains the flexibility to amend the Corporate Governance Guidelines should it determine in the future that the two roles should be separated based upon the Board's assessment of the Company's needs and leadership from time to time. The Board periodically reviews the Board structure and leadership as well as director succession planning.

Board oversight of Williams' risk assurance process

We employ an annual risk assurance process that is designed to provide positive assurance to management and the Board that risks are effectively managed to enable achievement of strategic and operating objectives. The risk process is governed by the committees of the Board, our executive officers, and our risk subject matter experts. We utilize the Enterprise Risk Management (ERM) framework to identify the top risks to the Company considering our internal and external environments and objectives and to measure the likelihood of occurrence and potential impact of each risk. The Audit Committee annually reviews and provides feedback about the list of the top risks so identified. Such top risks are then further reviewed by the most appropriate Board committee. For example, the risk of financial reporting and disclosure is reviewed by the Audit Committee, the risk of capital availability is reviewed by the Finance Committee, and the risk of ethics and compliance program is reviewed by the Nominating and Governance Committee. Each Board committee annually considers a summary for each of its risks, including the definition, likelihood, and potential impact of each risk, the planned response to the risk, management's assessment of the effectiveness of mitigation efforts, and a status report of any action required. For so long as any action is required for the planned response to a risk, such risk is reviewed at each committee meeting until management assesses the risk's mitigation efforts as effective. Each committee provides feedback to management about the risk assurance process.

Executive Sessions of Non-Employee Directors

Non-employee directors meet without management present at each regularly scheduled Board meeting. Additional meetings may be called by the Lead Director in his discretion or at the request of the Board.

Director Independence

The Board has adopted director independence standards, as an attachment to our Corporate Governance Guidelines.

The Board has affirmatively determined that each of Mr. Cleveland, Dr. Cooper, Mr. Engelhardt, Mr. Granberry, Mr. Green, Ms. Hinshaw, Mr. Howell, Mr. Lorch, Mr. Lowrie, Mr. MacInnis, and Ms. Stoney is an independent director. In addition, the Board affirmatively determined that Charles M. Lillis, who resigned effective March 18, 2009, was an independent director. In so doing, the Board determined that each of these individuals met the bright line independence standards of the NYSE and our own director independence standards. In addition, the Board considered transactions and relationships between each director and any member of his or her immediate family on one hand, and Williams and its affiliates on the other, to confirm that those transactions and relationships do not vitiate the affected director's independence. We discuss these relationships below.

Ms. Hinshaw is a director of Insituform Technologies, Inc., a company whose subsidiaries, Bayou Coating LLC, Bayou Companies LLC, and Insituform Technologies Inc. dba United Pipeline Systems provide services to Williams. In determining that the relationship was not material, the Board considered these facts: the relationship arises only

because Ms. Hinshaw is a director of Insituform, that she has no material interest in any transactions between the subsidiaries and Williams, and that she had no role in any such transactions.

Mr. Howell is a director of Deutsche Bank Trust Corporation and Deutsche Bank Trust Company Americas and a member of the America Advisory Board of Deutsche Bank AG. Deutsche Bank AG and Deutsche Bank

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Securities Inc. provide services to Williams. In determining that this relationship was not material, the Board considered these facts: the relationship arises only because Mr. Howell is a director of Deutsche Bank entities, that he has no material interest in any transaction between Deutsche Bank and Williams, and that he had no role in any such transactions.

Mr. Lorch is a director of HSBC Finance Corporation and HSBC North America Holding Co. HSBC Bank (USA) and HSBC Business Solutions provide services to Williams. In determining that the relationship was not material, the Board considered these facts: the relationship arises only because Mr. Lorch is a director of HSBC, that he has no material interest in any transactions between HSBC and Williams, and that he had no role in any such transactions.

Mr. MacInnis is a director of ITT, whose subsidiary Gould Pumps Inc. provides services to Williams. In determining that the relationship was not material, the Board considered these facts: the relationship arises only because Mr. MacInnis is a director of ITT, that he has no material interest in any transactions between the ITT subsidiary and Williams, and that he had no role in any such transactions.

Mr. MacInnis also serves as chairman of the board and chief executive officer of EMCOR Group Inc., a company whose subsidiaries Integrated Solutions Group, Ohmstede Industrial Services Inc., Ohmstede Ltd, Ohmstede United Industrial Services, and Wasatch Electric provide services to Williams. In determining that the relationship was not material, the Board considered the fact that payments made by Williams to EMCOR subsidiaries did not exceed the greater of \$1 million or 2% of either company's consolidated gross revenues.

No member of our Board serves as an executive officer of any non-profit organization that has received contributions from Williams exceeding the greater of \$1 million or 2% of such organization's consolidated gross revenues in any single fiscal year of the preceding three years. Further, in accordance with our director independence standards, the Board determined that there were no discretionary contributions to a non-profit organization with which a director, or a director's spouse, has a relationship that affects the director's independence.

The Board determined that Mr. Malcolm is not independent because he is an executive officer of the Company.

Transactions with Related Persons

The Board has adopted policies and procedures with respect to related person transactions as part of the Audit Committee charter. Any proposed related person transaction involving a member of the Board must be reviewed and approved by the full Board. Otherwise, the Audit Committee reviews proposed transactions with related persons, promoters, and certain control persons that are required to be disclosed in our filings with the SEC. If it is impractical to convene an Audit Committee meeting before a related person transaction occurs, the chairman of the committee may review the transaction alone. The Audit Committee or its chairman, in good faith, may approve only those related person transactions that are in, or not inconsistent with, Williams' best interests and the best interests of our stockholders. No director may participate in any review, consideration or approval of any related person transaction with respect to which such director or any of his or her immediate family members is the related person. During 2009, there were no transactions that required review or approval by the Audit Committee or the full Board.

Majority Vote Standard

Our Board has adopted a majority vote standard for the election of directors in uncontested elections. Each of our directors has executed an irrevocable resignation that will become effective if he or she fails to receive a majority of the votes cast in an uncontested election and the Board accepts such resignation. If a director fails to receive the required votes for election, the Nominating and Governance Committee will act on an expedited basis to determine whether to accept the resignation. The Nominating and Governance Committee will then submit its recommendation

for consideration by the Board. The Board will act on the 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 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 resignation, the

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Nominating and Governance Committee will recommend to the Board whether to fill such vacancy or reduce the size of the Board.

Director Attendance at Annual Meeting of Stockholders

We have a policy that all Board members are expected to attend our annual meeting of stockholders. All of the then-current Board members attended the 2009 annual meeting of stockholders.

Communications with Directors

Any stockholder or other interested party may communicate with our directors, individually or as a group, by contacting our corporate secretary or the Lead Director. The contact information is maintained on the Investor page of our website at www.williams.com.

The current contact information is as follows:

The Williams Companies, Inc.
One Williams Center, MD 47
Tulsa, Oklahoma 74172
Attn: Lead Director

The Williams Companies, Inc.
One Williams Center, MD 47
Tulsa, Oklahoma 74172
Attn: Corporate Secretary
Email: lafleur.browne@williams.com

Communications will be forwarded to the relevant director(s) except for solicitations or other matters not related to the Company.

Code of Ethics

We have adopted a code of ethics specific to the CEO, Chief Financial Officer, and Chief Accounting Officer, which was filed with the SEC as Exhibit 14 to our annual report on Form 10-K for the year ended December 31, 2003. In addition, we have adopted a code of business conduct that is applicable to all employees and directors.

How to Obtain Copies of our Governance-Related Materials

The following documents are available on our website at www.williams.com from the Corporate Responsibility/Corporate Governance tab.

Corporate Governance Guidelines,

Code of Ethics for Senior Officers,

the Williams Code of Business Conduct, and

the charters for the Audit Committee, the Compensation Committee, the Finance Committee, and the Nominating and Governance Committee.

If you want to receive these documents in print, please send a written request to our corporate secretary at The Williams Companies, Inc., One Williams Center, MD 47, Tulsa, Oklahoma 74172.

Board and Committee Structure and Meetings

Board Meetings

Board members actively participate in Board and committee meetings. Generally, materials are distributed one week in advance of each regular Board meeting so that members can be prepared for the discussion.

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The full Board met 9 times in 2009. Further, the non-employee directors met 6 times without the chairman of the Board and CEO present. Each director attended at least 75% of the aggregate of the Board and applicable committee meetings held in 2009.

Board Committees

The Board has four standing committees – Audit, Compensation, Finance, and Nominating and Governance – as well as an ad hoc Litigation Committee. Each standing committee has a charter adopted by the Board. The standing committees report to the full Board at each regular Board meeting.

The Board elects each committee’s members and chairman annually. The chart below shows the composition of the standing committees and the number of committee meetings in 2009.

	Audit Committee	Compensation Committee	Finance Committee	Nominating and Governance Committee
Joseph R. Cleveland	ü		ü	
Kathleen B. Cooper		ü	ü	
Irl F. Engelhardt	ü		ü	
William R. Granberry		ü	ü	
William E. Green				