

WILLIAMS COMPANIES INC
Form DEF 14A
October 19, 2016
Table of Contents

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 under §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)

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Table of Contents

PROXY

STATEMENT

2016

Notice of Annual Meeting of Stockholders

Table of Contents

From Your Chairman

October 19, 2016

Fellow Stockholders:

Williams has a rich history and I speak on behalf of the Board of Directors (the Board) when I say that we are honored to steward Williams toward its modern objective to connect North America's significant hydrocarbon resource plays to growing markets for natural gas, natural gas liquids, and olefins. Please join me at the 2016 annual meeting of stockholders on November 23, 2016 to vote your shares and listen to a report from management on Williams' operations. There will also be an opportunity to ask questions.

Dr. Kathleen B. Cooper

Chairman of the Board

The notice of the annual meeting and proxy statement accompanying this letter provides information about the matters to be considered and acted upon at the annual meeting.

If you cannot attend the annual meeting in person, it is still important that your shares be represented and voted at the annual meeting. You are urged to read the proxy statement and, whether or not you plan to attend the annual meeting, to promptly submit a proxy (a) by telephone or Internet following the easy instructions on the enclosed proxy card or (b) by completing, signing, dating, and returning the enclosed proxy card in the enclosed postage-paid envelope.

I look forward seeing you at the meeting.

Very truly yours,

Kathleen B. Cooper, Ph.D.

Chairman of the Board

The Williams Companies, Inc. 2016 Proxy Statement

Table of Contents

Table of Contents

<u>QUESTIONS AND ANSWERS ABOUT THE ANNUAL MEETING AND VOTING</u>	1
<u>CORPORATE GOVERNANCE AND BOARD MATTERS</u>	5
<u>Corporate Governance</u>	5
<u>Board and Committee Structure and Meetings</u>	11
<u>PROPOSAL 1: ELECTION OF DIRECTORS</u>	16
<u>SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT</u>	27
<u>SECTION 16(A) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE</u>	29
<u>NAMED EXECUTIVE OFFICER PROFILES</u>	30
<u>COMPENSATION DISCUSSION AND ANALYSIS</u>	35
<u>Our Commitment to Pay for Performance</u>	35
<u>2015 Business Overview</u>	37
<u>Compensation Summary</u>	39
<u>Objective of Our Compensation Programs</u>	39
<u>Our Pay Philosophy</u>	39
<u>Roles in the Compensation Recommendation and Decision Process</u>	40
<u>Role of Board of Directors</u>	40
<u>Role of Compensation Committee</u>	40
<u>Role of CEO</u>	40
<u>Role of Independent Consultant</u>	40
<u>Role of Management</u>	40
<u>2015 Comparator Group</u>	41
<u>Determining Our Comparator Group</u>	41
<u>How We Use Our Comparator Group</u>	41
<u>Our Pay-Setting Process</u>	42
<u>How We Determine the Amount for Each Type of Pay</u>	44
<u>Long-Term Incentives</u>	44
<u>Annual Cash Incentives</u>	47
<u>Base Pay</u>	51
<u>Benefits</u>	51
<u>Additional Components of Our Executive Compensation Program</u>	52
<u>Mitigating Risk</u>	54
<u>COMPENSATION COMMITTEE REPORT ON EXECUTIVE COMPENSATION</u>	56

Table of Contents

<u>COMPENSATION COMMITTEE INTERLOCKS AND INSIDER PARTICIPATION</u>	56
<u>EXECUTIVE COMPENSATION AND OTHER INFORMATION</u>	56
<u>2015 Summary Compensation Table</u>	56
<u>Grants of Plan Based Awards</u>	58
<u>Outstanding Equity Awards</u>	59
<u>Option Exercises and Stock Vested</u>	61
<u>Retirement Plan</u>	61
<u>Pension Benefits</u>	62
<u>Nonqualified Deferred Compensation</u>	62
<u>Change in Control Agreements</u>	63
<u>Termination Scenarios</u>	65
<u>COMPENSATION OF DIRECTORS</u>	68
<u>Director Compensation for Fiscal Year 2015</u>	69
<u>EQUITY COMPENSATION STOCK PLANS</u>	71
<u>REPORT OF THE AUDIT COMMITTEE</u>	72
<u>PROPOSAL 2: RATIFICATION OF THE APPOINTMENT OF INDEPENDENT AUDITORS</u>	73
<u>PROPOSAL 3: ADVISORY VOTE ON EXECUTIVE COMPENSATION</u>	75
<u>INCORPORATION BY REFERENCE</u>	76
<u>WEBSITE ACCESS TO REPORTS AND OTHER INFORMATION</u>	76

Table of Contents

Notice of the 2016 Annual Meeting of Stockholders

Date, Time and Place

Wednesday, November 23, 2016, at 8:00 a.m. CST

Williams Resource Center Theater, One Williams Center, Tulsa, Oklahoma 74172

Record Date

Close of business on October 7, 2016.

Agenda

Elect the 9 director nominees identified in this proxy statement;
Ratify the appointment of Ernst & Young LLP as our independent auditors for 2016;
Conduct an advisory vote to approve executive compensation; and
Stockholders will also transact such other business as may properly come before the annual meeting or any adjournment or postponement of the meeting.

Annual Report

Our 2015 Annual Report, which includes a copy of our annual report on Form 10-K, accompanies this proxy statement.

Voting

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:

- Call the toll-free telephone number;
- Vote via the Internet; or
- 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 November 23, 2016: This proxy statement and our 2015 annual report are available at www.edocumentview.com/wmb.

The Board unanimously recommends that you vote FOR the election of each of the Board's director nominees, FOR the ratification of the appointment of Ernst & Young LLP as our independent auditors for 2016, and FOR the advisory approval of the Company's executive compensation.

Please refer to the enclosed proxy statement for the 2016 annual meeting for more information, including a detailed explanation of the matters being submitted to a vote of the shareholders.

By Order of the Board of Directors,

Sarah C. Miller

Corporate Secretary

Senior Vice President and General Counsel

October 19, 2016

The Williams Companies, Inc. 2016 Proxy Statement

Table of Contents

Proxy Statement

We are providing this proxy statement as part of a solicitation by the Board for use at our 2016 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 74172 on Wednesday, November 23, 2016, at 8:00 a.m., Central Standard Time.

We expect to mail this proxy statement and accompanying proxy card to stockholders beginning on October 19, 2016.

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

Questions and Answers About the Annual Meeting and Voting

WHY AM I RECEIVING THESE MATERIALS?

You are receiving these materials because, at the close of business on October 7, 2016 (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 750,883,424 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.)

WHAT INFORMATION IS CONTAINED IN THIS PROXY STATEMENT?

This proxy statement includes information about the director nominees 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 Securities and Exchange Commission (SEC) rules.

WHAT MATTERS CAN I VOTE ON?

You can vote on the following matters:

- election of our 9 directors;
- ratification of the appointment of Ernst & Young LLP as our independent auditors for 2016;
- an advisory vote to approve executive compensation; 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 nominees. For the ratification of Ernst & Young LLP as independent auditors and the advisory vote to approve executive compensation, you may vote **FOR** or **AGAINST** the respective matter or you may indicate that you wish to **ABSTAIN** from voting on the matter.

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.

HOW DOES THE BOARD RECOMMEND THAT I VOTE ON EACH OF THE MATTERS?

FOR ITEMS 1-3: The Board recommends that you vote **FOR** each of the Board's director nominees, **FOR** the ratification of Ernst & Young LLP as our independent

Table of Contents

auditors for 2016, and **FOR** the approval, on an advisory basis, of the Company's executive compensation.

WHAT IS THE DIFFERENCE BETWEEN A STOCKHOLDER OF RECORD AND A STOCKHOLDER WHO HOLDS STOCK IN STREET NAME?

If your shares are registered in your name with our transfer agent, Computershare Trust Company, N.A. (Computershare), you are a stockholder of record, and the Company's proxy materials, including the 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.

HOW DO I VOTE IF I AM A STOCKHOLDER OF RECORD?

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.

HOW DO I VOTE IF I OWN SHARES IN STREET NAME?

As an owner of shares in street name, 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. 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 an owner of shares in street name, 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.

WILL MY SHARES HELD IN STREET NAME BE VOTED IF I DO NOT TELL MY BROKER OR BANK HOW I WANT THEM VOTED?

Under the 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 is considered a routine matter. However, the election of directors, and the advisory vote to approve executive compensation are not considered routine matters. Accordingly, your broker or bank will not be permitted to vote your shares on such matters unless you provide proper voting instructions.

HOW DO I VOTE IF I PARTICIPATE IN THE WILLIAMS INVESTMENT PLUS PLAN?

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 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 Standard Time on November 18, 2016. 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.

Table of Contents

WHAT IF I RETURN MY PROXY CARD BUT DO NOT SPECIFY HOW I WANT TO VOTE?

If you are a stockholder of record and sign and return the 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 Board's director nominees.

FOR the approval ratifying the appointment of Ernst & Young LLP as our independent auditors for the fiscal year ending December 31, 2016.

FOR the approval, on an advisory basis, of the Company's executive compensation.

CAN I CHANGE MY VOTE OR REVOKE MY PROXY?

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 card, 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.

WHAT SHARES ARE INCLUDED ON MY PROXY CARD?

You will receive one proxy card for all the shares of common stock you hold as a stockholder of record (in certificate form or 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.

HOW MAY I OBTAIN DIRECTIONS TO ATTEND THE MEETING?

If you need assistance with directions to attend the meeting, call us at 1-800-600-3782 or write us at The Williams Companies, Inc., One Williams Center, MD 50, Tulsa, Oklahoma 74172, Attn: Investor Relations.

WHAT CAN I BRING INTO THE MEETING?

For security reasons, mobile phones, recording devices, 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.

WHAT IF I HAVE A DISABILITY?

We can provide reasonable assistance to help you participate in the meeting if you tell us about your disability and your plans to attend. Please call or write us at least two weeks before the meeting at the telephone number or address listed in the answer to the question captioned *How may I obtain directions to attend the meeting?*

WHAT IS THE QUORUM REQUIREMENT FOR THE MEETING?

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 or bank how I want them voted?*

WHAT IS THE VOTING REQUIREMENT TO APPROVE EACH OF THE MATTERS?

Items 1-3 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 By-laws, our Restated Certificate of Incorporation, the laws of Delaware, or other applicable laws.

HOW WILL THE VOTES BE COUNTED?

Abstentions from voting on the election of a director nominee, the ratification of the appointment of independent auditors, and the advisory vote to approve executive compensation will not be considered a vote cast with respect to those matters and therefore will have no effect on the outcome of such matters.

Table of Contents

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 not be treated as a vote cast for any matter.

WHO WILL COUNT THE VOTES?

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

WHERE CAN I FIND THE VOTING RESULTS OF THE MEETING?

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

MAY I PROPOSE ACTIONS FOR CONSIDERATION AT THE 2017 MEETING OF STOCKHOLDERS?

Yes. Concurrently with the filing of this proxy statement, we announced that the 2017 meeting will be held on May 18, 2017. For your proposal to be considered for inclusion in our proxy statement for the 2017 meeting in accordance with Rule 14a-8 under the Securities Exchange Act of 1934, as amended (the Exchange Act), the SEC's rule on stockholder proposals, we must receive your proposal no later than December 10, 2016. Your proposal, including the manner in which you submit it, must comply with Rule 14a-8.

If you wish to bring business (including a director nomination) before our 2017 annual meeting of stockholders other than through a stockholder proposal pursuant to the SEC's Rule 14a-8, we must receive a written notice of the proposal no earlier than the close of business on January 19, 2017 and no later than the close of business on February 18, 2017. Your submission must meet the requirements set forth in our By-Laws.

All notices of proposals or director nominations should be addressed to our Corporate Secretary at One Williams Center, MD 47, Tulsa, Oklahoma 74172.

WHO IS PAYING FOR THIS PROXY SOLICITATION?

Your proxy is solicited by the Board. The cost of soliciting proxies on behalf of the Board and the cost of preparing, printing and mailing this proxy statement will be borne by the Company. Solicitations of proxies are being made through the mail and may also be made in person, by telephone or by other electronic means by directors, director nominees and employees of the Company. The Company will also request brokers and nominees to forward soliciting materials to the beneficial owners of shares of the Company held of record by such persons and will reimburse them for their reasonable forwarding expenses. In addition, the Company has retained MacKenzie Partners, Inc. (MacKenzie), to assist with the solicitation of proxies. We anticipate that we will pay MacKenzie a fee in an amount equal to approximately \$20,000 plus reasonable expenses for these services.

ARE YOU HOUSEHOLDING FOR STOCKHOLDERS OF RECORD SHARING THE SAME ADDRESS?

The SEC's rules permit us to deliver a single copy of this proxy statement and our 2015 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 2015 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 2015 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 or write to Computershare Investor Services at P.O. Box 30170, College Station, TX 77842. You can use the same phone number or mailing address 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.

Table of Contents

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, customers, business partners, regulatory agencies, and other stakeholders.

Recent Developments

On June 30, 2016, Frank T. MacInnis stepped down as Chairman of the Board and Kathleen B. Cooper was appointed as Chairman of the Board. Also on June 30, 2016, each of Ralph Izzo, Frank T. MacInnis, Eric W. Mandelblatt, Keith A. Meister, Steven W. Nance and Laura A. Sugg resigned from the Board. From July to August, 2016, the Board, with the assistance of leading global executive search and leadership consulting firm, Spencer Stuart, undertook a comprehensive process to identify new, highly qualified and independent directors. Considering input and recommendations by shareholders, non-management directors, the Chief Executive Officer (CEO), other executive officers, and Spencer Stuart, on August 28, 2016, the Board appointed three new independent directors to the Board: Stephen W. Bergstrom, Scott D. Sheffield and William H. Spence, and on September 23, 2016, the Board appointed two additional new independent directors to the Board: Stephen I. Chazen and Peter A. Ragauss. In connection with the appointments of the new directors, the Board updated the composition of its committees. On September 26, 2016, the Company announced a goal to appoint two more independent directors by the 2016 annual meeting, and on October 6, 2016, the Company announced that Joseph R. Cleveland, John A. Hagg, and Juanita H. Hinshaw had each determined not to stand for re-election at the 2016 annual meeting.

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. During 2015, the Board commenced a process to explore and evaluate a range of strategic alternatives, including potential standalone and other strategic alternatives available to the Company, and formed a strategic review administrative committee to oversee, on behalf of the Board, the administration of the strategic alternatives review process. The Board, with the assistance of the strategic review administrative committee, the Company's management and financial and legal advisors, conducted a thorough strategic review process which included, among other things, an evaluation of the range of possible benefits to Company stockholders of the strategic alternatives, an assessment of numerous potential counterparties, an evaluation of various risks and solicitation of feedback from Company stockholders. During Board meetings, directors review key issues and financial performance. In 2015 the Board met privately with the CEO at least 17 times and met 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.

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.

Our Corporate Governance Guidelines provide that the normal retirement date for a director shall be the first annual meeting following such 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 director. Ms. Stoney has reached the mandatory retirement age for this annual meeting. The Nominating and

Table of Contents

Governance Committee has voted to waive the mandatory retirement age for Ms. Stoney for this annual meeting, in recognition of her strong contributions on the board, to facilitate continuity on the board, and to permit orderly succession planning for chairmanship of the compensation committee, in the wake of recent events.

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

Pursuant to our By-laws and Corporate Governance Guidelines, the positions of Chairman of the Board and President and CEO may be held by the same or different persons. At this time, the Board believes that the Company and its stockholders are best served by a leadership structure in which an independent director serves as Chairman of the Board. In this regard, Alan S. Armstrong serves as President and CEO of Williams and Dr. Kathleen Cooper serves as Chairman of the Board. The Board believes that having an independent Chairman aids in the Board's oversight of management and promotes communications among the Board, the CEO, and other senior management. In addition, having a separate Chairman of the Board and CEO allows Mr. Armstrong to focus on his responsibilities in managing the Company.

The responsibilities of the Chairman of the Board include: (1) presiding over meetings of the Board and executive sessions of the independent directors; (2) overseeing the planning of the annual Board calendar and, in consultation with the CEO, scheduling and setting the agendas for meetings of the Board and its committees; (3) overseeing the appropriate flow of information to the Board; (4) acting as liaison between the independent directors and management; (5) assisting the Chairs of the various Board committees in preparing agendas for committee meetings; (6) chairing the Company's annual meeting of stockholders; (7) being available for consultation and communication with stockholders as appropriate; and (8) performing other functions and responsibilities referred to in the Corporate Governance Guidelines or requested by the Board from time to time.

The Board believes that having an independent Chairman of the Board is the most appropriate leadership structure for the Board at this time. However, it has the flexibility to revise this structure in the future based upon the Board's assessment of the Company's needs and leadership from time to time. In this regard, the Board periodically reviews the Board structure and leadership as well as director succession planning.

Board Oversight of Williams' Risk Management Processes

We use the Committee of Sponsoring Organizations of the Treadway Commission Enterprise Risk Management (ERM) framework to provide positive assurance to management and the Board that risks are effectively managed to enable achievement of strategic, financial, operating, compliance, and reporting objectives. Our risk assessment process is integrated with our strategy process to better facilitate identification of the most significant risks to achieving our strategic objectives. We maintain a decentralized, cross functional approach to ERM; management functions including internal audit, accounting, legal, and compliance support our strategy and risk assessment with established control activities, monitoring, and reporting. The Board maintains responsibility for oversight of the

Company's risk management activities. In conjunction with the Board's strategy review, management presents to the Board an enterprise-wide risk appetite statement, strategic risk profile, and management's risk response via risk management and monitoring metrics. The Board considers whether management has appropriately identified our risk appetite, has established effective enterprise risk management processes, and is managing the risk portfolio consistent with such processes considering the risk appetite. Throughout the year, management reviews any critical issues or opportunities with the Board or relevant committees. Also, as stated in Proposal 1 Election of Directors, the Board has determined that it is important to have individuals on the Board with strategy development and risk management experience, and many of our directors have such experience.

Table of Contents

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 Chairman in her discretion or at the request of the Board.

Director Independence

Our Corporate Governance Guidelines require that the Board make an annual determination regarding the independence of each of our directors. The Board made these determinations in February, August, and September, 2016, for the then current or to be newly appointed directors, based on evaluations performed by the Board.

The Board has affirmatively determined that each of Mr. Bergstrom, Mr. Chazen, Mr. Cleveland, Dr. Cooper, Mr. Hagg, Ms. Hinshaw, Mr. Ragauss, Mr. Sheffield, Mr. Smith, Mr. Spence and Ms. Stoney is an independent director. The Board also determined each of the following former directors to be independent: Ralph Izzo, Frank T. MacInnis, Eric W. Mandelblatt, Keith A. Meister, Steven W. Nance and Laura A. Sugg. In so doing, the Board determined that each of these individuals met independence standards of the NYSE. In making these determinations, the Board considered the following 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.

Mr. Chazen is the retired Chief Executive Officer of and remains an employee as a strategic advisor of Occidental Petroleum Corporation (Oxy). He also serves on the board of Oxy. Williams subsidiaries buy natural gas from and sell natural gas to Oxy subsidiaries. Payments made or received by Williams in any of the last three fiscal years are less than 2% of Oxy's revenue for the respective year. In determining that the relationship was not material, the Board considered these facts: Mr. Chazen has no material interest in any transactions between Oxy and Williams, and has no role in any such transactions.

Mr. Chazen also serves on the board of Ecolab USA Inc. (Ecolab), from whom Williams subsidiaries purchase chemicals as well as monitoring, analytical and other services. In determining that the relationship was not material, the Board considered these facts: the relationship arises only because Mr. Chazen is a director of Ecolab; he has no material interest in any transactions between Ecolab and Williams; and he had no role in any such transactions.

Ms. Hinshaw is a director of Aegion Corporation (Aegion), which provided ordinary course pipeline construction and maintenance 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 Aegion; she has no material interest in any transactions between Aegion and Williams; and she had no role in any such transactions.

Mr. Izzo serves as the chairman of the board and the Chief Executive Officer of Public Service Electric and Gas Company (PSEG) for whom Williams subsidiary Transcontinental Gas Pipe Line Company LLC has provided ordinary course transportation services since at least 2010. Payments made by PSEG to Williams in any of the last three fiscal years are less than 2% of PSEG s revenue for the respective year. In determining that the relationship was not material, the Board considered these facts: Mr. Izzo has no material interest in any transactions between PSEG and Williams, and he had no role in any such transactions.

Mr. Steven Nance serves on the board of Newfield Exploration Company (Newfield), for whom Williams subsidiaries provide ordinary course midstream and transportation services. In determining that the relationship was not material, the Board considered these facts: the relationship arises only because Mr. Nance is a director of Newfield; he has no material interest in any transactions between Newfield and Williams; and he had no role in any such transactions.

Table of Contents

Mr. Ragauss serves on the board of Apache Corp. (Apache), to whom Williams subsidiaries provide gathering, transportation, processing, and fractionation services. Williams subsidiaries also buy natural gas from and sell natural gas to Apache and its subsidiaries. In determining that the relationship was not material, the Board considered these facts: the relationship arises only because Mr. Ragauss is a director of Apache; he has no material interest in any transactions between Apache and Williams; and he had no role in any such transactions.

Mr. Spence serves as Chief Executive Officer of PPL Corporation (PPL), a subsidiary of which supplies Williams subsidiary Transcontinental Gas Pipeline Company LLC (Transco) utility services. Payments made by Williams to PPL in any of the last three fiscal years are less than 2% of PPL's revenue for the respective year. In determining that the relationship was not material, the Board considered these facts: Mr. Spence has no material interest in any transactions between PPL and Williams, and has no role in any such transactions.

Ms. Sugg serves on the board of Denbury Resources, Inc. (Denbury), for whom Williams subsidiaries provide ordinary course midstream and transportation services, and from whom Williams subsidiaries purchase gas for fuel and shrink. In determining that the relationship was not material, the Board considered these facts: the relationship arises only because Ms. Sugg is a director of Denbury; she has no material interest in any transactions between Denbury and Williams; and she had no role in any such transactions.

Ms. Sugg serves on the board of Murphy Oil Corporation (Murphy), for whom Williams subsidiaries provide ordinary course midstream and transportation services. In determining that the relationship was not material, the Board considered these facts: the relationship arises only because Ms. Sugg is a director of Murphy; she has no material interest in any transactions between Murphy and Williams; and she had no role in any such transactions.

Mr. MacInnis serves on the board of ITT Corporation (ITT), for whom Williams subsidiaries provide ordinary course offshore/midstream project services. 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; he has no material interest in any transactions between ITT and Williams; and he had no role in any such transactions.

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.

Mr. Armstrong, the current Chief Executive Officer and President and a director, is not independent, because of his role as an executive officer of the Company.

Transactions with Related Persons

The Board has adopted written policies and procedures with respect to related person transactions. Any proposed related person transaction involving a member of the Board must be reviewed and approved by the full Board. The

Audit Committee reviews proposed transactions with any other 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 Chair of the committee may review the transaction alone.

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. The Audit Committee or its Chair, or the Board, as the case may be, 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. In conducting a review of whether a transaction is in, or is not inconsistent with the best interest of Williams and its

Table of Contents

stockholders, the Audit Committee or its chair, or the Board, as the case may be, will consider the benefits of the transaction to the Company, the availability of other sources for comparable products or services, the terms of the transaction, the terms available to unrelated third parties and to employees generally, and the nature of the relationship between the Company and the related party, among other things. Since the beginning of 2015, there were no transactions that required review or approval by the Audit Committee or the full Board.

Outside Board Service

Our corporate governance guidelines limit the service of our board members on publicly held companies and investment company boards to no more than four (including our Board), provided that our CEO is limited to service on one non-affiliated public company 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 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 13 then-current Board members attended the 2015 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 Chairman of the Board. The contact information is maintained through the Investors page of our website at www.williams.com.

The current contact information is as follows:

The Williams Companies, Inc.
One Williams Center, MD 49
Tulsa, Oklahoma 74172
Attn: Chairman of the Board

The Williams Companies, Inc.
One Williams Center, MD 47
Tulsa, Oklahoma 74172
Attn: Corporate Secretary

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 through the Investors page of our website.

Corporate Governance Guidelines,

The Williams Companies, Inc. 2016 Proxy Statement 9

Table of Contents

Code of Ethics for Senior Officers,

Williams Code of Business Conduct; and

Charters for the Audit Committee, the Compensation 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.

The Williams Companies, Inc. 2016 Proxy Statement 10

Table of Contents**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.

The full Board met 43 times in 2015. Each director attended at least 75% of the aggregate of the Board and applicable committee meetings held in 2015.

Board Committees

The Board has three standing committees – Audit, Compensation, and Nominating and Governance. Each standing committee has a charter adopted by the Board. The Board also has a special Safety Committee. The committees report to the full Board at each regular Board meeting. The Board elects each committee’s members and chair annually. Each committee has authority to retain, approve fees for, and terminate advisors as it deems necessary to assist in the fulfillment of its responsibilities. The chart below shows the current composition of the committees and the number of committee meetings in 2015.

Director	Nominating &			
	Audit	Compensation	Governance	Safety
Alan S. Armstrong				
Stephen W. Bergstrom				
Stephen I. Chazen				
Joseph R. Cleveland				
Kathleen B. Cooper				
John A. Hagg				
Juanita H. Hinshaw				
Peter A. Ragauss				
Scott D. Sheffield				

Murray D. Smith

William H. Spence

Janice D. Stoney

Number of meetings in 2015	9	5	3	4
Chair				
Committee Member				

During 2015, the Company had a separate Finance Committee, which held 2 meetings in 2015. The members of this Committee were Kathleen B. Cooper, John A Hagg, Juanita H. Hinshaw (Chair), Ralph Izzo, Eric W. Mandelblatt, and Murray D. Smith.

Table of Contents

On June 20, 2015, the Board formed a Strategic Review Administration Committee which oversaw the administration of the strategic review process conducted by the Board during 2015. The members of this Committee were Laura A. Sugg (Chair), Steven W. Nance, and Janice D. Stoney. The Committee met 34 times in 2015. On June 30, 2016, the Committee was dissolved by the Board.

Responsibilities

The Board has a separately designated standing Audit Committee established in accordance with Section 3(a)(58)(A) of the Exchange Act. The Audit Committee:

- appoints, evaluates, and approves the compensation of our independent registered public accounting firm;

- assists the Board in fulfilling its responsibilities for generally overseeing Williams' financial reporting processes and the audit of Williams' financial statements, including the integrity of Williams' financial statements, Williams' compliance with legal and regulatory requirements, and risk assessment and risk management;

- reviews the qualifications and independence of the independent registered public accounting firm;

- reviews the performance of Williams' internal audit function and the independent registered public accounting firm;

- reviews Williams' earnings releases;

- reviews transactions between Williams and related persons that are required to be disclosed in our filings with the SEC;

- oversees investigations into complaints concerning financial matters;

reviews with the General Counsel, as needed, any actual and alleged violations of the Company's Code of Business Conduct;

annually reviews its charter and performance; and

prepares the Audit Committee report for inclusion in the annual proxy statement.

Independence Requirements

The Board has determined that all members of the Audit Committee meet the heightened independence requirements under the NYSE's rules for persons serving on audit committees.

Financial Literacy, Experts

In addition, the Board has determined that all members of the Audit Committee are financially literate as defined by the NYSE rules, and Kathleen B. Cooper, Juanita H. Hinshaw, Peter A. Ragauss, and William H. Spence qualify as audit committee financial experts as defined by the rules of the SEC.

No Audit Committee member serves on more than three public company audit committees.

Table of Contents

Responsibilities

The Compensation Committee:

approves executive compensation philosophy, policies, and programs that align the interests of our executive officers with those of our stockholders;

oversees the material risks associated with compensation structure, policies, and programs;

assesses the results of the advisory votes on executive compensation;

recommends to the Board equity-based compensation plans;

recommends to the Board cash-based incentive compensation plans for the NEOs and other executives;

sets corporate goals and objectives for compensation for the NEOs and other executives;

evaluates the NEOs and certain other executives performance in light of those goals and objectives;

approves the NEOs and certain other executives compensation, including salary, incentive compensation, equity-based compensation, and any other remuneration;

approves, amends, modifies, or terminates, in its settlor (non-fiduciary) capacity, the terms of any benefit plan that do not require stockholder approval;

reviews and discusses with management and, based on the review and discussions, recommends to the Board the Compensation Discussion and Analysis required by the SEC for inclusion in the annual proxy statement and annual report on Form 10-K;

reviews annually and recommends to the Board the appropriate compensation of non-employee directors;

develops, reviews, recommends for Board approval, and then monitors the directors and executive officers compliance with, Williams stock ownership policy;

reviews and recommends the terms of Williams change in control program;

assesses any potential conflicts of interest raised by the compensation consultants retained by management or the Committee and assesses the independence of any Compensation Committee advisor; and

reviews annually its charter and performance.

Independence Requirements

The Board has determined that all members of the Compensation Committee meet the heightened independence requirements under the NYSE's rules for persons serving on compensation committees.

Independent Executive Compensation Advisor

The Compensation Committee has selected and retained Frederic W. Cook & Co., an independent executive compensation consulting firm, to provide competitive market data and advice related to the CEO's compensation level and incentive design; review and evaluate management-developed market data and recommendations on compensation levels, incentive mix, and incentive design for NEOs and certain other executives (excluding the CEO); develop the selection criteria and recommend comparator companies for executive compensation and performance comparisons; provide information on executive compensation

trends and their implications to Williams; and provide competitive market data and advice on non-employee director compensation.

The Compensation Committee evaluates the independence of Frederic W. Cook & Co., including consideration of the factors specified in Rule 10C-1 under the Exchange Act and the NYSE's rules to ensure that the advisors maintain objectivity and independence when rendering advice to the Committee. Frederic W. Cook & Co. does not provide any additional services to Williams. The compensation consultant reports to the Compensation Committee and is independent of management. The Compensation Committee has determined that the services Frederic W. Cook & Co. provides to the Committee are not subject to a conflict of interest.

Table of Contents

Responsibilities

The Nominating and Governance Committee:

develops and recommends to the Board director qualifications;

identifies and recommends to the Board director candidates;

reviews candidates recommended or nominated by stockholders;

recommends to the Board the individual, or individuals, to be the Chairman of the Board and the CEO;

reviews the CEO's recommendations for individuals to be officers;

reviews annually succession plans for the positions of CEO and certain other executives;

monitors significant developments in the regulation and practice of corporate governance;

reviews the size and composition of the Board and its committees and recommends to the Board any changes;

determines if a Lead Director shall be designated, and if so determined, recommends a director to serve as Lead Director;

conducts a preliminary review of director independence and the financial literacy and expertise of the Audit Committee members;

recommends assignments to the Board committees;

oversees and assists the Board in the review of the Board's performance and reviews its own performance;

annually reviews each standing committee's charter, the Corporate Governance Guidelines, and the Williams Code of Business Conduct;

oversees and reviews risks relating to Williams' ethics and compliance programs and annually reviews Williams' policies and procedures regarding compliance with the Code of Business Conduct and the results of the Code of Business Conduct and Ethics survey;

reviews, on an annual basis, the implementation and effectiveness of the Company's ethics and compliance program with the General Counsel, and, as applicable, considers any actual and alleged violations of the codes of conduct, including any matters involving criminal or potential criminal conduct communicated by the General Counsel to the committee;

reviews stockholder proposals and recommends responses to the Board;

reviews our directors' current service and requests to serve on boards of other companies; and

reviews annually the performance of individual directors.

Responsibilities

The Safety Committee

oversees, considers, and evaluates all matters related to safety ("Safety Matters") and engages directly with the Company's management and its advisors, who will from time-to-time provide reports, analyses, and other information as may be requested by the Safety Committee;

to the extent deemed advisable by the Safety Committee, engages independent advisors to serve the Safety Committee's needs, at the Company's expense, and enter into on behalf of the Company engagement agreements with any such advisors; and

makes recommendations to the full Board as to any actions to be taken with respect to Safety Matters.

The Williams Companies, Inc. 2016 Proxy Statement 14

Table of Contents

Consideration of Nominees

The process for selecting a director nominee starts with a preliminary assessment of each candidate based upon his/her resume and other biographical and background information, and his/her willingness to serve. The Committee considers prior Williams Board performance and contributions for any director nominee who is a current or former Board member. A candidate's qualifications are then evaluated against the criteria set forth in Proposal 1 Election of Directors, as well as the specific needs of Williams at the time. Qualified candidates are interviewed by the Chairman of the Board and at least one member of the Nominating and Governance Committee. Candidates may then meet with other members of the Board and senior management. At the conclusion of this process, the Nominating and Governance Committee may recommend and the Board act to appoint the candidate to the Board and recommend him or her for election by our stockholders at the next annual meeting.

The Nominating and Governance Committee uses the same process to evaluate all candidates regardless of the source of the nomination. The Committee has currently engaged nationally recognized search firm Spencer Stuart to identify and evaluate potential director nominees.

Stockholder Recommendation of Nominees

The Nominating and Governance Committee will consider written recommendations from stockholders for director nominations. If you wish to recommend a candidate for consideration of the Nominating and Governance Committee, please forward the candidate's name and a detailed description of the candidate's qualifications, a document indicating the candidate's willingness to serve, and evidence that you own Williams' stock to: The Williams Companies, Inc., One Williams Center, MD 47, Tulsa, Oklahoma 74172, Attn: Corporate Secretary. A stockholder wishing to nominate a director candidate for election at the annual meeting of stockholders must comply with the notice and other requirements described above under the question *May I propose actions for consideration at the 2017 meeting of stockholders?*

Table of Contents

PROPOSAL 1 ELECTION OF DIRECTORS

The Board unanimously recommends a vote **FOR** the election of the directors named in Proposal 1.

Our restated certificate of incorporation provides that the Board must consist of between five and 17 members, with the actual number of directors at any time to be determined by the Board. Our Board is declassified; each director nominee is considered for a term expiring at the Company's next annual meeting. Unless otherwise instructed, the individuals designated by the Board as proxies intend to vote to elect Messrs. Armstrong, Bergstrom, Chazen, Ragauss, Sheffield, Smith and Spence, Dr. Cooper, and Ms. Stoney. Should any of these nominees become unable for any reason to stand for election as a director, the designated proxies will vote to elect another nominee recommended by the Nominating and Governance Committee. Alternatively, the Board may choose to reduce its size.

Director and Nominee Experience and Qualifications

At each of its regularly scheduled meetings, in satisfaction of our Corporate Governance Guidelines, the Nominating and Governance Committee evaluates the composition of the Board to assess 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. While the Nominating and Governance Committee does not have a formal diversity policy, it 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, and annually assesses the diversity of the Board as part of the director selection and nomination process. 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. For Board membership, the Nominating and Governance Committee considers the appropriate balance of experience, skills, and characteristics that best suits the needs of the Company and our stockholders. The Committee develops long-term Board succession plans to ensure that the appropriate balance is maintained.

The minimum qualifications and attributes that the Nominating and Governance Committee believes a director nominee must possess include:

an understanding of business and financial affairs and the complexities of a business organization,

genuine interest in Williams and in representing all of its stockholders,

a willingness and ability to spend the time required to function effectively as a director,

an open-minded approach and the resolve to make independent decisions on matters presented for consideration,

a reputation for honesty and integrity beyond question,

independence as defined by the NYSE, and qualifications otherwise required in accordance with applicable law or regulation,

strong intellectual capital, performance enhancing ideas, and strong networks that contribute to stockholder value,

ability to enhance decision-making process by bringing respected knowledge, understanding of rigorous analysis, and constructive engagement,

keen awareness that Board meetings must be productive in order to maintain a high level of governance, and

demonstrated seasoned judgment for decisions involving broad and multi-faceted issues.

The Williams Companies, Inc. 2016 Proxy Statement 16

Table of Contents

In evaluating the director nominees and in reviewing the qualifications and experience of the directors continuing in office, the Nominating and Governance Committee considered a variety of factors. These include each nominee's independence, financial literacy, personal and professional accomplishments, and experience in light of the needs of the Company. For incumbent directors, the factors also include past performance on the Board. Among other things, the Board has determined that it is important to have individuals on the Board with the following skills and experiences:

Oil, Natural Gas, and Petrochemicals Industry	Legal
Engineering and Construction	Public Policy and Government
Financial and Accounting	Strategy Development and Risk Management
Corporate Governance	Operating
Securities and Capital Markets	Human Resource Management
Executive Leadership	Information Technology

Marketplace Knowledge (knowledge of the marketplace and political and regulatory environments relevant to the energy sector in the locations where we operate currently or plan to in the future)
We have included on the following pages certain information about the nominees for election as directors.

The Williams Companies, Inc. 2016 Proxy Statement 17

Table of Contents

<p>ALAN S. ARMSTRONG</p> <p>Director since 2011</p>	<p>A strong, accomplished leader and industry visionary, Alan S. Armstrong, 54, became a director and Chief Executive Officer and President in 2011. During his tenure, Williams has expanded its reach, currently touching about 30 percent of all U.S. natural gas volumes, through gathering, processing, transportation and storage services. In addition, Williams has been recognized with major awards, including Platt's Global Energy Awards 2014 Deal of the Year and 2015 Midstream Leader Award, and the FORTUNE 2015 Most Admired U.S. Energy Company. Mr. Armstrong also serves as Chairman of the Board and Chief Executive Officer for Williams Partners L.P., the master limited partnership that owns most of Williams' gas pipeline and domestic midstream assets. Prior to being named as Williams' CEO, Mr. Armstrong led the Company's North American midstream and olefins businesses through a prosperous period of growth and expansion as Senior Vice President Midstream. Previously, Mr. Armstrong served as Vice President of Gathering and Processing from 1999 to 2002; Vice President of Commercial Development from 1998 to 1999; Vice President of Retail Energy Services from 1997 to 1998 and Director of Commercial Operations for the company's midstream business in the Gulf Coast region from 1995 to 1997. He joined Williams in 1986 as an engineer. Mr. Armstrong serves on the Board of Directors of the American Petroleum Institute, the Board of Directors of BOK Financial Corporation and as a member of the National Petroleum Council and the Business Roundtable. He is a former board member of Access Midstream Partners, GP, LLC. and also served as the 2015 Board Chair of the Tulsa Regional Chamber. Mr. Armstrong also serves as board member and past Chairman of the Board of Visitors for the University of Oklahoma's College of Engineering. He serves on the Boards of Directors of several education-focused organizations: Junior Achievement, USA; Junior Achievement of Oklahoma, where he also served as Chairman; Teach for America - Oklahoma; and the Oklahoma Business Education Coalition. Mr. Armstrong is also a member of the boards of The Williams Foundation and Philbrook Museum of Art. Mr. Armstrong graduated from the University of Oklahoma in 1985 with a bachelor's degree in civil engineering.</p>	<p><u>AREAS OF EXPERTISE</u></p> <p>Industry</p> <p>Engineering and Construction</p> <p>Financial and Accounting</p> <p>Corporate Governance</p> <p>Securities and Capital Markets</p> <p>Executive Leadership</p> <p>Strategy Development and Risk Management</p> <p>Operating</p> <p>Marketplace</p>
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As Chief Executive Officer and President of Williams, Chairman of the Board and Chief Executive Officer of Williams Partners L.P. and due to his various senior leadership roles at Williams, Mr. Armstrong's qualifications include industry, engineering and construction, financial and accounting, corporate governance, securities and capital markets, executive leadership, strategy development and risk management, and operating experience, and marketplace knowledge.

Knowledge

**Williams Partners L.P. merged with Access Midstream Partners, L.P. (ACMP), each subsidiaries of the Company, in February 2015 (the ACMP Merger). ACMP was the surviving entity in the Merger and changed its name to Williams Partners L.P. Unless the context indicates otherwise, references in this document to (a) Pre-merger Williams Partners will mean Williams Partners L.P. prior to its Merger into ACMP and (b) Williams Partners will refer to both ACMP prior to and after the Merger, when it changed its name to Williams Partners L.P.*

Table of Contents

STEPHEN W. BERGSTROM	<p>A seasoned executive with more than 35 years of experience in the energy and utility sectors, Stephen W. Bergstrom, 59, has served as a director of the Company since 2016. Mr. Bergstrom is well-known in the industry for his record as an outstanding operator. He is a director on the Board of American Midstream Partners GP, LLC, a natural gas gathering, processing and transporting company, and from 2013 to 2015, he served as President and Chief Executive Officer and Executive Chairman of the board of directors of the American Midstream Partners general partner. During his tenure as president and chief executive officer of American Midstream Partners, Mr. Bergstrom established a strong platform and led the company through a period of substantial growth while increasing geographic and operational diversity and enhancing fee-based cash flow. Mr. Bergstrom acted as an exclusive consultant to ArcLight Capital Partners, an energy-focused investment firm, from 2003 to 2015, assisting ArcLight in connection with its energy investments. From 1986 to 2002, Mr. Bergstrom served in several leadership roles for Natural Gas Clearinghouse, which became Dynegy Inc., a major electric utility company. Mr. Bergstrom acted in various capacities at Dynegy, ultimately serving as President and Chief Operating Officer. Mr. Bergstrom began his career with Transco Energy Company, Inc. in 1980. Mr. Bergstrom earned a Bachelor of Science in Industrial Administration from Iowa State University.</p>	<u>AREAS OF EXPERTISE</u>
Director since 2016		Industry
<u>Committees</u>		Engineering and Construction
Compensation;		Financial and
Nominating and		Accounting
Governance (Chair)		Corporate Governance
		Securities and Capital Markets
		Executive leadership
	<p>As former President and Chief Executive Officer of the American Midstream Partners general partner, former exclusive consultant to ArcLight Capital Partners and due to his various leadership roles for Natural Gas Clearinghouse, Mr. Bergstrom's qualifications include industry, engineering and construction, financial and accounting, corporate governance, securities and capital markets, executive leadership, strategy development and risk management, operating, and human resource management experience, and marketplace knowledge.</p>	Strategy Development and Risk Management
		Operating
		Human Resource
		Management

Marketplace knowledge

The Williams Companies, Inc. 2016 Proxy Statement 19

Table of Contents

<p>STEPHEN I. CHAZEN</p>	<p>A prominent figure in energy as both a corporate leader and industry advocate, Mr. Chazen, 70, has served as a director of the Company since 2016. Mr. Chazen retired as Chief Executive Officer of Occidental Petroleum Corporation, an oil and gas exploration and production company, in April 2016, and has remained on Occidental's Board of Directors, on which he has served since May 2010. During his tenure as Chief Executive Officer, Mr. Chazen recommended and implemented the company's acquisition and divestiture strategy, which was a key factor in Occidental's transformation into a major oil and gas company. He previously served as President of Occidental Petroleum from 2007 to 2015; Chief Operating Officer from 2010 to 2011; and Chief Financial Officer from 2007 to 2010. Prior to being named President and Chief Financial Officer, Mr. Chazen was Chief Financial Officer and Senior Executive Vice President from 2004 to 2007, Chief Financial Officer and Executive Vice President-Corporate Development from 1999 to 2004, and Executive Vice President-Corporate Development from 1994 to 1999. Before joining Occidental, Mr. Chazen was a Managing Director in Corporate Finance and Mergers and Acquisitions at Merrill Lynch. Mr. Chazen is a former Chairman of the American Petroleum Institute and continues to serve on its board. Mr. Chazen holds a Ph.D. in Geology from Michigan State University, a master's degree in Finance from the University of Houston and a bachelor's degree in Geology from Rutgers College.</p>	<p><u>AREAS OF EXPERTISE</u></p> <p>Industry</p> <p>Financial and Accounting</p> <p>Corporate Governance</p> <p>Securities and Capital Markets</p> <p>Executive leadership</p> <p>Public Policy and Government</p>
	<p>Director since 2016</p> <p><u>Committees</u></p> <p>Nominating and Governance</p>	<p>Mr. Chazen brings to the Williams Board decades of executive leadership experience in the oil and gas industry, as well as significant mergers and acquisition and valuation expertise. Mr. Chazen's qualifications include industry, financial and accounting, corporate governance, securities and capital markets, executive leadership, public policy and government, strategy development and risk management, operating, and human resource management experience, and marketplace knowledge.</p>

Marketplace knowledge

The Williams Companies, Inc. 2016 Proxy Statement 20

Table of ContentsAREAS OF EXPERTISE

KATHLEEN B. COOPER	<p>A proven leader in both the U.S. government and the world's largest corporations, Kathleen B. Cooper, 71, has served as a director of the Company since 2006. Currently President of Cooper Strategies International LLC, Dr. Cooper previously served as Under Secretary for Economic Affairs of the U.S. Department of Commerce from 2001 to 2005. Prior to this role, she spent ten years as Chief Economist of the Exxon Mobil Corporation, advising senior management on the global business environment and energy markets and playing a leadership role in the planning process for this top tier energy company. In addition to her accomplished leadership in the energy sector, Dr. Cooper is distinguished in the financial services industry. She serves as a director of Deutsche Bank Trust Corporation and Deutsche Bank Trust Company of the Americas, subsidiaries of Deutsche Bank AG, and was a founding director of Texas Security Bank from 2008 to 2010. Earlier in her career, she was Executive Vice President and Chief Economist of Security Pacific National Bank and Chief Economist of the United Banks of Colorado. Currently a Senior Fellow of the Tower Center for Political Studies at Southern Methodist University, Dr. Cooper's academic experience includes two years as Dean of the College of Business Administration at the University of North Texas. She holds a Ph.D. degree in economics from the University of Colorado. Dr. Cooper also has chaired the National Bureau of Economic Research in Cambridge, Massachusetts, among many professional and non-profit organizations for which she has served in leadership roles.</p> <p>As former Under Secretary for Economic Affairs at the U. S. Department of Commerce, former executive of both a Fortune 500 energy company and banking organization, and former academic dean, Dr. Cooper's qualifications include industry, financial and accounting, executive leadership, public policy and government experience, and marketplace knowledge.</p>	<p>Industry</p> <p>Financial and Accounting</p> <p>Executive Leadership</p> <p>Public Policy and Government</p> <p>Marketplace knowledge</p>
Director since 2006		
Chairman of the Board		
<u>Committees</u>		
Audit (Chair);		
Nominating and		
Governance		

Table of Contents

PETER A. RAGAUSS	<p>A respected executive with decades of energy industry leadership, Mr. Ragauss, 58, has served as a director of the Company since 2016. Mr. Ragauss retired from Baker Hughes, an oilfield services company, in November 2014 after serving eight years as Senior Vice President and Chief Financial Officer. He joined the Board of Directors of Apache Corporation in December 2014. From 2003 to 2006, prior to joining Baker Hughes, Mr. Ragauss was controller, Refining and Marketing, for BP Plc. From 2000 to 2003, he was Chief Executive Officer for Air BP. From 1998 to 2000, he was assistant to group chief executive for BP Amoco. He was vice president of Finance and Portfolio Management for Amoco Energy International when Amoco Corporation merged with BP in 1998. Earlier in his career, from 1996 to 1998, Mr. Ragauss served as vice president of Finance for El Paso Energy International. He held positions of increasing responsibility at Tenneco Inc. from 1993 to 1996, and Kidder, Peabody & Co. Incorporated from 1987 to 1993. Mr. Ragauss holds a master's degree from Harvard Business School and bachelor's degree in Mechanical Engineering from Michigan State University.</p>	<u>AREAS OF EXPERTISE</u>
Director since 2016		Industry
<u>Committees</u>		Financial and Accounting
Audit		Corporate Governance
		Securities and Capital
		Markets
		Executive Leadership
	<p>With a wealth of accounting, financial and executive experience to the Williams Board, having held senior positions including chief executive officer, chief financial officer, controller and vice president of finance, Mr. Ragauss's qualifications include industry, financial and accounting, corporate governance, securities and capital markets, executive leadership, strategic development and risk management, and information technology experience, and marketplace knowledge.</p>	Strategy Development and Risk Management
		Information Technology
		Marketplace Knowledge

Table of Contents

SCOTT D.SHEFFIELD	<p>A renowned innovator and proven executive in the global energy industry, Mr. Sheffield, 64, has served as a director of the Company since 2016. Mr. Sheffield is Chairman and Chief Executive Officer of Pioneer Natural Resources Company, an international oil and gas exploration and production company. He has served as Chief Executive Officer since August 1997 and assumed the position of Chairman of the Board of Directors in August 1999. He was President of the company from August 1997 to November 2004. Mr. Sheffield was the Chairman of the Board of Directors and Chief Executive Officer of Parker & Parsley Petroleum Company, a predecessor company of Pioneer Natural Resources Company, from January 1989 until August 1997. Mr. Sheffield joined Parker & Parsley as a petroleum engineer in 1979, was promoted to Vice President of Engineering in 1981, was elected President and a director in 1985, and became Parker & Parsley's Chairman of the Board and Chief Executive Officer in 1989. Mr. Sheffield also serves as a director of Santos Limited, an Australian exploration and production company, since 2014. He previously served as a director from 1996 to 2004 on the board of Evergreen Resources, Inc., an independent natural gas energy company. Mr. Sheffield is a distinguished graduate of The University of Texas with a Bachelor of Science degree in Petroleum Engineering.</p>	<p><u>AREAS OF EXPERTISE</u></p> <p>Industry</p> <p>Engineering and Construction</p> <p>Corporate Governance</p> <p>Securities and Capital Markets</p> <p>Executive Leadership</p>
Director since 2016		
<u>Committees</u>		
Compensation; Safety		
	<p>With more than 41 years of experience in the energy industry, including his position as Chairman of the Board and Chief Executive Officer of Pioneer Natural Resources, as well as a director on the board of Santos Limited, Mr. Sheffield's qualifications include industry, engineering and construction, corporate governance, securities and capital markets, executive leadership, strategic development and risk management, and operating experience, and marketplace knowledge.</p>	<p>Strategy Development and Risk Management</p> <p>Operating</p> <p>Marketplace Knowledge</p>

Table of Contents

MURRAY D. SMITH	<p>A highly respected political and energy industry leader in Canada, Mr. Smith, 67, has served as a director of the Company since 2012. Mr. Smith is currently president of Murray D. Smith and Associates, an energy consulting firm. Previously, he held various positions in the Canadian government. As an elected member of the Legislative Assembly of Alberta, Canada, Mr. Smith served in four different Cabinet portfolios between 1993 and 2004. As Minister of Energy of Alberta from 2001 to 2004, Mr. Smith oversaw the transformation of the electricity sector into a competitive wholesale generation market and initiated the largest industrial tax reduction in the Province's history. During his eight-year tenure on the Treasury Board of Alberta, Mr. Smith guided Alberta on its way to becoming debt free. Mr. Smith served as Representative of the Province of Alberta to the United States of America in Washington, D.C., from 2005 to 2007. In that role, Mr. Smith collaborated on significant U.S. energy legislation and participated in Senate and Congressional hearings. Prior to becoming an elected official, Mr. Smith was an independent businessman, owning a number of Alberta-based energy services companies. Currently, he is a director of Surge Energy Inc., a public oil and gas company with operations throughout Alberta and Saskatchewan and NSolv Corporation, the owner of proprietary technology for water-free oil sands in-situ extraction.</p>	<u>AREAS OF EXPERTISE</u>
Director since 2012		Industry
<u>Committees</u>		Engineering and Construction
Compensation; Safety (Chair)		Corporate Governance
		Securities and
		Capital Markets
		Executive Leadership
	<p>As a former member of the Legislative Assembly of Alberta, Canada and diplomat and now an energy consultant, Mr. Smith's qualifications include industry, engineering and construction, corporate governance, securities and capital markets, executive leadership, and public policy and government experience and marketplace knowledge.</p>	Public Policy and
		Government
		Marketplace knowledge

Table of Contents

	<p>Bringing more than three decades of executive leadership experience in the global utility industry, Mr. Spence, 59, has served as a director of the Company since 2016. Mr. Spence is Chairman, President and Chief Executive Officer of PPL Corporation, where he leads distribution and transmission subsidiaries of one of the largest companies in the U.S. utility sector. The PPL family of companies delivers electricity and natural gas to approximately 10 million customers in the United States and the United Kingdom. Since joining PPL in 2006 as Executive Vice President and Chief Operating Officer, Mr. Spence has led the corporation through a period of significant growth and expansion. He was named President and CEO in 2011 and Chairman in 2012. Previously, he served in several senior management positions with Pepco Holdings, Inc., including president of Conectiv Energy and president of Pepco Energy Services. Mr. Spence currently serves on the board of the Electric Power Research Institute, the Executive Committee of the Edison Electric Institute and as co-chairman of EEI's CEO Policy Committee on Reliability and Business Continuity. He is a member of both EEI's CEO Policy Committee on Environment and the Electricity Subsector Coordinating Council, which serves as the principal liaison between the federal government and the electric power sector to protect the grid from cyber and physical threats to critical infrastructure. Mr. Spence serves on the executive board of the Lehigh Valley Partnership, as a trustee adviser to the Delaware Museum of Natural History and as a council member of the Pennsylvania Society. He is a member of the executive committee of the Downtown Allentown Community Development Initiative and serves on Allentown School District's Building 21 Executive Committee. Mr. Spence earned a bachelor's degree in petroleum and natural gas engineering from The Pennsylvania State University and a master's degree in business administration from Bentley College. He is a graduate of the Executive Development Program at the University of Pennsylvania's Wharton School and the Nuclear Technology Program of the Massachusetts Institute of Technology.</p>	<u>AREAS OF EXPERTISE</u>
<p>WILLIAM H. SPENCE</p>		Industry
<p>Director since 2016</p>		Engineering and
<p><u>Committees</u></p>		Construction
<p>Audit;</p>		Corporate Governance
<p>Safety</p>		Executive Leadership
		Public Policy and
		Government
		Strategy Development and Risk Management
		Operating
		Marketplace knowledge
	<p>As Chairman, President and Chief Executive Officer of PPL Corporation, former Executive Vice President and Chief</p>	

Operating Officer of PPL Corporation, and due to his several senior management positions with Pepco Holdings, Inc., Mr. Spence's qualifications include industry, engineering and construction, corporate governance, executive leadership, public policy and government, strategy development and risk management, and operating experience, and marketplace knowledge.

The Williams Companies, Inc. 2016 Proxy Statement 25

Table of Contents

JANICE D. STONEY	<p>Recognized as one of the 100 most influential U.S. board leaders, Ms. Stoney, 76, has served as a director of the Company since 1999. In 1993, Ms. Stoney retired as Executive Vice President of US West Communications Group, Inc. following a 33-year career marked by senior officer positions at US West and its subsidiary, Northwestern Bell. These positions include President, Consumer Division, of US West and President, Chief Executive Officer and Chief Operating Officer of Northwestern Bell. Highly regarded for her track record of leadership, Ms. Stoney in 1994 was nominated to run for the U.S. Senate as a Republican representing Nebraska. In 2016, the National Association of Corporate Directors (NACD) named Ms. Stoney to its list of the 100 most influential people in the boardroom community. Through 22 years as a director in manufacturing, consumer products, retailing, and investment-fund industries, Ms. Stoney brings extensive experience with director searches, CEO and management succession, management development, executive compensation, and strategic planning, including as chair of compensation and audit committees. Ms. Stoney was a director of Whirlpool Corporation from 1987 to 2011 and has served on the Federal Reserve Bank, Tenth District, Omaha Branch, and chaired the Omaha Community Foundation.</p>	<p><u>AREAS OF EXPERTISE</u></p> <p>Corporate Governance</p> <p>Executive Leadership</p> <p>Public Policy and Government</p> <p>Strategy Development and Risk Management</p> <p>Operating</p>
Director since 1999		
<u>Committees</u>		
Compensation (Chair)	<p>As a top executive in a major U.S. telecommunications company, and through her engagement in the political process, Ms. Stoney's qualifications include corporate governance, executive leadership, public policy and government, strategy development and risk management, operating, and human resource management experience.</p>	<p>Human Resource Management</p>

Table of Contents**Security Ownership of Certain Beneficial Owners and Management**

The following table sets forth information concerning beneficial ownership by holders of more than five percent of our common stock. Unless otherwise indicated, the persons named have sole voting and investment power with respect to the shares listed.

Name	Number of Shares of Common Stock	Percent of Class (4)
BlackRock, Inc. (1)	39,077,588	5.20%
FMR LLC (2)	76,828,500	10.23%
The Vanguard Group (3)	43,934,329	5.85%

- (1) According to a Schedule 13G filed with the SEC on February 9, 2016, BlackRock, Inc., a Delaware corporation may beneficially own the shares of common stock listed in the table above. The 13G indicates that BlackRock, Inc. may have sole voting power over 32,810,001 shares of our common stock and sole dispositive power over 39,077,588 shares of our common stock. The address of BlackRock, Inc. is 55 East 52nd Street, New York, New York 10055.
- (2) According to a Schedule 13G filed with the SEC on September 12, 2016, FMR LLC may beneficially own the shares of common stock listed in the table above. The 13G indicates that FMR LLC may have sole voting power over 7,406,055 shares of our common stock and sole dispositive power over 76,828,500 shares of our common stock. The address of FMR LLC is 245 Summer Street, Boston, Massachusetts 02210.
- (3) According to a Schedule 13G/A filed with the SEC on February 11, 2016 (as amended, the Vanguard 13G), The Vanguard Group, an investment advisor, may beneficially own the shares of common stock listed in the table above. The Vanguard 13G indicates that The Vanguard Group may have sole voting power over 1,353,754 shares of our common stock, sole dispositive power over 42,561,560 shares of our common stock, shared voting power over 70,200 shares of our common stock, and shared dispositive power over 1,372,769 shares of our common stock. The address of The Vanguard Group is 100 Vanguard Boulevard, Malvern, Pennsylvania 19355.
- (4) Ownership percentage is reported based on 750,883,424 shares of common stock outstanding on October 7, 2016.

Table of Contents

The following table sets forth, as of October 7, 2016, the number of shares of our common stock beneficially owned by each of our directors and nominees for directors, by the NEOs, and by all directors and executive officers as a group.

Name of Individual or Group	Shares of Williams Common Stock Owned Directly or Indirectly	Williams Shares Underlying Stock Options (1)	Williams Shares Underlying RSUs (2)	Total	Percent of Class (3)
Alan S. Armstrong (4)	338,998	767,804		1,106,802	*
Stephen W. Bergstrom			4,144	4,144	*
Donald R. Chappel	310,991	724,956	31,432	1,067,379	*
Stephen I. Chazen			3,428	3,428	*
Joseph R. Cleveland (5)	30,543		16,881	47,424	*
Kathleen B. Cooper	35,945	5,527	12,010	53,482	*
John A. Hagg	13,848		16,881	30,729	*
Juanita H. Hinshaw (6)	61,572		5,604	67,176	*
Rory L. Miller	119,780	251,663	21,201	392,644	*
Robert S. Purgason		83,659	10,945	94,604	*
Peter A. Ragauss			3,428	3,428	*
John D. Seldenrust		4,126		4,126	*
Scott D. Sheffield			4,144	4,144	*
Murray D. Smith (7)	19,998		16,881	36,879	*
William H. Spence			4,144	4,144	*
Janice D. Stoney (8)	71,710		37,021	108,731	*
All directors and executive officers as a group (22 persons)	1,220,072	2,528,700	226,939	3,975,711	*%

* Less than 1%

- (1) The SEC deems a person to have beneficial ownership of all shares that the person has the right to acquire within 60 days. Amounts reflect shares that may be acquired upon the exercise of stock options granted under Williams' current or previous equity plans that are currently exercisable, will become exercisable, or would become exercisable upon the voluntary retirement of such person, within 60 days of October 7, 2016.
- (2) The SEC deems a person to have beneficial ownership of all shares that the person has the right to acquire within 60 days. Amounts reflect shares that would be acquired upon the vesting of restricted stock units (RSUs) granted under Williams' current or previous equity plans that will vest or that would vest upon the voluntary retirement of such person, within 60 days of October 7, 2016. RSUs have no voting or investment power.

- (3) Ownership percentage is reported based on 750,883,424 shares of common stock outstanding on October 7, 2016, plus, as to the holder thereof only and no other person, the number of shares (if any) that the person has the right to acquire as of October 7, 2016, or within 60 days from that date, through the exercise of all options and other rights.
- (4) Includes 34,264 shares held in the Alan and Shelly S. Armstrong Family Foundation dated December 16, 2015, Alan S. and Shelly S. Armstrong, Trustees.
- (5) Includes 3,047 shares held in the Joe R. Cleveland and Evelyn Cleveland Family Trust dated November 21, 2008, Joe R. and Evelyn Cleveland, Trustees.
- (6) Includes 9,640 shares held in the Juanita H. Hinshaw Revocable Trust dated January 27, 1998, Juanita H. Hinshaw, Trustee.
- (7) Includes 10,150 shares held by Murray D. Smith and Associates Limited.
- (8) Includes 70,710 shares held in the Larry and Janice Stoney Family Trust dated March 25, 2008, Larry D. & Janice D. Stoney, Trustees.

Table of Contents

The following table sets forth, as of October 7, 2016, the number of common units of Williams Partners L.P. beneficially owned by each of our directors and nominees for directors, by the NEOs, and by all directors and executive officers as a group. None of the persons in the table below own any Class B Convertible Units of Williams Partners L.P.

Name of Individual or Group	Williams Partners Common Units Owned Directly	Percent of Class (1)
Alan S. Armstrong (2)	32,334	*
Stephen W. Bergstrom		*
Donald R. Chappel	19,574	*
Stephen I. Chazen		*
Joseph R. Cleveland (3)	1,733	*
Kathleen B. Cooper		*
John A. Hagg		*
Juanita H. Hinshaw	2,159	*
Rory L. Miller	1,752	*
Robert S. Purgason	29,726	*
Peter A. Ragauss		*
John D. Seldenrust	1,262	*
Scott D. Sheffield		*
Murray D. Smith		*
William H. Spence		*
Janice D. Stoney (4)	7,620	*
All directors and executive officers as a group (22 persons)	105,518	*

* Less than 1%.

(1) Ownership percentage is reported based on 595,916,792 common units, which is the number of common units outstanding on October 7, 2016.

(2) 23,667 units are held in the Alan Stuart Armstrong Trust dated June 16, 2010, with Alan Armstrong as trustee, and 8,667 units are held in the Shelly Stone Armstrong Trust dated June 16, 2010, with Shelly Armstrong as trustee.

(3) Units are held in the Joe R. Cleveland and Evelyn Cleveland Family Trust dated November 21, 2008, Joe R. and Evelyn Cleveland, Trustees.

(4) Units are held in the Larry and Janice Stoney Family Trust dated March 25, 2008, Larry D. and Janice D. Stoney, Trustees.

Section 16(a) Beneficial Ownership Reporting Compliance

Section 16(a) of the Exchange Act requires the Company's directors and certain of its officers to file reports of their ownership of Williams common stock and of changes in such ownership with the SEC. Regulations also require Williams to identify in this proxy statement any person subject to this requirement who failed to file any such report

on a timely basis. Based solely on a review of the copies of such reports furnished to the Company and written representations from certain reporting persons, we believe that all of our officers, directors, and greater than 10 percent stockholders complied with all Section 16(a) filing requirements applicable to them during the fiscal year ended December 31, 2015.

Table of Contents**Named Executive Officer Profiles**

The following profiles provide biographical information and summarize total targeted compensation for 2015 for our NEOs. These profiles are provided in addition to the detailed compensation tables required by the SEC.

ALAN S.**ARMSTRONG****Chief Executive Officer
and President****Position held since 2011****Stock ownership (1)**

>6x base salary

**Performance-based
compensation (2)**

69% of total

compensation

A strong, accomplished leader and industry visionary, Alan S. Armstrong, 54, became a director and Chief Executive Officer and President in 2011. During his tenure, Williams has expanded its reach, currently touching about 30 percent of all U.S. natural gas volumes, through gathering, processing, transportation and storage services. In addition, Williams has been recognized with major awards, including Platt's Global Energy Awards 2014 Deal of the Year and 2015 Midstream Leader Award, and the FORTUNE 2015 Most Admired U.S. Energy Company. Mr. Armstrong also serves as Chairman of the Board and Chief Executive Officer for Williams Partners L.P., the master limited partnership that owns most of Williams' gas pipeline and domestic midstream assets. Prior to being named as Williams' CEO, Mr. Armstrong led the Company's North American midstream and olefins businesses through a prosperous period of growth and expansion as Senior Vice President - Midstream. Previously, Mr. Armstrong served as Vice President of Gathering and Processing from 1999 to 2002; Vice President of Commercial Development from 1998 to 1999; Vice President of Retail Energy Services from 1997 to 1998 and Director of Commercial Operations for the company's midstream business in the Gulf Coast region from 1995 to 1997. He joined Williams in 1986 as an engineer. Mr. Armstrong serves on the Board of Directors of the American Petroleum Institute, the Board of Directors of BOK Financial Corporation and as a member of the National Petroleum Council and the Business Roundtable. He is a former board member of Access Midstream Partners, GP, LLC. and also served as the 2015 Board Chair of the Tulsa Regional Chamber. Mr. Armstrong also serves as board member and past Chairman of the Board of Visitors for the University of Oklahoma's College of Engineering. He serves on the Boards of Directors of several education-focused organizations: Junior Achievement, USA; Junior Achievement of Oklahoma, where he also served as Chairman; Teach for America Oklahoma; and the Oklahoma Business Education Coalition. Mr. Armstrong is also a member of the boards of The Williams Foundation and Philbrook Museum of Art. Mr. Armstrong graduated from the University of Oklahoma in 1985 with a bachelor's degree in civil engineering.

2015 Target Compensation (1)

2015 Target Compensation (3)

Long-Term Incentives (LTI)	\$5,750,000
Performance-based RSUs	\$3,162,500
Time-based RSUs	\$1,437,500
Stock Options	\$1,150,000
Short-Term Incentive at Target	
Annual Incentive Program (AIP)	\$1,400,000
Base Pay	<u>\$1,120,000</u>
Total Target Compensation	\$8,270,000
Retirement Benefits	
Pension (year-over-year change)	(\$144,401)
Restoration Plan (year-over-year change)	(\$431,144)
401(k) Company Match	\$15,600

Payment Upon Termination (as of Dec 31, 2015)

Voluntary Termination	\$0
Termination with Cause	\$0
Involuntary Termination without Cause	
Retirement	\$8,828,652
Death or Disability	\$0
Change in Control	\$8,828,562
	\$19,625,547

- (1) Mr. Armstrong's ownership in our common stock exceeded the required CEO ownership threshold of six times base salary.
- (2) Performance-based compensation includes performance-based RSUs, stock options, and AIP.
- (3) 2015 Target Compensation reflects target pay and consists of annual base pay, Annual Incentive Program (AIP) at target, and the targeted long-term incentive grant. These amounts will differ from the Summary Compensation Table. The retirement benefits are valued in the same manner shown in the Summary Compensation Table.

Table of Contents**DONALD R.****CHAPPEL****Senior Vice President &
Chief Financial Officer**

Prior to joining Williams, Mr. Chappel, 64, held various financial, administrative, and operational leadership positions. Mr. Chappel has served as a director of the general partner of Williams Partners since 2012 and as Chief Financial Officer of the general partner of Williams Partners since December 31, 2014. From 2002 to 2014, Mr. Chappel served as a member of the Management Committee of Northwest Pipeline LLC (an interstate natural gas transmission company indirectly owned by Williams Partners) since 2007. Mr. Chappel served as Chief Financial Officer and a director of the general partner of Pre-merger Williams Partners from 2005 until the ACMP Merger. Mr. Chappel was Chief Financial Officer from 2007 and a director from 2008 of the general partner of Williams Pipeline Partners L.P. (WMZ), until its merger with Pre-merger Williams Partners in 2010. Mr. Chappel is a director of SUPERVALU, Inc. (a grocery and pharmacy company).

2015 Target Compensation (1)**Position held since 2003****Stock ownership (1)**

>3x base salary

Performance-based**compensation (2)**

57% of total

compensation

2015 Target Compensation (3)

Long-Term Incentives (LTI)	\$2,000,000
Performance-based RSUs	\$900,000
Time-based RSUs	\$700,000
Stock Options	\$400,000
Short-Term Incentive at Target	
Annual Incentive Program (AIP)	\$506,250
Base Pay	<u>\$675,000</u>
Total Target Compensation	\$3,181,250

Retirement Benefits

Pension (year-over-year change)	(\$29,133)
Restoration Plan (year-over-year change)	(\$229,739)
401(k) Company Match	\$15,600

Payment Upon Termination (as of Dec 31, 2015)

Voluntary Termination	\$0
Termination with Cause	\$0
Involuntary Termination without Cause	\$4,244,714
Retirement	\$0
Death or Disability	\$4,244,714
Change in Control	\$9,570,891

- (1) Mr. Chappel's ownership in our common stock exceeded the required NEO ownership threshold of three times base salary.
- (2) Performance-based compensation includes performance-based RSUs, stock options, and AIP.
- (3) 2015 Target Compensation reflects target pay and consists of annual base pay, AIP at target, and the targeted long-term incentive grant. These amounts will differ from the Summary Compensation Table. The retirement benefits are valued in the same manner shown in the Summary Compensation Table.

Table of Contents**ROBERT S. PURGASON****Senior Vice President -
Central OA and
Operational Excellence**

Mr. Purgason, 60, has served as a director of the general partner of Williams Partners since 2012 and as Senior Vice President-Access of the general partner of Williams Partners since the ACMP Merger. Mr. Purgason served as Chief Operating Officer of the general partner of Williams Partners from 2010 until the ACMP Merger. Prior to joining the general partner of Williams Partners, Mr. Purgason spent five years at Crosstex Energy Services, L.P. (an independent midstream energy company engaged in the gathering, transmission, treating, processing and marketing of natural gas and natural gas liquids) and was promoted to Senior Vice President - Chief Operating Officer in 2006. Prior to Crosstex, Mr. Purgason spent 19 years with us in various senior business development and operational roles. Mr. Purgason began his career at Perry Gas Companies in Odessa, Texas working in all facets of the natural gas treating business. Mr. Purgason has also served on the Board of Directors of L.B. Foster Company (a manufacturer, fabricator, and distributor of products and services for the rail, construction, energy, and utility markets) since December 2014.

Position held since 2015**Stock ownership (1)**

<3x base salary

2015 Target Compensation (1)**Performance-based
compensation (2)**

55% of total

Compensation

2015 Target Compensation (3)

Long-Term Incentives (LTI)	\$1,400,000
Performance-based RSUs	\$630,000
Time-based RSUs	\$490,000
Stock Options	\$280,000
Short-Term Incentive at Target	
Annual Incentive Program (AIP)	\$385,000
Base Pay	<u>\$550,000</u>

Total Target Compensation	\$2,435,000
Retirement Benefits	
Pension (year-over-year change)	\$39,935
Restoration Plan (year-over-year change)	\$48,741
401(k) Company Match	\$15,600

Payment Upon Termination (as of Dec 31, 2015)

Voluntary Termination	\$0
Termination with Cause	\$0
Involuntary Termination without Cause	\$3,838,575
Retirement	\$2,128,889
Death or Disability	\$3,838,575
Change in Control	\$7,503,564

- (1) Mr. Purgason's ownership in our common stock did not meet the required NEO ownership threshold of three times base salary. Mr. Purgason joined the company with the ACMP acquisition.
- (2) Performance-based compensation includes performance-based RSUs, stock options, and AIP.
- (3) 2015 Target Compensation reflects target pay and consists of annual base pay, AIP at target, and the targeted long-term incentive grant. These amounts will differ from the Summary Compensation Table. The retirement benefits are valued in the same manner shown in the Summary Compensation Table.

Table of Contents**JOHN D.
SELDENRUST**

Mr. Seldenrust, 52, served as Senior Vice President - Eastern Operations for us from January 2015 to July 2015, and for Williams Partners from 2013 to July 2015. Mr. Seldenrust also previously served in a variety of operations and engineering leadership roles at Williams Partners and Chesapeake Energy Corporation (an oil and natural gas liquids producer) from 2004 to August 2013. Prior to joining Chesapeake, Mr. Seldenrust held reservoir, production and facilities engineering positions with ARCO Oil & Gas, Vastar Resources and BP America.

Senior Vice President -

**E&C (Engineering &
Construction)**

2015 Target Compensation (1)**Position held since 2015****Stock ownership (1)**

<3x base salary

**Performance-based
compensation (2)**

61% of total

compensation

2015 Target Compensation (3)

Long-Term Incentives (LTI)	\$1,400,000
Performance-based RSUs	\$630,000
Time-based RSUs	\$490,000
Stock Options	\$280,000
Short-Term Incentive at Target Annual Incentive Program (AIP)	\$332,500

Special Incentive (4)	\$250,000
Base Pay	<u>\$475,000</u>
Total Target Compensation	\$2,457,500
Retirement Benefits	
Pension (year-over-year change)	\$30,673
Restoration Plan (year-over-year change)	\$25,106
401(k) Company Match	\$15,600

Payment Upon Termination (as of Dec 31, 2015)

Voluntary Termination	\$0
Termination with Cause	\$0
Involuntary Termination without Cause	\$3,202,828
Retirement	\$0
Death or Disability	\$3,202,828
Change in Control	\$6,538,931

- (1) Mr. Seldenrust's ownership in our common stock did not meet the required NEO ownership threshold of three times base salary. Mr. Seldenrust joined the company with the ACMP acquisition.
- (2) Performance-based compensation includes performance-based RSUs, stock options, AIP, and special incentive.
- (3) 2015 Target Compensation reflects target pay and consists of annual base pay, AIP at target, and the targeted long-term incentive grant. These amounts will differ from the Summary Compensation Table. The retirement benefits are valued in the same manner shown in the Summary Compensation Table. The target compensation models a full year of compensation. Mr. Seldenrust was promoted to Senior Vice President - E&C mid-year 2015.
- (4) Details on Mr. Seldenrust's special incentive can be found in the Compensation Discussion and Analysis under John Seldenrust Special Incentive Payment .

Table of Contents**RORY L.
MILLER****Senior Vice President -
Atlantic - Gulf**

Mr. Miller, 56, was Senior Vice President Midstream of Williams and the general partner of Pre-merger Williams Partners, acting as President of Williams midstream business, from 2011 until 2013. Mr. Miller was a Vice President of Williams midstream business from 2004 until 2011. Mr. Miller served as a director and Senior Vice-President Atlantic-Gulf of the general partner of Pre-merger Williams Partners from 2011 until the ACMP Merger and has served in those roles for the general partner of Williams Partners since the ACMP Merger. Mr. Miller has also served as a member of the Management Committee of Transcontinental Gas Pipe Line Company, LLC (an interstate natural gas transmission company indirectly owned by Williams Partners), since 2013.

Position held since 2013**Stock ownership (1)**

>3x base salary

2015 Target Compensation (1)**Performance-based
compensation (2)**

57% of total

compensation

2015 Target Compensation (3)

Long-Term Incentives (LTI)	\$1,500,000
Performance-based RSUs	\$675,000
Time-based RSUs	\$525,000
Stock Options	\$300,000
Short-Term Incentive at Target	
Annual Incentive Program (AIP)	\$343,000
Base Pay	\$490,000
Total Target Compensation	\$2,333,000
Retirement Benefits	
Pension (year-over-year change)	(\$122,445)

Restoration Plan (year-over-year change)	(79,285)
401(k) Company Match	\$15,600

Payment Upon Termination (as of Dec 31, 2015)

Voluntary Termination	\$0
Termination with Cause	\$0
Involuntary Termination without Cause	\$2,540,765
Retirement	\$2,152,670
Death or Disability	\$2,540,765
Change in Control	\$6,132,444

- (1) Mr. Miller's ownership in our common stock exceeded the required NEO ownership threshold of three times base salary.
- (2) Performance-based compensation includes performance-based RSUs, stock options, and AIP.
- (3) 2015 Target Compensation reflects target pay and consists of annual base pay, AIP at target, and the targeted long-term incentive grant. These amounts will differ from the Summary Compensation Table. The retirement benefits are valued in the same manner shown in the Summary Compensation Table.

Table of Contents

Compensation Discussion & Analysis

The Compensation Discussion and Analysis (CD&A) provides a detailed description of the objectives and principles of Williams' executive compensation programs. It explains how compensation decisions are linked to performance as compared to the Company's strategic goals and stockholder interests. Generally, Williams' executive compensation programs apply to all officers; however, this CD&A focuses on the Named Executive Officers (NEOs) for the Company for the 2015 fiscal year. The NEOs for the Company for the 2015 fiscal year are Mr. Armstrong, Mr. Chappel, Mr. Purgason, Mr. Seldenrust, and Mr. Miller.

We seek stockholder support on our executive compensation pay programs annually. In 2015, our stockholders supported our programs with 98.04 percent for votes. In considering this positive response, along with our analysis of the competitive market, we have not made any material changes to our overall executive compensation program.

Our Commitment to Pay for Performance

Pay for Performance

We design our compensation programs to support our commitment to performance. At target, 76 percent or more of an NEO's compensation will vary based on our company performance.

The Summary Compensation Table provides required disclosures for the calendar years 2013, 2014, and 2015. The values provided for 2015 primarily reflect compensation program design decisions made in late 2014 and early 2015, which was before the significant downturn in the energy industry and the impact to Williams from the energy commodity price environment. These disclosures do not highlight how the recent industry downturn has impacted our Chief Executive Officer (CEO) and NEOs. We want to highlight how our CEO's compensation has been impacted.

Table of Contents

The largest component of compensation for our CEO and NEOs is long-term incentive compensation in the form of equity awards, specifically designed to align our executive team with the experience of our stockholders. The 2015 equity awards were granted on February 23, 2015, well before the changing environment impacted Williams. As required, the Summary Compensation Table disclosure related to these awards reflects the value of the awards on the date of the grant, not the current value. The following demonstrates the difference in grant date values disclosed and the actual values of WMB stock on December 31, 2015 and, more recently, on September 19, 2016 for our CEO:

Alan Armstrong - CEO**Disclosed Grant Date Values Compared to Actual Values**

Grant Year	Disclosed Grant Date Value	December 31, 2015 Value	Decline from		
			Grant Date Value	September 19, 2016 Value (1)	Decline from Grant Date Value
2015	\$ 5,235,556	\$ 2,680,716	49%	\$ 3,129,240	40%
2014	8,242,083	4,273,139	48%	4,988,100	39%
2013	4,073,615	3,182,765	22%	617,106	85%

(1) The September 19, 2016 equity value includes the 2013 performance-based RSU result of just 3.53% of target and values the 2013 RSU awards as of the date of vesting and distribution.

If we expand this analysis to include all of our CEO's outstanding WMB equity awards as of December 31, 2015, not just the awards from 2013, 2014 and 2015, the impact is even greater as detailed in the table below:

Alan Armstrong - CEO**Disclosed Grant Date Values Compared to Actual Values**

	June 30, 2015 Value	December 31, 2015		September 19, 2016			
		Value	Decline in Value	Value (1)	Decline in Value		
Equity Value	\$ 47,760,063	\$ 12,934,436	\$ 34,825,627	73%	\$ 13,030,902	\$ 34,729,161	73%

(1) The September 19, 2016 equity value includes the 2013 performance-based RSU result of just 3.53% of target and values the 2013 RSU awards as of the date of vesting and distribution.

The decline in outstanding equity award value experienced by Mr. Armstrong well exceeds the total compensation disclosed for the calendar years 2013 through 2015 in the Summary Compensation Table.

The details provided above demonstrate how the design of our executive compensation program reflects our focus on pay for performance and aligns our CEO and NEOs with our stockholders.

Long-term Incentives

Our most significant differentiator in performance is within our equity awards. We use equity awards to align compensation with the long-term interests of our stockholders. Equity awards consist of performance-based restricted stock units (RSUs), time-based RSUs, and stock options. The largest component of an NEO's long-term incentive award is performance-based RSUs. Both relative and absolute total stockholder return (TSR) are used to determine the actual number of units that will be distributed to an NEO upon vesting. We are unique among our comparator companies in measuring both relative and absolute TSR to determine results and ultimately the number of units that vest. Relative

TSR gauges our TSR performance relative to our comparator companies while absolute TSR requires that we deliver a strong absolute TSR to our stockholders. In February 2015, the performance-based RSUs granted in 2012 for the performance period 2012 through 2014 exceeded our three-year annualized TSR targets by achieving

We're unique.

We consider both relative *and* absolute total stockholder return in determining our NEO equity grants.

Table of Contents

a relative TSR performance in the second quartile of our comparator group and by achieving more than 24 percent for the annualized absolute TSR delivered to our stockholders. As a result of this strong performance, the performance pay-out for these awards was 169 percent. By contrast, the 2013 performance based RSUs for the performance period 2013 through 2015 generated an award of just 3.5 percent of target and distributed in early 2016. Additionally, we consider stock options to be performance-based compensation. Stock options only provide value to the extent that the Company's stock price has increased above the grant price and therefore stockholders have benefited.

Annual Incentive Program

Our performance-based cash compensation is paid under our Annual Incentive Program (AIP) which is based on financial performance and individual performance. Under this program, cash compensation reflects annual business performance and is based on weighted measures of distributable cash flow, controllable costs, fee-based revenue, and three safety metrics.

2015 Business Overview

We marked 2015 with the continued expansion in the portfolio of opportunities led by growth on the demand side of the natural gas market as we placed four Transco system expansion projects into service during the year. Work was completed on a fifth Transco system expansion project (Leidy Southeast) in 2015, and that project was placed into service in the first quarter of 2016.

Our work to deliver the best supplies to the best markets was enhanced by our ability to deliver on very large complex projects including bringing the Geismar olefins plant back online and placing the new Bucking Horse gas processing facility into service in the Niobrara Shale. In addition, we added to our Eagle Ford Shale assets, acquiring a gathering system there while also increasing our ownership in Utica East Ohio Midstream L.L.C., a joint project to develop infrastructure for the gathering, processing and fractionation of natural gas and natural gas liquids in the Utica Shale play in Eastern Ohio.

Despite the headwinds of low commodity prices, we further positioned Williams in 2015 to take advantage of long-term natural gas demand growth in power generation, manufacturing and exports. In 2016 and 2017, Williams Partners is planning to deploy \$5 billion for growth capital and investment expenditures. Substantially all of this planned spending is for fee-based projects, with approximately 75 percent of the total spending directed to fully contracted Transco projects supported by demand charges.

2015 Projects and milestones

In first quarter 2015, Williams Partners' Bucking Horse gas processing facility, located in Converse County, Wyoming, became operational. Bucking Horse adds 120 MMcf/d of processing capacity in the Powder River basin

Niobrara Shale play. Processed volumes at Bucking Horse continued to increase throughout 2015 as existing rich gas production was re-directed from other third-party processing facilities. Bucking Horse has led to higher gathering volumes in 2015 as previously curtailed production has increased due to the additional processing capability.

In first quarter 2015, Williams Texas Belle Pipeline (Texas Belle) went into service. Texas Belle is a 32-mile open access, service focused pipeline that transports NGLs and was designed to deliver butanes and natural gasolines from Mont Belvieu, Texas, to new demand in the Houston Ship Channel area.

In second quarter 2015, Williams Partners Mobile Bay South III expansion south from Station 85 in west central Alabama to delivery points along the Mobile Bay line was placed into service, which enabled us to begin providing 225 Mdth/d of additional firm transportation service on the Mobile Bay Lateral as part of this Transco expansion.

Table of Contents

In second quarter 2015, Williams Partners' Rockaway Delivery Lateral expansion between Transco's transmission pipeline and the National Grid distribution system was placed in service, which enabled us to begin providing 647 Mdth/d of additional firm transportation service to a distribution system in New York.

In second quarter 2015, Williams Partners' Northeast Connector project was placed into service, which increased firm transportation capacity by 100 Mdth/d from Transco's Station 195 in southeastern Pennsylvania to the Rockaway Delivery Lateral.

In second quarter 2015, Williams Partners acquired a gathering system in the Eagle Ford Shale comprised of approximately 140 miles of pipeline and a sour gas compression facility capable of handling up to 100 MMcf/d in the Eagle Ford shale for \$112 million. The acquisition is contributing approximately 20 MMcf/d to the existing Eagle Ford throughput of approximately 400 MMcf/d.

In second quarter 2015, Williams Partners acquired an approximate 13 percent equity interest in UEOM for approximately \$357 million, increasing our ownership from 49 percent to approximately 62 percent.

In third quarter 2015, Williams Partners' Virginia Southside expansion from New Jersey to a power station in Virginia and delivery points in North Carolina was placed into service. On Dec. 1, 2014, we placed a portion of the project into service, which enabled us to begin providing 250 Mdth/d of additional firm transportation service through the mainline portion of the project on an interim basis, until the in-service date of the project as a whole. We placed the remainder of this Transco expansion project into service in September 2015. In total, the project increased capacity by 270 Mdth/d.

In third quarter 2015, Williams Partners announced an expansion of gas gathering services for a certain major producer customer in dry gas production areas of the Utica Shale in eastern Ohio and a consolidation of contracts in the Haynesville Shale in northwestern Louisiana.

In third quarter 2015, Williams Partners executed a long-term fee-based contract in the Utica that extends the length of certain acreage dedication to 2035, increases the area of dedication from 140,000 acres to 190,000 net acres and converts the cost-of-service mechanism to a fixed-fee structure with minimum volume commitments (MVCs).

In third quarter 2015, Williams Partners announced a new Haynesville contract which consolidated the Springridge and Mansfield contracts into a single agreement with a fixed-fee structure and extends the contract term to 2035. The consolidated contract is supported by MVCs and a drilling commitment to turn 140 equivalent wells online before the end of 2017.

In fourth quarter 2015, Williams was awarded the Platts 2015 Global Energy Award for its industry leadership in the midstream sector. The award recognized Williams for executing on its strategy to connect the best natural gas supplies to the best markets while helping break new ground in such areas as technology, operational excellence and methane emission research.

In 2015, we placed in service an expansion of the olefins production facility that increased its ethylene production capacity by 600 million pounds per year, for a total production capacity of 1.95 billion pounds of ethylene and 114 million pounds of propylene per year.

In first quarter 2016, Williams Partners Leidy Southeast was placed into service, which expands Transco's existing natural gas transmission system from the Marcellus Shale production region on Transco's Leidy Line in Pennsylvania to delivery points along its mainline as far south as Station 85 in west central Alabama. In March 2015, we began providing firm transportation service through the mainline portion of the project on an interim basis until the in-service date of the project as a whole. We placed the remainder of the project into service during January 2016 increasing capacity by 525 Mdth/d.

Table of Contents

The accompanying chart compares Williams' cumulative total stockholder return on our common stock (assuming reinvestment of dividends) to the cumulative total return of the S&P 500 Stock Index and the median of our comparator company group. For more details on our comparator company group, see the CD&A section titled Determining Our Comparator Group. The graph below assumes an initial investment of \$100 at the beginning of the period on December 31, 2012.

Compensation Summary

Objective of Our Compensation Programs

The role of compensation is to attract and retain the talent needed to increase stockholder value and to help our businesses meet or exceed financial and operational performance goals. Our compensation programs' objective is to reward our NEOs and employees for successfully implementing our strategy to grow our business and create long-term stockholder value. To that end, in 2015 we used relative and absolute TSR to measure long-term performance; and we used distributable cash flow, controllable costs, fee-based revenue, and safety metrics to measure annual performance. We believe using separate long-term and annual metrics to incent and pay NEOs helped ensure that the business decisions made were aligned with the long-term interests of our stockholders.

Our Pay Philosophy

Our pay philosophy throughout the entire organization is to pay for performance, be competitive in the marketplace, and consider the value a job provides to the Company. Our compensation programs reward NEOs not just for accomplishing goals, but also for how those goals are pursued. We strive to reward the right results and the right behaviors while fostering a culture of collaboration, execution, improvement, teamwork, and safety.

Table of Contents

The principles of our pay philosophy influence the design and administration of our pay programs. Decisions about how we pay NEOs are based on these principles. The Compensation Committee (Committee) uses several types of pay that are linked to both our long-term and short-term performance in the executive compensation programs. Included are long-term incentives, annual cash incentives, base pay, and benefits. The chart below illustrates the linkage between the types of pay we use and our pay principles.

Pay Principles	Long-term Incentives	Annual Cash Incentives	Base Pay	Benefits
Pay should reinforce business objectives and values.	1	1	1	
A significant portion of an NEO's total pay should be variable based on performance.	1	1		
Incentive pay should balance long-term, intermediate, and short-term performance.	1	1		
Incentives should align interest of NEOs with stockholders.	1	1		
Pay should foster a culture of collaboration with shared focus and commitment to our Company.	1	1		
Incentives should enforce the value of safety within our Company.		1		
Pay opportunities should be competitive.	1	1	1	1
A portion of pay should be provided to compensate for the core activities required for performing in the role.			1	1

Our Commitment to Pay for Performance

Table of Contents

2015 Comparator Group

Determining Our Comparator Group

Companies in our comparator group have a range of revenues, assets, market capitalization, and enterprise value. Business consolidation and unique operating models create some challenges in identifying comparator companies. Accordingly, we take a broad view of comparability to include organizations that are similar to Williams. This results in compensation that is appropriately scaled and reflects comparable complexities in business operations. We typically aim for a comparator group of 15 to 20 companies so our comparisons will be valid. The 2015 comparator group includes 19 companies which comprised a mix of both direct business competitors and companies with whom we compete for talent.

How We Use Our Comparator Group

We refer to publicly available information to analyze our comparator companies' practices including how pay is divided among long-term incentives, annual incentives, base pay, and other forms of compensation. This allows the Committee to ensure competitiveness and appropriateness of proposed compensation packages. When setting pay, the Committee uses market median information of our comparator group, as opposed to market averages, to ensure that the impact of any unusual events that may occur at one or two companies during any particular year is diminished from the analysis. If an event is particularly unusual and surrounded by unique circumstances, the data is completely removed from the assessment. Three of our comparator companies are not considered in our aggregate pay statistics due to significant pay practice differences, but are still considered in the analysis of company performance with regard to our performance-based equity awards. The Committee determined not to make any changes to the comparator group for 2016.

Table of Contents

The following table shows the range of our 2015 comparator companies' revenues, assets, market capitalization, and enterprise value as originally reported for 2014. (*dollars in millions*)

Company Name	Ticker	Revenue	Total Assets	Market	
				Capitalization	Enterprise Value
CENTERPOINT ENERGY INC.	CNP	\$9,226	\$23,200	\$10,075	\$17,704
DEVON ENERGY CORP.	DVN	19,566	50,637	25,035	39,619
DOMINION RESOURCES INC.	D	12,436	54,327	44,987	71,026
ENBRIDGE INC.	ENB	34,107	62,697	43,803	82,989
ENERGY TRANSFER EQUITY LP	ETE	55,691	64,469	31,003	82,339
ENTERPRISE PRODUCTS	EPD	47,951	47,100	69,976	92,895
EOG RESOURCES	EOG	17,528	34,763	50,482	54,311
KINDER MORGAN INC.	KMI	16,226	83,198	89,915	130,879
MARK WEST ENERGY PARTNERS LP	MWE	2,176	10,981	13,339	17,835
NISOURCE INC.	NI	6,471	24,866	13,406	23,355
ONEOK INC.	OKE	12,195	15,305	10,372	21,829
PLAINS ALL AMERICAN PIPELINE	PAA	43,464	22,256	19,251	28,955
PG&E	PCG	17,090	60,127	25,338	40,824
PIONEER NATURAL RESOURCES	PXD	4,325	14,926	22,179	23,810
SEMPRA ENERGY CORP.	SRE	11,035	39,732	27,395	41,928
SOUTHERN CO.	SO	18,467	70,923	44,607	70,064
SPECTRA ENERGY CORP.	SE	5,903	34,040	24,357	41,275
TARGA RESOURCES CORP.	TRGP	8,617	6,454	4,469	9,643
TRANSCANADA CORP.	TRP	9,229	50,727	34,795	62,176
	75th percentile	\$19,017	\$57,227	\$44,205	\$70,545
	50th percentile	12,436	39,732	25,338	41,275
	25th percentile	8,922	22,728	16,328	23,583
The Williams Companies, Inc.	WMB	\$7,637	\$50,563	\$33,594	\$66,307
	Percent rank	20%	61%	65%	70%

Our Pay Setting Process

During the first quarter of the year, the Committee completes a review to ensure we are paying competitively, equitably, and in a way that encourages and rewards performance.

The compensation data of our comparator group, disclosed primarily in proxy statements, is the primary market data we use when benchmarking the competitive pay of our NEOs. Aggregate market data obtained from recognized third-party executive compensation survey companies is used to supplement and validate comparator group market data.

Table of Contents

Although the Committee reviews relevant data as it designs compensation packages, setting pay is not an exact science. Because market data alone does not reflect the strategic competitive value of various roles within our Company, internal pay equity is also considered when making pay decisions. Other considerations when making pay decisions for the NEOs include individual experience, sustained performance, historical pay, realized and realizable pay over three years, and tally sheets that include annual pay and benefit amounts, wealth accumulated over the past five years, and the total aggregate value of the NEOs' equity awards and holdings.

Multiple internal and external factors are considered when determining NEO compensation packages.

When setting pay, we determine a target pay mix (distribution of pay among long-term incentives, annual incentives, base pay, and other forms of compensation) for the NEOs. Consistent with our pay-for-performance philosophy, the actual amounts paid, excluding benefits, are determined based on Company and individual performance. Because performance is a factor, the target versus actual pay mix will vary, specifically as it relates to the annual cash incentives and long-term incentives.

CEO

NEO

2015 Total Compensation at Target Pay Mix

(Excluding CEO)

2015 Total Compensation at Target Pay Mix

Table of Contents

How We Determine the Amount for Each Type of Pay

Long-term incentives, annual cash incentives, base pay, and benefits accomplish different objectives. The table below illustrates a summary of the primary objectives associated with each component of pay listed in the order of most significant to the NEO's total compensation. The table is followed by specific details regarding each pay component.

Long-Term Incentives

To determine the value for long-term incentives granted to an NEO each year, we consider the following factors:

- The proportion of long-term incentives relative to base pay;
- The NEO's impact on Company performance and ability to create value;
- Long-term business objectives;
- Awards made to executives in similar positions within our comparator group of companies;
- The market demand for the NEO's particular skills and experience;
- The amount granted to other NEOs in comparable positions at the Company;
- The NEO's demonstrated performance over the past few years; and
- The NEO's leadership performance.

A summary of the long-term incentive program details for 2015 are shown in the table below. The long-term incentive mix for the CEO differs from the mix for the other NEOs. Since the CEO has more opportunity to influence our financial results, the Committee considers it appropriate that a greater percentage of his long-term incentives are directly tied to the performance of the Company's stock price.

Table of Contents

	Performance-based RSUs	Time-based RSUs	Stock Options
CEO Equity Mix	55%	25%	20%
NEO Equity Mix	45%	35%	20%
Term	Three years	Three years	10 years
Frequency	Granted annually	Granted annually	Granted annually
Performance Criteria	Relative TSR	Retention	Stock price appreciation
Vesting	Cliff vesting after three years Upon vesting, shares are distributed based on performance certification	Cliff vesting after three years Upon vesting, shares are distributed	Ratable vesting over three years Upon vesting, options are available to exercise
Payout	(0% - 200%)	Dividend equivalents accrued and paid in cash upon vesting	No dividends
Dividends	No dividends		

We continued to grant long-term incentives in the form of (1) performance-based RSUs, (2) time-based RSUs, and (3) stock options in 2015 to emphasize our commitment to pay for performance, enable ownership in the Company, and ensure appropriate retention of our NEOs.

Performance-based RSUs. Performance-based RSUs awarded are only earned if we attain specific TSR results. We measure both relative TSR and absolute TSR as interdependent measures in determining the attainment level of our performance-based awards. Including absolute TSR ensures that we are delivering value to our stockholders, not simply performing well against our peers. Relative TSR may place us at the top of our peers; however, if we have not delivered value to our stockholders, awards would be limited. The majority of companies in our comparator group typically consider only their TSR performance relative to a defined peer group. Performance-based equity is a significant portion of our NEO compensation. The performance-based RSU matrix included in this section shows how the two metrics work together to generate a performance multiple.

A maximum payout is achieved only when we exceed our goals both in absolute and relative terms.

Example 1: If our Relative TSR performance is below the median (i.e., 50 Percentile) of our comparator company group, we only deliver a payout if our Annualized Absolute TSR performance is at least 7.5 percent during the three-year period. At a 7.5 percent annualized TSR result, the payout would be between 0 percent to 50 percent of the original grant.

Example 2: Relative TSR performance near or at the top of our comparator group would be capped at 60 percent of the original grant if we fail to return at least 7.5 percent to our stockholders. This would result in each NEO receiving well below the targeted award despite high relative TSR compared to our peers.

Table of Contents

This philosophy is in contrast to the common market practice of utilizing only relative TSR. Without delivering the threshold absolute return to stockholders, relative TSR that fails to exceed the median of the comparator group will not generate any payout.

The performance-based RSUs granted in 2012 for the 2012-2014 performance period exceeded targets set for both absolute and relative TSR at the beginning of each performance period resulting in a strong performance score of 169 percent. The 2012 awards were distributed in 2015. Of note, the past six vesting periods through 2015, two of our performance-based RSU grants have not achieved the minimum threshold for payout while four have achieved above target performance.

Minimum Vesting Period. In 2015, the 2007 Incentive Plan required a minimum three-year vesting period for all RSU awards and at least a portion of all stock option awards.

2012 Performance-based RSUs Earned. The three-year performance cycle for our 2012 performance-based RSUs was completed at the end of 2014 and earned awards were distributed in 2015 upon vesting and performance certification. As discussed earlier in the CD&A, we surpassed the stretch goal for the annualized TSR and performed well relative to our comparator companies achieving a relative TSR performance in the top quartile of our comparator company group. Applying these results generated a 169 percent of target performance result.

2013 Performance-based RSUs Earned. Despite TSR performance in the top half of our comparator company group, we did not meet the three-year performance target for our 2013 performance cycle which ran through 2015. As a result of the decline in the WMB share price in late 2015, we did not achieve the threshold level of absolute TSR performance. We finished in the second quartile of TSR performance among our comparator company group. Applying these results to the displayed matrix generated an award of just 3.5 percent of target and earned awards were distributed in 2016 upon vesting and performance certification.

Time-based RSUs. We grant time-based RSUs to retain executives and to facilitate stock ownership. The use of time-based RSUs is also consistent with the practices of our comparator group of companies. In 2012, we began accruing dividend equivalents on our time-based RSUs in line with transformation into a high-growth, high-dividend energy infrastructure company. Accrued dividend equivalents will only distribute upon vesting.

Stock Option Awards. For recipients, stock options have value only to the extent the price of our common stock is higher on the date the options are exercised than it was on the date the options were granted.

Table of Contents

Grant Practices. The Committee typically approves our annual equity grant in February or early March of each year, shortly after the annual earnings release. The grant date for awards is on or after the date of such approval to ensure the market has time to absorb material information disclosed in the earnings release and reflect that information in the stock price. Our grant practices in 2015 were consistent with prior years. The grant date for off-cycle grants for individuals who are not NEOs, for reasons such as retention or new hires, is the first business day of the month following the approval of the grant. By using this consistent approach, we remove grant timing from the influence of the release of material information.

Stock Ownership Guidelines. Our program provides stock ownership guidelines for each of our NEOs and our Board of Directors as shown in the table below:

Position	Ownership Multiple	As a Multiple of	Holding / Retention Requirement
CEO	6x	Base Pay	50%, after taxes, until guidelines are met
NEO	3x	Base Pay	50%, after taxes, until guidelines are met
Board of Directors	5x	Annual Cash Retainer	60% until guidelines are met

The Committee annually reviews the guidelines for competitiveness and alignment with best practices and monitors the NEOs' progress toward compliance. Only WMB shares owned outright and outstanding time-based RSUs count as owned for purposes of the program. Stock options and performance-based equity are not included as owned for purposes of the program. (It is important to note that the majority of NEO equity grants are in the form of performance-based RSUs and stock options.) NEOs must retain 50 percent of any vested equity awards, net of taxes, until their ownership guidelines are met. Board members must retain 60 percent of distributed vested equity awards until their ownership guidelines are met. At Williams, NEOs must hold at least 50 percent of any equity transaction if they have not met their ownership guideline regardless of their time in the role.

Annual Cash Incentives

As previously mentioned in the *Our Commitment to Pay for Performance* section, we pay annual cash incentives to encourage and reward our NEOs for making decisions that improve our annual operating performance through our AIP. The objectives of our AIP are to:

- Motivate and incent management to choose strategies and investments that maximize long-term stockholder value;
- Offer sufficient incentive compensation to motivate management to put forth extra effort, take prudent risks, and make effective decisions to maximize stockholder value;
- Provide sufficient total compensation to retain management;
- Limit the cost of compensation to levels that will maximize the return of current stockholders without compromising the other objectives.

NEOs' AIP business performance is based on enterprise results of these business metrics in relation to established targets. We only use enterprise-level performance metrics for our NEOs in order to promote teamwork and

collaboration by creating a shared goal for the overall Company performance. Our incentive program allows the Committee to make adjustments to these business performance metrics to reflect certain business events. When determining which adjustments are appropriate, we are guided by the principle that incentive payments should not result in unearned windfalls or impose undue penalties. In other words, we make adjustments to ensure NEOs are not rewarded for positive results they did not facilitate nor are they penalized for certain unusual circumstances outside their control.

Table of Contents

Management regularly reviews with the Committee a supplemental scorecard reflecting the Company's adjusted EBITDA, earnings per share, cash flow from operations, stock price performance, capital expenditures, WMB dividend coverage ratio, and safety to provide updates regarding the Company's performance as well as to ensure alignment between these measures and the AIP's business performance metrics. This scorecard provides the Committee with additional data to assist in determining final AIP awards.

The Committee's independent compensation consultant annually compares our relative performance on various measures, including TSR and earnings per share with our comparator group of companies. The Committee also uses this analysis to validate the reasonableness of our AIP results.

How We Set the 2015 AIP Goals.

Table of Contents

The AIP Calculation. The 2015 AIP is based on the weighted measures of distributable cash flow, controllable costs, fee-based revenue, and three safety metrics. Each metric is directly aligned with our business strategy to operationally grow the business, operate safely in everything we do, and continue to align with our dividend growth strategy.

For 2015, there were three safety metrics, each of which are equally weighted. The metrics include Lost Time Incident Rate, Days Away From Work Rate and Motor Vehicle Accident Rate.

The attainment percentage of AIP goals results in payment of annual cash incentives along a continuum between threshold and stretch levels, which corresponds to 0 percent through 200 percent of the NEO's annual cash incentive target. NEOs have the possibility to exceed the stretch level up to 250 percent of their annual cash incentive target. The charts below show the goals for the 2015 annual cash incentive and the resulting payout level.

2015 NEO AIP Targets. The starting point to determine annual cash incentive targets (expressed as a percentage of base pay) is competitive market information, which gives us an idea of what other companies target to pay in annual cash incentives for similar jobs. We also consider the internal value of each job - i.e., how important the job is to executing our strategy compared to other jobs in the Company- before the target is set for the year. The annual cash incentive targets as a percentage of base pay for the NEOs in 2015 were as follows:

Position	Target
CEO	125%
CFO	75%
SVP, Central OA and Operational Excellence	70%
SVP, Engineering and Construction	70%
SVP, Atlantic - Gulf	70%

Table of Contents

Determining 2015 AIP Awards. To determine the funding of the annual cash incentive, we use the following calculation for each NEO:

Based on business performance relative to the established goals, the Committee certified business performance results as follows and the 2015 AIP award payout at 82 percent of target was paid in early March 2016:

We calculate (a) Distributable Cash Flow as: *Modified EBITDA*, adjusted for certain items of income or loss that we characterize as unrepresentative of our ongoing operations; less maintenance capital expenditures; less interest expense; less cash taxes; less income attributable to non-controlling interests, adjusted for certain items outside of EBITDA that we characterize as unrepresentative of our ongoing operations; (b) Controllable Costs as: *operating and maintenance costs and selling, general and administrative costs* that are under the responsibility of a cost center manager; less certain expenses that are considered less controllable (such as pension and postretirement benefit

Table of Contents

costs) or have no net impact on financial performance (such as costs that are passed directly to customers); and (c) Fee-based Revenues as: *total service revenues* from our reportable segments before intercompany eliminations; less certain tracked revenues that have no net impact on financial performance. In addition, each measure above may be further adjusted as appropriate to avoid undue penalties or windfalls. (*Italicized* components include our proportionate share of such items recognized by our equity method investees.)

Individual performance, such as success toward our strategic objectives and individual goals, and successful demonstration of the Company's leadership competencies, which exceeded expectations may be recognized through adjustments. Payments may also be adjusted downward if performance warrants. The Committee chose to apply an adjustment to certain NEOs. For those receiving an adjustment, the amount of the adjustment was within 11 percent of the original calculated award. Additionally, Mr. Chappel received an incremental adjustment as disclosed in the Summary Compensation Table.

As previously stated, our incentive program allows the Committee to make adjustments to these business performance metrics to reflect certain business events. The Committee rigorously discussed the current industry dynamic of deteriorating commodity prices, and whether or not to adjust NEO annual cash incentives to recognize the negative impact to our stockholders. We have highlighted the loss of value to Mr. Armstrong's compensation based on his equity holdings earlier in this document. In considering the importance of pay for performance and total compensation including long-term incentives, annual cash incentives and base salary, the Committee elected to manage the 2015 incentive program as it was designed and communicated.

John Seldenrust Special Incentive Payment. Supporting an investment to develop best-in-class engineering and construction capabilities, the Committee provided a special incentive program for John Seldenrust. The program defines performance goals for 2015, 2016 and 2017 and provides an annual payout of \$250,000 at target. If the target goal is not achieved, no payment will be made. If both the target and stretch goals are achieved, the payment will be \$500,000. In 2015, Mr. Seldenrust achieved the \$500,000 payout amount by meeting target and stretch performance goals related to the integration of the gathering compression across our Northeast operating area following the 2014 acquisition of ACMP, completing a standard compression facility design, and eliminating more than 90 percent of the identified gathering compression integration gaps. Mr. Seldenrust's 2015 special incentive was paid in early 2016.

Base Pay

Base pay compensates the NEOs for carrying out the duties of their jobs and serves as the foundation of our pay program. Most other major components of pay are set based on a relationship to base pay, including long-term and annual incentives, and retirement benefits.

Base pay for the NEOs, including the CEO, is set considering the market median, with potential individual variation from the median due to experience, skills, and sustained performance of the individual as part of our pay-for-performance philosophy. Performance is measured in two ways: through the *Right Results* obtained in the *Right Way*. *Right Results* considers the NEOs' success in attaining their annual goals, operational and/or functional area strategies, and personal development plans. *Right Way* reflects the NEOs' behavior as exhibited through our organizational, operational, and people leadership competencies.

Benefits

Consistent with our philosophy to emphasize pay for performance, our NEOs receive very few perquisites or supplemental benefits. They are as follows:

Retirement Restoration Benefits. NEOs participate in our qualified retirement program on the same terms as our other employees. We offer a retirement restoration plan to maintain a proportional level of pension benefits to our NEOs as provided to other employees. The Internal Revenue Code of 1986, as amended (the Internal Revenue Code), limits qualified pension benefits based on an annual compensation

Table of Contents

limit. For 2015, the limit was \$265,000. Any limitation in an NEO's pension benefit in the tax-qualified pension plan due to this limit is made up for (subject to a cap) in the unfunded retirement restoration plan. Benefits for NEOs are not enhanced and are calculated using the same benefit formula as that used to calculate benefits for all employees in the qualified pension plan. The compensation included in the retirement restoration benefit is consistent with pay considered for all employees in the qualified pension plan. Equity compensation, including RSUs and stock options, is not considered. Additionally, we do not provide a nonqualified benefit related to our qualified 401(k) defined contribution retirement plan.

Financial Planning Allowance. We offer financial planning to provide expertise on current tax laws to assist NEOs with personal financial planning and preparations for contingencies such as death and disability. Covered services include estate planning, tax planning, tax return preparation, wealth accumulation planning, and other personal financial planning services. In addition, by working with a financial planner, NEOs gain a better understanding of and appreciation for the programs the Company provides, which helps to maximize the retention and engagement aspects of the dollars the Company spends on these programs.

Personal Use of Company Aircraft. The CEO is allowed, but not required, to use the Company's private aircraft for personal travel. Our policy for all other executive officers is to discourage personal use of the aircraft, but the CEO retains discretion to permit its use when he deems appropriate, such as when the destination is not well served by commercial airlines, personal emergencies, and the aircraft is not being used for business purposes. To the extent that NEOs use the Company's private aircraft for personal travel, imputed income will be applied to the NEO, in compliance with Internal Revenue Code requirements.

Executive Physicals. The Committee requires annual physicals for the NEOs. NEO physicals align with our wellness initiative as well as assist in mitigating risk. NEO physicals are intended to identify any health risks and medical conditions as early as possible in an effort to achieve more effective treatment and outcomes.

Event Center. We have a suite and club seats at certain event centers that were purchased for business purposes. If they are not being used for business purposes, we make them available to all employees, including our NEOs, as a form of reward and recognition. This is not a prerequisite to our NEOs because it is available to all employees.

Spousal Travel. When it is deemed necessary or appropriate for spouses of employees to travel for Company business purposes, we provide a tax gross-up under our company-wide policy to cover the personal tax obligations associated with spousal travel for business purposes for all employees.

Additional Components of our Executive Compensation Program

In addition to establishing the pay elements described above, we have adopted a number of policies to further the goals of the executive compensation program, particularly with respect to strengthening the alignment of our NEOs interests with stockholder long-term interests.

Employment Agreements. We do not have employment agreements with our NEOs.

Termination and Severance Arrangements. The NEOs were not covered under a severance plan in 2015. However, the Committee may exercise judgment and consider the circumstances surrounding each departure and may decide a severance package is appropriate. Considerations include the NEO's term of employment, past accomplishments, reasons for separation from the Company, and competitive market practice. The only pay or benefits an employee has a right to receive upon termination of employment are those that have already vested or which vest under the terms in place when equity was granted.

Change in Control Agreements. Our change in control agreements, in conjunction with the NEOs' RSU agreements, provide separation benefits for our NEOs. Our program includes a double trigger for benefits and equity vesting. This means there must be a change in control and the NEO's employment must terminate prior to receiving

Table of Contents

benefits under the agreement. This practice creates security for the NEOs but does not provide an incentive for the NEO to leave the Company. Our program is designed to encourage the NEOs to focus on the best interests of stockholders by alleviating their concerns about a possible detrimental impact to their compensation and benefits under a potential change in control, not to provide compensation advantages to NEOs for executing a transaction.

Our Committee reviews our change in control benefits annually to ensure they are consistent with competitive practice and aligned with our compensation philosophy. As part of the review, calculations are performed to determine the overall program cost to the Company if a change in control event were to occur and all covered NEOs were terminated as a result. An assessment of competitive norms, including the reasonableness of the elements of compensation received, is used to validate benefit levels for a change in control. We do not offer a tax gross-up provision in our change in control agreements but instead include a best net provision providing our NEOs with the better of their after-tax benefit capped at the safe harbor amount or their benefit paid in full, subjecting them to possible excise tax payments. The Committee continues to believe that offering a change in control program is appropriate and critical to attracting and retaining executive talent and keeping them aligned with stockholder interests in the event of a change in control.

The following chart details the benefits received if an NEO were to be terminated or resigned for a defined good reason following a change in control as well as an analysis of those benefits as it relates to the Company, stockholders, and the NEO. Please also see the [Change in Control Agreements](#) section following the CD&A for further discussion of our change in control program.

Change in Control Benefit	What does the benefit provide to the Company and stockholders?	What does the benefit provide to the NEO?
Multiple of 3x base pay plus annual cash incentive at target	Encourages NEOs to remain engaged and stay focused on successfully closing the transaction.	Financial security for the NEO equivalent to two or three-years of continued employment.
Accelerated vesting of stock awards	An incentive to stay during and after a change in control. If there is risk of forfeiture, NEOs may be less inclined to stay or to support the transaction.	The NEOs are kept whole, if they have a separation from service following a change in control.
Up to 18 months of medical or health coverage through COBRA	This is a minimal cost to the Company that creates a competitive benefit.	Access to health coverage.
3x the previous year's retirement restoration allocation	This is a minimal cost to the Company that creates a competitive benefit.	May allow those NEOs who are nearing retirement to receive a cash payment to make up for lost allocations due to a change in control.
Reimbursement of legal fees to enforce benefit	Keeps NEOs focused on the Company and not concerned about whether the acquiring company will honor commitments after a change in control.	Security during an unstable period of time.
Outplacement assistance		

	Keeps NEOs focused on supporting the transaction and less concerned about trying to secure another position.	Assists NEOs in finding a comparable executive position.
Best Net provision	Enables the change in control benefits to be delivered in as close a manner to the intended value of the benefits as possible.	Provides NEOs with the better of their after-tax benefit capped at the safe harbor amount or their benefit paid in full, which would subject them to possible excise tax payments.

Table of Contents

Derivative Transactions. Our insider trading policy applies to transactions in positions or interests whose value is based on the performance or price of our common stock. Because of the inherent potential for abuse, Williams prohibits officers, directors, and certain key employees from entering into short sales or using equivalent derivative securities in connection with Williams or its affiliates' securities. Williams also prohibits officers, directors and key employees from including Williams' securities in a margin account or pledging Williams' securities as collateral for a loan.

Mitigating Risk

Although no compensation-related risk was identified as a top risk for 2015, the approach to determine if there were adverse compensation risks was similar to the process detailed in the Corporate Governance and Board Matters Corporate Governance Board Oversight of Williams Strategic Risk Assessment section of this proxy statement. After this thorough review and analysis, it was determined we do not have material adverse compensation-related risks. Our compensation plans are effectively designed and functioning to reward positive performance and motivate NEOs and employees to behave in a manner consistent with our stockholder interests, business strategies and objectives, ethical standards, and prudent business practices, along with our Core Values & Beliefs which are the foundation on which we conduct business. Our Core Values & Beliefs can be found on our website at www.williams.com from the Our Company tab. In fact, many elements of our executive pay program serve to mitigate excessive risk taking. For example:

Target Pay Mix. The target pay mix weighting of long-term incentives, annual cash incentives, and base pay is consistent with comparator company practices and avoids placing too much value on any one element of compensation, particularly the annual cash incentive. The mix of our pay program is intended to motivate NEOs to consider the impact of decisions on stockholders in the long, intermediate, and short terms.

Annual Cash Incentive. Our annual cash incentive program does not allow for unlimited payouts. Cash incentive payments for NEOs cannot exceed 250 percent of target levels.

Performance-based Awards.

Our annual cash incentive and long-term incentive programs include performance-based awards. The entire annual cash incentive award is measured against performance targets, while a significant portion of the long-term equity awards provided to NEOs is in the form of performance-based RSUs and stock options. Performance-based RSUs have no value unless we achieve pre-determined three-year performance target thresholds. Stock options will have no value unless the stock price increases from the date of grant.

To drive a long-term perspective, all RSU awards vest at the end of three years rather than vesting ratably on an annual basis.

NEOs' incentive compensation performance is measured at the enterprise level rather than on a business unit level to ensure a focus on the overall success of the Company.

Stock Ownership Guidelines. As discussed in this CD&A, all NEOs, consistent with their responsibilities to stockholders, must hold an equity interest in the Company equal to a stated multiple of their base pay.

Recoupment Policy. In the event that financial results of the Company are restated due to fraud or intentional misconduct, the Board will review any performance-based incentive payments, including payments under the AIP and performance-based RSUs, paid to executive officers, who are found by the Board to be personally responsible for the fraud or intentional misconduct that caused the need for the restatement and will, to the extent permitted by applicable law, seek recoupment from all executive officers of any amounts paid in excess of the amounts that would have been paid based on the restated financial results. In addition, the Company will take action to comply with Section 954 of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 upon promulgation of final rules from the SEC.

Table of Contents

Insider Trading Policy. Our insider trading policy prohibits NEOs and directors, directly or through family members or other persons or entities, from buying or selling Williams securities or engaging in any other action to take personal advantage of material nonpublic information. In addition, if during the course of working for the Company, the NEO or Director learn of material nonpublic information about a competitor or a company with which Williams or an affiliate of Williams does or anticipates doing business with, they may not trade in that company's securities until the information becomes public or is no longer material.

Accounting and Tax Treatment. We consider the impact of accounting and tax treatment when designing all aspects of pay, but the primary driver of our program design is to support our business objectives. Stock options and performance-based RSUs are intended to satisfy the requirements for performance-based compensation as defined in Section 162(m) of the Internal Revenue Code and are therefore considered a tax deductible expense. Time-based RSUs do not qualify as performance-based and may not be fully deductible.

The annual cash incentive program satisfies the requirements for performance-based compensation as defined in Section 162(m) of the Internal Revenue Code and is therefore a tax deductible expense. For payments under our annual cash incentive program to be considered performance-based compensation under Section 162(m), the Committee can only exercise negative discretion relative to actual performance when determining the amount to be paid. In order to ensure compliance with Section 162(m), the Committee has established a target in excess of the maximum individual payout allowed to NEOs under our annual cash incentive program. Reductions are made each year and are not a reflection of the performance of the NEOs but rather ensure flexibility with respect to paying based upon performance.

Table of Contents**Compensation Committee Report on Executive Compensation**

We have reviewed and discussed the foregoing CD&A with management. Based on our review and discussions with management, we recommend to the Board that the CD&A be included in this proxy statement.

By the members of the Compensation Committee of the Board as of September 14, 2016:

Janice D. Stoney, Chair
 Stephen W. Bergstrom
 Scott D. Sheffield
 Murray D. Smith

The Compensation Committee Report on Executive Compensation is not deemed filed with the SEC and shall not be deemed incorporated by reference into any prior or future filings made by Williams under the Securities Act or the Exchange Act, except to the extent that Williams specifically incorporates such information by reference.

Compensation Committee Interlocks and Insider Participation

During fiscal year 2015, Joseph R. Cleveland, Frank T. MacInnis, Keith A. Meister, Steven W. Nance, Murray D. Smith, Janice D. Stoney, and Laura A. Sugg served on the Compensation Committee. During 2016, Kathleen B. Cooper, Stephen W. Bergstrom, and Scott D. Sheffield have also served on the Compensation Committee. None of these Committee members has ever been an officer or employee of the Company or any of our subsidiaries and none has an interlocking relationship requiring disclosure under applicable SEC rules.

Mr. Armstrong was appointed Chief Executive Officer of the general partner of Williams Partners on December 31, 2014 and is a member of our Board. Mr. Armstrong received no compensation from Williams Partners.

Executive Compensation and Other Information**2015 Summary Compensation Table**

The following table sets forth certain information with respect to the compensation of the NEOs earned during fiscal years 2015, 2014, and 2013.

Name and Principal Position	Year	Salary	Bonus	Stock Awards	Option Awards	Non-Equity Incentive Plan Compensation	Change in Pension Value on Nonqualified	All Other Compensation	Total

		(3) Deferred Compensation						(5)	
								Earnings	
								(4)	
Alan S.	2015	\$ 1,113,846	\$-	\$ 4,069,879	\$1,165,677	\$1,141,692	\$ (575,545)	\$41,251	\$6,956,800
Armstrong	2014	1,072,308	-	7,243,983	998,100	652,455	1,597,293	40,476	11,604,615
President and Chief Executive Officer									
Donald R. Chappel	2013	1,025,385	-	3,239,986	833,629	1,042,875	(444,854)	27,402	5,724,423
	2015	672,385	-	1,449,125	405,453	605,000	(258,872)	20,583	2,893,674
	2014	656,000	-	4,150,747	456,278	262,000	845,060	25,738	6,395,822
SVP, Chief Financial Officer									
Robert S. Purgason	2013	642,692	-	1,688,482	421,202	425,000	(279,396)	22,595	2,920,575
	2015	531,558	-	1,449,125	405,453	310,000	88,676	29,930	2,814,742
	2014								
SVP, Central OA and Operational Excellence									
John D. Seldenrust	2013								
	2015	431,391	-	1,143,167	94,204	710,000	55,779	22,139	2,456,679
	2014								
SVP, Engineering and Construction									
Rory L. Miller	2013								
	2015	487,692	-	1,086,877	304,088	310,000	(201,730)	16,848	2,003,775
	2014	471,923	-	2,234,009	285,173	168,000	547,729	21,655	3,728,488
	2013								
SVP, Atlantic Gulf									
		452,692	-	914,600	228,153	285,000	(190,499)	16,468	1,706,414

Table of Contents

- (1) Stock Awards. Awards were granted under the terms of the 2007 Incentive Plan and include time-based and performance-based RSUs. Amounts shown are the grant date fair value of awards computed in accordance with FASB ASC Topic 718. The assumptions used to value the stock awards can be found in our Annual Report on Form 10-K for the year-ended December 31, 2015. The 2014 stock awards values also include a leveraged RSU award granted on October 25, 2014. The leveraged RSU was a new type of grant for Williams and was not a part of the NEO annual equity awards in 2015.

The potential maximum values of the performance-based RSUs, subject to changes in performance outcomes, are as follows:

2015 Performance-based RSU Maximum Potential		
Alan S. Armstrong	\$	5,264,779
Donald R. Chappel		1,498,261
Robert S. Purgason		1,498,261
John D. Seldenrust		314,508
Rory L. Miller		1,123,713

- (2) Option Awards. Awards are granted under the terms of the 2007 Incentive Plan and include non-qualified stock options. Amounts shown are the grant date fair value of awards computed in accordance with FASB ASC Topic 718. The assumptions used to value the option awards can be found in our Annual Report on Form 10-K for the year-ended December 31, 2015.
- (3) Non-Equity Incentive Plan. The maximum annual incentive pool funding for NEOs is 250 percent of target. Mr. Chappel's AIP award includes an additional \$165,000 awarded by the Compensation Committee recognizing Mr. Chappel's outstanding contribution in support of the strategic alternatives review process conducted by the Board. Mr. Seldenrust's amount includes annual incentive award of \$210,000 and a special engineering and construction incentive award of \$500,000. See *John Seldenrust Special Incentive Payment* above.
- (4) Change in Pension Value and Nonqualified Deferred Compensation Earnings. The amount shown is the aggregate change from December 31, 2014 to December 31, 2015 in the actuarial present value of the accrued benefit under the qualified pension and non-qualified plan. The primary reason for the decrease in the change in present value is a higher discount rate used to measure these benefits at the end of 2015. Mr. Purgason and Mr. Seldenrust show an increase in the present value in 2015 as they did not have an accrued benefit as of December 31, 2014. The underlying design of these programs did not change from 2014 to 2015. Please refer to the Pension Benefits table for further details of the present value of the accrued benefit.
- (5) All Other Compensation. Amounts shown represent payments made on behalf of the NEOs and include life insurance premiums, a 401(k) matching contribution, tax gross-ups on the imputed income related to spousal travel for business purposes and perquisites (if applicable). Perquisites may include financial planning services, mandated annual physical exam and personal use of the Company aircraft. If the NEO used the Company aircraft, the incremental cost method is used to calculate the personal use of the Company aircraft. The incremental cost calculation includes such items as fuel, maintenance, weather and airport services, pilot meals, pilot overnight expenses, aircraft telephone, and catering. Details of perquisites for Mr. Armstrong and Mr. Purgason are included because the individual aggregate amounts exceed \$10,000. Amounts do not include

arrangements that are generally available to our employees and do not discriminate in scope, terms or operations in favor of our NEOs, such as relocation, medical, dental, and disability programs.

Company Aircraft

	Financial Planning	Annual Physical Exam	Personal Usage
Alan S. Armstrong	\$5,000	\$ 1,650	\$10,560
Robert S. Purgason	15,000	4,654	0

Notable Items

The Compensation Committee considers the compensation of CEOs from similarly-sized comparator companies when setting Mr. Armstrong's pay. It is the competitive norm for CEOs to be paid more than other NEOs. In addition, the Compensation Committee believes the difference in pay between the CEO and other NEOs is consistent with our compensation philosophy (summarized in the CD&A), which considers the external market and

Table of Contents

internal value of each job to the Company along with the incumbent's experience and performance of the job in setting pay. The CEO's job is different from the other NEOs because the CEO has ultimate responsibility for performance results and is accountable to the Board and stockholders. Consequently, the Compensation Committee believes it is appropriate for the CEO's pay to be higher.

Mr. Chappel's base pay, annual cash incentive target and long-term incentive amounts for 2015 are higher than other NEOs (other than the CEO) because of the impact of his role and market data. Because Mr. Chappel directly interfaces with stockholders and has greater accountability to stockholders, his pay is greater than that of the other NEOs, excluding the CEO.

Grants of Plan Based Awards

The following table sets forth certain information with respect to the grant of stock options, RSUs and awards payable under the Company's annual cash incentive plan during the last fiscal year to the NEOs.

Name	Grant Date	Estimated Future Payouts Under Non-Equity Incentive Plan Awards (1)			Estimated Future Payouts Under Equity Incentive Plan Awards (2)			All Other Awards: Number of Shares or Units (3)	All Other Option Awards: Number of Underlying Securities Options (4)	Exercise or Base Price of Option Awards	Grant Date and Fair Value of Stock and Option Awards
		Threshold	Target	Maximum	Threshold	Target	Maximum				
mstrong	2/23/2015	\$-	\$ 1,392,308	\$ 3,480,770					153,177	\$ 49.15	\$ 1,165,67
	2/23/2015				-	75,061	150,122				2,632,38
	2/23/2015							29,247			1,437,49
appel	2/23/2015	-	504,289	1,260,723					53,279	49.15	405,45
	2/23/2015				-	21,361	42,722				749,13
	2/23/2015							14,242			699,99
gason	2/23/2015	-	372,091	930,228					53,279	49.15	405,45
	2/23/2015				-	21,361	42,722				749,13
	2/23/2015							14,242			699,99
denrust	2/23/2015	-	266,024	665,060					12,379	49.15	94,20
	2/23/2015				-	4,484	8,968				157,25
	2/23/2015							3,782			185,88
ler	6/1/2015							15,589			800,02
	2/23/2015	-	341,384	853,460					39,959	49.15	304,08
	2/23/2015				-	16,021	32,042				561,85
	2/23/2015							10,682			525,02

Note: Information provided is as of the close of market on December 31, 2015.

- (1) Non-Equity Incentive Awards. Awards from the 2015 AIP are shown.
Threshold: At threshold, the 2015 AIP awards are zero
Target: The amount shown is based upon a business performance attainment of 100 percent.
Maximum: The maximum amount the NEOs can receive is 250 percent of their AIP target.
- (2) Represents performance-based RSUs granted on February 23, 2015 under the 2007 Incentive Plan. Performance-based RSUs can be earned over a three year period only if the established performance target is met and the NEO is employed on the certification date, subject to certain exceptions such as the executive's death, disability or retirement. Under any circumstances, these shares will be distributed no earlier than the third anniversary of the grant other than due to a termination upon a change in control. If performance plan goals are exceeded, the NEO can receive up to 200 percent of target. If plan threshold goals are not met, the NEO's awards are cancelled in their entirety.
- (3) Represents time-based RSUs granted under the 2007 Incentive Plan. Time-based units vest three years from the grant date of February 23, 2015 on February 23, 2018. As part of a promotion, Mr. Seldenrust received a second time-based RSU award grant on June 1, 2015 which will vest three years from the grant date on June 1, 2018.
- (4) Represents stock options granted under the 2007 Incentive Plan. Stock options granted in 2015 become exercisable in three equal annual installments beginning one year after the grant date. One-third of the options vested on February 23, 2016, another one-third will vest on February 23, 2017, with the final one-third vesting on February 23, 2018. Once vested, stock options are exercisable for a period of ten years from the grant date.

Table of Contents

Outstanding Equity Awards

The following table sets forth certain information with respect to the outstanding equity awards held by the NEOs at the end of 2015.

Name	Date (if exercisable)	Option Awards			Expiration	Stock Awards			Equity Incentive Plan Awards: Number of Securities Underlying Unexercised Options (#)	Equity Incentive Plan Awards: Number of Securities Underlying Unexercised Options (#)	Market or Payout Value of Unearned Shares, Units or Other Rights That Have Not Vested (5)
		Grant	Price	Exercise		Grant	Not Vested	Not Vested			
Armstrong	2/23/2015	-	153,177	\$ 49.15	2/23/2025	2/23/2015 (2)		29,247	\$ 751,648		
	2/24/2014	44,360	88,720	41.77	2/24/2024	2/23/2015 (3)		75,061	1,929,068		
	2/25/2013	98,363	49,182	33.57	2/25/2023	10/25/2014 (4)		56,807	1,459,940		
	2/27/2012	159,681	-	29.11	2/27/2022	2/24/2014 (2)		31,422	807,545		
	2/24/2011	72,486	-	24.21	2/24/2021	2/24/2014 (3)		78,041	2,005,654		
	2/23/2010	60,646	-	17.28	2/23/2020	2/25/2013 (2)		35,374	909,112		
	2/23/2009	108,587	-	8.85	2/23/2019	2/25/2013 (3)		88,469	2,273,653		
	2/25/2008	37,420	-	29.72	2/25/2018						
	2/26/2007	41,660	-	23.04	2/26/2017						
	3/3/2006	29,648	-	17.65	3/3/2016						
	2/23/2015	-	53,279	49.15	2/23/2025	2/23/2015 (2)		14,242	366,019		
	2/24/2014	20,279	40,558	41.77	2/24/2024	2/23/2015 (3)		21,361	548,978		

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	2/25/2013	49,699	24,850	33.57	2/25/2023	10/25/2014 ⁽⁴⁾		39,765	1,021,961
	2/27/2012	95,808	-	29.11	2/27/2022	2/24/2014 ⁽²⁾		20,110	516,827
	2/24/2011	60,887	-	24.21	2/24/2021	2/24/2014 ⁽³⁾		29,189	750,157
	2/23/2010	71,348	-	17.28	2/23/2020	2/25/2013 ⁽²⁾		25,022	643,065
	2/23/2009	135,733	-	8.85	2/23/2019	2/25/2013 ⁽³⁾		36,573	939,926
	2/25/2008	62,367	-	29.72	2/25/2018				
	2/26/2007	59,515	-	23.04	2/26/2017				
	3/3/2006	51,495	-	17.65	3/3/2016				
Purgason	2/23/2015	-	53,279	49.15	2/23/2025	2/23/2015 ⁽²⁾		14,242	366,019
						2/23/2015 ⁽³⁾		21,361	548,978
						10/25/2014 ⁽⁴⁾		18,746	481,772
Seldenrust	2/23/2015	-	12,379	49.15	2/23/2025	6/1/2015 ⁽²⁾		15,589	400,637
						2/23/2015 ⁽²⁾		3,782	97,197
						2/23/2015 ⁽³⁾		4,484	115,239
						10/25/2014 ⁽⁴⁾		14,202	364,991
Miller	2/23/2015	-	39,959	49.15	2/23/2025	2/23/2015 ⁽²⁾		10,682	274,527
	2/24/2014	12,674	25,349	41.77	2/24/2024	2/23/2015 ⁽³⁾		16,021	411,740
	2/25/2013	26,920	13,461	33.57	2/25/2023	10/25/2014 ⁽⁴⁾		18,746	481,772
	2/27/2012	59,082	-	29.11	2/27/2022	2/24/2014 ⁽²⁾		12,569	323,023
	2/24/2011	36,243	-	24.21	2/24/2021	2/24/2014 ⁽³⁾		18,243	468,845
						2/25/2013 ⁽²⁾		13,554	348,338
					2/25/2013 ⁽³⁾		19,810	509,117	

Note: Information provided is as of the close of market on December 31, 2015.

Note: On December 31, 2011, we completed a tax-free spinoff of 100 percent of our exploration and production business, WPX Energy, Inc. (WPX), to our stockholders. At that time, we distributed one share of WPX common stock for every three shares of Williams common stock. As required under our 2007 Incentive Plan, we adjusted all outstanding equity awards on December 31, 2011 by applying an equity conversion factor. The intent of the equity conversion was to prevent dilution or enlargement of the benefits available under our incentive plans. The conversion resulted in increasing the number of WMB RSUs and stock options granted after January 1, 2006, in order to maintain the intrinsic value of these grants at the time of the spinoff. Stock options that were granted prior to December 31, 2005 were adjusted to provide both WMB stock options and WPX stock options using a

distribution ratio of 3 to 1. All stock awards and option awards, including option exercise price, granted prior to January 1, 2012 have been adjusted accordingly. As of December 31, 2015, no WPX awards remain outstanding.

Table of Contents**Stock Options**

(1) The following table reflects the vesting schedules for associated stock option grant dates for awards that were not 100 percent vested as of December 31, 2015.

Grant Date	Vesting Schedule	Vesting Dates
2/23/2015	One-third vests each year for three years	2/23/2016, 2/23/2017, 2/23/2018
2/24/2014	One-third vests each year for three years	2/24/2015, 2/24/2016, 2/24/2017
2/25/2013	One-third vests each year for three years	2/25/2014, 2/25/2015, 2/25/2016

Stock Awards

(2) The following table reflects the vesting dates for associated time-based restricted stock unit award grant dates:

Grant Date	Vesting Schedule	Vesting Dates
2/23/2015	100% vests in three years	2/23/2018
2/24/2014	100% vests in three years	2/24/2017
2/25/2013	100% vests in three years	2/25/2016

Mr. Seldenrust's June 1, 2015 time-based RSU award will fully vest in three years on June 1, 2018.

(3) All performance-based RSUs are subject to attainment of performance targets established by the Compensation Committee. These awards will vest no earlier than three years from the date of grant. The awards included on the table are outstanding as of December 31, 2015.

(4) All Leveraged RSUs are subject to attainment of performance targets established by the Compensation Committee. The awards are scheduled to vest on October 25, 2017. Any earned units are scheduled to distribute in one-third increments on October 25, 2017, October 25, 2018 and October 25, 2019. With the exception of certain termination provisions, the annualized absolute TSR during the three-year performance period must be at least 7 percent to result in a distribution with the target established at 12 percent. The distribution level is also impacted by relative TSR performance. If the absolute TSR metric is achieved, then the actual number of units earned will vary depending on if the relative TSR performance meets or exceeds the median of our comparator group of companies as compared to if the relative TSR falls below the median of our comparator group of companies.

(5) Values are based on a closing stock price of \$25.70 on December 31, 2015.

The following table sets forth certain information with respect to the outstanding Williams Partners equity awards held by the NEOs at the end of 2015.

Name	Option Awards				Stock Awards				Equity	Equity
	Number of Securities Underlying Unexercised Options Grant (#)	Number of Securities Underlying Exercised Options (#)	Unearned Exercise Price	Expiration Date	Number of Shares or Units of Stock That Have Not	Market Value of Shares or Units of Stock That Have Not	Number of Shares, Units of Stock or Other Rights That Have	Market or Payout Value of Unearned Shares, Units or Other Rights That Have	Incentive	Incentive
Armstrong										
Chappel										
Purgason	-	-	-	-	7/16/2014	-	-	83,075	\$ 2,313,639	
Seldenrust	-	-	-	-	7/16/2014	-	-	66,460	1,850,911	
Miller										

Note: Information provided is as of the close of market on December 31, 2015.

(1) The time-based Williams Partners RSU awards granted to Mr. Purgason and Mr. Seldenrust on July 16, 2014 are on a four-year graded vesting schedule. The first 25 percent vested on July 16, 2016, the second 25 percent will vest on July 16, 2017, with the final 50 percent vesting on July 16, 2018. These awards were adjusted on February 2, 2015 as part of the Williams Partners and ACMP merger by a ratio of 1.06152 Williams Partners shares for every one ACMP share. The final values on the table above reflect the awards after the adjustment was applied.

(2) Values are based on a closing Williams Partners stock price of \$27.85 on December 31, 2015.

Table of Contents**Option Exercises and Stock Vested**

The following table sets forth certain information with respect to options exercised by the NEO and stock that vested during fiscal year 2015.

Name	Option Awards (1)		Stock Awards	
	Number of Shares Acquired on Exercise	Value Realized on Exercise	Number of Shares Acquired on Vesting	Value Realized on Vesting
Alan S. Armstrong	40,060	\$ 1,348,820	177,382	\$ 8,698,813
Donald R. Chappel	-	-	99,072	4,858,491
Robert S. Purgason	-	-	-	-
John D. Seldenrust	-	-	-	-
Rory L. Miller	-	-	61,095	2,996,099

(1) Additionally, in conjunction with the equity conversion as mentioned in the Outstanding Equity Awards table, Mr. Armstrong exercised 13,353 WPX stock options.

Retirement Plan

The retirement plan for the Company's executives consists of two plans: the pension plan and the retirement restoration plan as described below. Together these plans provide the same level of benefits to our executives as the pension plan provides to all other employees of the Company. The retirement restoration plan was implemented to address the annual compensation limit of the Internal Revenue Code.

Pension Plan

Our executives who have completed one-year of service participate in our pension plan on the same terms as our other employees. Our pension plan is a noncontributory, tax qualified defined benefit plan (with a cash balance design) subject to the Employee Retirement Income Security Act of 1974, as amended.

Each year, participants earn compensation credits that are posted to their cash balance account. The annual compensation credits are equal to the sum of a percentage of eligible pay (base pay and certain bonuses) and a percentage of eligible pay greater than the social security wage base. The percentage credited is based upon the participant's age as shown in the following table:

Age	Percentage of Eligible Pay		Percent of Eligible Pay Greater than the Social Security Wage Base
Less than 30	4.5%	+	From 1% to 1.2%
30-39	6%	+	2%
40-49	8%	+	3%
50 or over	10%	+	5%

For participants who were active employees and participants under the plan on March 31, 1998, and April 1, 1998, the percentage of eligible pay is increased by 0.3 percent multiplied by the participant's total years of benefit service

earned as of March 31, 1998.

In addition, interest is credited to account balances quarterly at a rate determined annually in accordance with the terms of the plan.

Table of Contents

The monthly annuity available to those who take normal retirement is based on the participant's account balance as of the date of retirement. Normal retirement age is 65. Early retirement eligibility begins at age 55. At retirement, participants may choose to receive a single-life annuity (for single participants) or a qualified joint and survivor annuity (for married participants) or they may choose one of several other forms of payment having an actuarial value equal to that of the relevant annuity.

Retirement Restoration Plan

The Internal Revenue Code limits pension benefits based on the annual compensation limit that can be accrued in tax-qualified defined benefit plans, such as our pension plan. The annual compensation limit in 2015 was \$265,000. Any reduction in an executive's pension benefit accrual due to these limits will be compensated, subject to a cap, under an unfunded top hat plan our retirement restoration plan.

The elements of compensation that are included in applying the payment and benefit formula for the retirement restoration plan are the same elements that are used, except for application of a cap, in the base pension plan for all employees. The elements of pay included in that definition are total base pay, including any overtime, base pay-reduction amounts, and cash bonus awards, if paid (unless specifically excluded under a written bonus or incentive-pay arrangement). Specifically excluded from the definition are severance pay, cost-of-living pay, housing pay, relocation pay (including mortgage interest differential), taxable and non-taxable fringe benefits, and all other extraordinary pay, including any amounts received from equity compensation awards.

With respect to bonuses, annual cash incentives are considered in determining eligible pay under the pension plan. Long-term equity compensation incentives are not considered.

Pension Benefits

The following table sets forth certain information with respect to the actuarial present value of the accrued benefit as of December 31, 2015 under the qualified pension plan and retirement restoration plan. All NEOs are fully vested in the benefits.

Name	Plan Name	Number of Years Credited Services	Present Value of Accrued Benefit (1)	Payments During
				Last Fiscal Year
Alan S. Armstrong	Pension Plan	30	\$709,220	-
	Retirement Restoration Plan	30	2,866,058	-
Donald R. Chappel (2)	Pension Plan	13	458,018	-
	Retirement Restoration Plan	13	2,331,874	-
Robert S. Purgason (2) (3)	Pension Plan	1	39,935	-
	Retirement Restoration Plan	1	48,741	-
John Seldenrust (3)	Pension Plan	1	30,673	-
	Retirement Restoration Plan	1	25,106	-
Rory Miller (2)	Pension Plan	26	675,073	-

Retirement Restoration Plan	26	655,201	-
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- (1) The primary actuarial assumptions used to determine the present values include an annual interest credit to normal retirement age equal to 4.25 percent and a discount rate equal to 4.45 percent for the pension plan and discount rate equal to 3.99 percent for the retirement restoration plan.
- (2) Mr. Chappel, Mr. Miller, and Mr. Purgason are the NEOs eligible to retire as of December 31, 2015.
- (3) Mr. Purgason and Mr. Seldenrust are vested in plan benefits due to recognition of previous service with Williams or an acquired entity.

Nonqualified Deferred Compensation

We do not provide other nonqualified deferred compensation for any of our NEOs or other employees.

Table of Contents

Change in Control Agreements

We have entered into change in control agreements with each of our NEOs to facilitate continuity of management if there is a change in control of the Company.

If during the term of a change in control agreement, a change in control occurs and (i) the employment of any NEO is terminated other than for cause, disability, death, or a disqualification disaggregation, or (ii) an NEO resigns for good reason, such NEO is entitled to the following:

Within ten business days after the termination date:

Accrued but unpaid base salary, accrued earned but unpaid cash incentive, accrued but unpaid paid time off, and any other amounts or benefits due but not paid (lump sum payment).

On the first business day following six months after the termination date:

Prorated annual cash incentive for the year of separation through the termination date (lump sum payment);

A severance amount equal to three times the sum of his/her base salary and annual cash incentive amount for executive officers, as of the termination date (lump sum payment). The annual cash incentive amount is equal to his/her target percentage multiplied by his/her base salary in effect at the termination date as if performance goals were achieved at 100 percent;

An amount equal to three times for executive officers, the total allocations made by Williams for the NEO in the preceding calendar year under our retirement restoration plan (lump sum payment);

An amount equal to the sum of the value of the unvested portion of the NEO's accounts or accrued benefits under the Company's 401(k) plan that would have otherwise been forfeited (lump sum payment);

Continued participation in the Company's medical benefit plans for so long as the NEO elects coverage or 18 months from the termination, whichever is less, in the same manner and at the same cost as similarly situated active employees;

All restrictions on stock options held by the NEO will lapse, and the options will vest and become immediately exercisable;

All restricted stock units will vest and will be paid out only in accordance with the terms of the respective award agreements

Continued participation in the Company's directors' and officers' liability insurance for six-years or any longer known applicable statute of limitations period;

Indemnification as set forth under the Company's By-laws; and

Outplacement benefits for six months at a cost not exceeding \$25,000 for NEOs.

We provide a best net provision providing our NEOs with the better of their after-tax benefit capped at the safe harbor amount or their benefit paid in full, subjecting them to possible excise tax payments. If an NEO's employment is terminated for cause during the period beginning upon a change of control and continuing for two-years or until the termination of the agreement, whichever happens first, the NEO is entitled to accrued but unpaid base salary, accrued earned but unpaid cash incentive, accrued but unpaid paid time off, and any other amounts or benefits due but not paid (lump sum payment).

The agreements with our NEOs use the following definitions:

Cause means an NEO's:

Conviction of or a plea of nolo contendere to a felony or a crime involving fraud, dishonesty or moral turpitude;

Table of Contents

Willful or reckless material misconduct in the performance of his/her duties that has an adverse effect on Williams or any of its subsidiaries or affiliates;

Willful or reckless violation or disregard of the code of business conduct of Williams or the policies of Williams or its subsidiaries; or

Habitual or gross neglect of his/her duties.

Cause generally does not include bad judgment or negligence (other than habitual neglect or gross negligence); acts or omissions made in good faith after reasonable investigation by the NEO or acts or omissions with respect to which the Board could determine that the NEO had satisfied the standards of conduct for indemnification or reimbursement under the Company's By-laws, indemnification agreement, or applicable law; or failure (despite good faith efforts) to meet performance goals, objectives, or measures for a period beginning upon a change of control and continuing for two years or until the termination of the agreement, whichever happens first. An NEO's act or failure to act (except as relates to a conviction or plea of nolo contendere described above), when done in good faith and with a reasonable belief after reasonable investigation that such action or non-action was in the best interest of Williams or its affiliate or required by law shall not be Cause if the NEO cures the action or non-action within ten days of notice. Furthermore, no act or failure to act will be Cause if the NEO acted under the advice of Williams' counsel or required by the legal process.

Change in control means:

Any person or group (other than an affiliate of Williams or an employee benefit plan sponsored by Williams or its affiliates) becomes a beneficial owner, as such term is defined under the Exchange Act, of 20 percent or more of the Company's common stock or 20 percent or more of the combined voting power of all securities entitled to vote generally in the election of directors (Voting Securities), unless such person owned both more than 75 percent of common stock and Voting Securities, directly or indirectly, in substantially the same proportion immediately before such acquisition;

The Williams directors as of a date of the agreement (Existing Directors) and directors approved after that date by at least two-thirds of the Existing Directors cease to constitute a majority of the directors of Williams;

Consummation of any merger, reorganization, recapitalization consolidation, or similar transaction (Reorganization Transaction), other than a Reorganization Transaction that results in the person who was the direct or indirect owner of outstanding common stock and Voting Securities of the Company prior to the transaction becoming, immediately after the transaction, the owner of at least 65 percent of the then outstanding common stock and Voting Securities representing 65 percent of the combined voting power of the then outstanding Voting Securities of the surviving corporation in substantially the same respective proportion as that person's ownership immediately before such Reorganization Transaction; or

Approval by the stockholders of Williams of the sale or other disposition of all or substantially all of the consolidated assets of Williams or the complete liquidation of Williams other than a transaction that would result in (i) a related party owning more than 50 percent of the assets that were owned by Williams immediately prior to the transaction or (ii) the persons who were the direct or indirect owners of outstanding Williams common stock and Voting Securities prior to the transaction continuing to own, directly or indirectly, 50 percent or more of the assets that were owned by Williams immediately prior to the transaction.

A change in control will not occur if:

The NEO agrees in writing prior to an event that such an event will not be a change in control; or

The Board determines that a liquidation, sale or other disposition approved by the stockholders, as described in the fourth bullet above, will not occur, except to the extent termination occurred prior to such determination.

Table of Contents

Disability means a physical or mental infirmity that impairs the NEO's ability to substantially perform his/her duties for twelve months or more and for which he is receiving income replacement benefits from a Company plan for not less than three months.

Disqualification disaggregation means:

The termination of an NEO from Williams or an affiliate's employment before a change in control for any reason; or

The termination of an NEO's employment by a successor (during the period beginning upon a change of control and continuing for two-years or until the termination of the agreement, whichever happens first), if the NEO is employed in substantially the same position and the successor has assumed the Williams change in control agreement.

Good reason means, generally, a material adverse change in the NEO's title, position, or responsibilities, a reduction in the NEO's base salary, a reduction in the NEO's annual bonus, required relocation, a material reduction in the level of aggregate compensation or benefits not applicable to Company peers, a successor company's failure to honor the agreement, or the failure of the Board to provide written notice of the act or omission constituting cause.

Termination Scenarios

The following table sets forth circumstances that provide for payments to the NEOs following or in connection with a change in control of the Company or an NEO's termination of employment for cause, upon retirement, upon death and disability, or not for cause. NEOs are generally eligible to retire at the earlier of age 55 and completion of 3 years of service or age 65.

Table of Contents

All values are based on a hypothetical termination date of December 31, 2015 and a WMB closing stock price of \$25.70 on such date. Additionally, Mr. Purgason and Mr. Seldenrust also have outstanding Williams Partners shares. The closing stock price of Williams Partners on December 31, 2015 was \$27.85. The values shown are intended to provide reasonable estimates of the potential benefits the NEOs would receive upon termination. The values are based on various assumptions and may not represent the actual amount an NEO would receive. In addition to the amounts disclosed in the following table, a departing NEO would retain the amounts he/she has earned over the course of his/her employment prior to the termination event, including accrued retirement benefits and previously vested stock options and restricted stock units.

Name	Payment	For Cause (1)	Retirement (2)	Death & Disability (3)	Not for Cause (4)	CIC (5)
Armstrong	Stock options	\$	\$	\$	\$	\$
	Stock awards			7,428,562	7,428,562	10,725,086
	AIP			1,400,000	1,400,000	1,400,000
	Cash Severance					7,560,000
	Outplacement					25,000
	Health & Welfare					25,772
	Retirement Restoration Plan Enhancement					834,159
	Best Net Provision					(944,470)
	Total	\$	\$	\$8,828,562	\$8,828,562	\$19,625,547
	Chappel	Stock options	\$	\$	\$	\$
Stock awards			3,169,597	3,738,464	3,738,464	5,176,805
AIP			506,250	506,250	506,250	506,250
Cash Severance						3,543,750
Outplacement						25,000
Health & Welfare						17,863
Retirement Restoration Plan Enhancement						301,223
Best Net Provision						
Total		\$	\$3,675,847	\$4,244,714	\$4,244,714	\$9,570,891
Purgason		Stock options	\$	\$	\$	\$
	Stock awards		1,743,889	3,453,575	3,453,575	4,122,452
	AIP		385,000	385,000	385,000	385,000
	Cash Severance					2,805,000
	Outplacement					25,000
	Health & Welfare					16,715
	Retirement Restoration Plan Enhancement					149,397
	Best Net Provision					
	Total	\$	\$2,128,889	\$3,838,575	\$3,838,575	\$7,503,564
	Stock options	\$	\$	\$	\$	\$

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	Stock awards		2,870,328	2,870,328	3,159,916	
	AIP		332,500	332,500	332,500	
	Cash Severance				2,422,500	
	Outplacement				25,000	
	Health & Welfare				24,139	
	Retirement Restoration Plan					
	Enhancement				74,876	
	E&C Special Incentive				500,000	
	Best Net Provision					
	Total	\$	\$	\$3,202,828	\$3,202,828	\$6,538,931
	Stock options	\$	\$	\$	\$	\$
	Stock awards		1,809,670	2,197,765	2,197,765	3,034,767
	AIP		343,000	343,000	343,000	343,000
	Cash Severance					2,499,000
	Outplacement					25,000
	Health & Welfare					25,772
	Retirement Restoration Plan					
	Enhancement					204,905
	Best Net Provision					
Miller	Total	\$	\$2,152,670	\$2,540,765	\$2,540,765	\$6,132,444

Table of Contents

- (1) If an NEO is terminated for cause or leaves the company voluntarily, no additional benefits will be received.
- (2) Mr. Chappel, Mr. Purgason, and Mr. Miller are the only NEOs eligible to retire as of December 31, 2015. If an NEO retires, then the annual cash incentive for the year of separation is pro-rated to the retirement date and is paid when all active employees' annual cash incentives are paid after the company performance is certified. All unvested stock options will fully accelerate. A pro-rated portion of the unvested time based restricted stock units will accelerate and a pro-rated portion of any performance-based and leveraged restricted stock units will vest on the original vesting date if the Compensation Committee certifies that the performance measures were met. The annual cash incentive award estimates, as of December 31, 2015, are shown at target.
- (3) If an NEO dies or becomes disabled, then the annual cash incentive for the year of separation is pro-rated through the separation or leave date and is paid when all active employees' annual cash incentives are paid after the company performance is certified. All unvested stock options will fully accelerate. All unvested time-based restricted stock units will fully accelerate, and a pro-rated portion of any performance-based and leveraged restricted stock units will vest if the Compensation Committee certifies that the performance measures were met. The annual cash incentive award estimates, as of December 31, 2015, are shown at target.
- (4) For an NEO who is involuntarily terminated and who receives severance or for an NEO whose termination is due to the sale of a business or outsourcing any portion of a business and for whom no comparable internal offer of employment is made, all unvested time-based restricted stock units will fully accelerate and a pro-rated portion of any performance-based and leveraged restricted stock units will vest if the Compensation Committee certifies that the performance measures were met. However all unvested stock options cancel. If this separation occurs during the last quarter of the fiscal year, the annual cash incentive for the year of separation is pro-rated through the separation or leave date and is paid when all active employees' annual cash incentives are paid after the company performance is certified. The annual cash incentive award estimates, as of December 31, 2015, are shown at target.
- (5) See *Change in Control Agreements* above.

Please note that we make no assumptions as to the achievement of performance goals as it relates to the performance-based RSUs. If an award is covered by Section 409A of the Internal Revenue Code, lump sum payments and distributions occurring from these events will occur six months after the triggering event as required by the Internal Revenue Code and our award agreements.

Table of Contents**Compensation of Directors**

Only non-employee directors receive director fees. In 2015, the Company paid non-employee directors:

\$110,000 annual retainer paid in quarterly cash payments

\$140,000 annual equity retainer in the form of RSUs which will vest after one-year and are subject to 60% retention until the director meets the five-times annual retainer stock ownership guidelines

\$20,000 annual retainer paid in quarterly cash payments for Committee Chairs (Audit, Compensation, Finance, Nominating and Governance Committees, and Safety)

\$200,000 annual retainer paid in quarterly cash payments for the Strategic Review Administrative Committee Chair and \$100,000 annual retainer paid in quarterly cash payments for members of the Strategic Review Administrative Committee;

\$190,000 annual retainer paid in quarterly cash payments and \$160,000 annual equity retainer in the form of RSUs which will vest after one-year and are subject to 60% retention as noted above for the non-employee Chairman of the Board

A special Strategic Review Administrative Committee was established on June 20, 2015 to assist with the strategic alternatives process.

The annual cash retainers paid to the non-employee directors are made through quarterly cash payments. Through The Williams Companies, Inc. Amended and Restated 2007 Incentive Plan, the annual equity retainer vests after one year and is subject to 60 percent retention if the non-employee director has not satisfied the stock ownership guidelines as approved by the Compensation Committee. Paying dividend equivalents on annual non-employee director equity grants was also approved in 2012. Dividend equivalents will be paid in the form of cash after the one-year vesting term. Beginning in 2013, non-employee directors have the option to defer their annual equity grants until retirement. If the director elects not to defer, shares will be distributed at the scheduled vesting date and dividends will be paid in the form of cash. If the director elects to defer vested shares until retirement, the dividends will be reinvested until such date.

Non-employee directors generally receive their compensation on the date of the annual stockholders meeting. The following table shows how compensation is paid to individuals who become non-employee directors after the annual meeting. In this case, the equity retainer would be paid the first of the month following appointment and the cash retainers will be paid on the scheduled quarterly payment dates.

An individual who became a non-employee director...	...but before...	...will receive...
after the annual meeting	August 1	full compensation
on or after August 1	the next annual meeting	pro-rated compensation

Non-employee directors are reimbursed for expenses (including costs of travel, food, and lodging) incurred in attending Board, committee, and stockholder meetings. Directors are also reimbursed for reasonable expenses associated with other business activities, including participation in director education programs. In addition, Williams pays premiums on directors and officers liability insurance policies.

Like all Williams employees, directors are eligible to participate in the Williams Matching Grant Program for eligible charitable organizations and the United Way Program. The maximum matching contribution in any calendar year is \$10,000 for a participant in the Matching Grant Program and \$25,000 for a participant in the United Way Program. No match is made to the United Way under the Matching Grant Program unless the giving relates to a natural disaster or is applied to the funding of a capital campaign at a United Way funded agency.

In February 2014, we entered into an agreement with Corvex Management LP (Corvex), Mr. Keith Meister, Soroban Master Fund LP (Soroban), Soroban Capital Partners LP, Soroban Capital GP LLC, and Mr. Eric W.

Table of Contents

Mandelblatt (collectively, the Investor Group) pursuant to which Messrs. Mandelblatt and Meister were appointed to our Board. Under the terms of the agreement, Mr. Mandelblatt and Mr. Meister did not receive any form of cash or equity compensation, for their service on our Board.

Director Compensation for Fiscal Year 2015

The compensation earned by each director for 2015 service is outlined in the following table:

Name	Fees	Fees	Change in			All Other	Total
	Earned	Earned	Non-Equity	Deferred	Pension		
	or Paid	or Paid	Option	Incentive Plan	Compensation	Compensation	
	in Cash (1)	in Stock (2)	Awards	Compensation	Earnings	(3)	
Joseph R. Cleveland	\$110,000	\$140,051	\$-	\$-	\$-	\$-	\$250,051
Kathleen B. Cooper	130,000	140,051	-	-	-	10,500	280,551
John A. Hagg	110,000	140,051	-	-	-	-	250,051
Juanita H. Hinshaw	130,000	140,051	-	-	-	-	270,051
Ralph Izzo	110,000	140,051	-	-	-	1,000	251,051
Frank T. MacInnis	320,000	300,018	-	-	-	10,000	630,018
Eric W. Mandelblatt (4)	-	-	-	-	-	-	-
Keith A. Meister (4)	-	-	-	-	-	-	-
Steven W. Nance (5)	180,000	140,051	-	-	-	6,453	326,486
Murray D. Smith	110,000	140,051	-	-	-	-	250,051
Janice D. Stoney	180,000	140,051	-	-	-	10,000	330,051
Laura A. Sugg	210,000	140,051	-	-	-	1,000	351,051

(1) The fees paid in cash are itemized in the following chart.

Name	Cash Retainers Nominating &							Special Strategic Alternatives Review Committee Retainer	Non- employee Chairman of the Board Retainer	Total
	Annual Cash Retainer Including Service on Two Committees	Audit Committee Chair Retainer	Compensation Committee Chair Retainer	Governance Committee Chair Retainer	Finance Committee Chair Retainer	Safety Committee Chair Retainer				
Levelland	\$110,000	-	-	-	-	-	-	-	-	\$110,000
Cooper	110,000	\$20,000	-	-	-	-	-	-	-	130,000
Sugg	110,000	-	-	-	-	-	-	-	-	110,000
Finshaw	110,000	-	-	-	\$20,000	-	-	-	-	130,000
Izzo	110,000	-	-	-	-	-	-	-	-	110,000
MacInnis	110,000	-	-	\$20,000	-	-	-	-	\$190,000	320,000
Handelblatt (4)	-	-	-	-	-	-	-	-	-	-
Reister (4)	-	-	-	-	-	-	-	-	-	-
Nance (5)	110,000	-	-	-	-	\$20,000	\$50,000	-	-	180,000
Smith	110,000	-	-	-	-	-	-	-	-	110,000
Mooney	110,000	-	\$20,000	-	-	-	\$50,000	-	-	180,000
Sugg	110,000	-	-	-	-	-	\$100,000	-	-	210,000

- (2) Awards were granted under the terms of the 2007 Incentive Plan and represent time-based RSUs. Amounts shown are the grant date fair value of awards computed in accordance with FASB ASC Topic 718. The assumptions used to value the stock awards can be found in our Form 10-K for the year-ended December 31, 2015.
- (3) All other compensation includes matching contributions paid in 2015 made on behalf of the Board to charitable organizations through the Matching Grants Program or the United Way Program. It is possible for Directors to make contributions at the end of the year that are not matched by the Company until the following year. Dr. Cooper, Mr. Izzo, Mr. MacInnis, Mr. Nance, and Ms. Sugg made 2015 contributions through the Matching Grants Program or the United Way Program at the end of the year that were matched by the Company in early 2016.

Table of Contents

- (4) Under the terms of their agreements, Mr. Mandelblatt and Mr. Meister will not receive any form of cash or equity compensation for their service on our Board. They were eligible to participate in the Matching Grants Program or the United Way Program as previously described.
- (5) Mr. Nance, Ms. Stoney, and Ms. Sugg were appointed to a new Strategic Alternatives Review Committee in 2015. Ms. Sugg served as Chair of the Committee. Mr. Nance, Ms. Stoney, and Ms. Sugg were compensated \$25,000, \$25,000 and \$50,000 for each quarter served on the Committee.

Outstanding Awards as of Fiscal Year End 2015

The aggregate number of stock options and stock awards held by directors outstanding at December 31, 2015 is as follows:

Name	Number of Shares or Units of Stock Outstanding	Number of Securities Underlying Unexercised Options Exercisable
Joseph R. Cleveland	10,252	-
Kathleen B. Cooper	2,637	5,527
John A. Hagg	10,252	-
Juanita H. Hinshaw	2,637	7,370
Ralph Izzo	11,334	-
Frank T. MacInnis	14,911	7,370
Eric W. Mandelblatt	-	-
Keith A. Meister	-	-
Steven W. Nance	10,252	-
Murray D. Smith	10,252	-
Janice D. Stoney	31,845	-
Laura A. Sugg	6,960	-

Table of Contents**Equity Compensation Stock Plans****Securities authorized for issuance under equity compensation plans**

The following table provides information concerning Williams common stock that may be issued upon the exercise of options, warrants and rights under all of our existing equity compensation plans as of December 31, 2015, including The Williams Companies, Inc. 2007 Incentive Plan, The Williams Companies, Inc. 2002 Incentive Plan, The Williams Companies, Inc. 1996 Stock Plan, The Williams Companies, Inc. 1996 Stock Plan for Non-Employee Directors, and 2007 Employee Stock Purchase Plan.

Plan Category	Number of Securities to be Issued upon Exercise of Outstanding Options, Warrants and Rights (1)	Weighted-Average Exercise Price of Outstanding Options, Warrants and Rights (2)	Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans (Excluding Securities Reflected in the First Column of This Table) (3)
Equity Compensation plans approved by security holders	9,196,828	\$31.51	20,733,758
Equity Compensation plans not approved by security holders(4)	-	-	-
Total	9,196,828	\$31.51	20,733,758

(1) Includes 3,471,891 shares of RSUs, all of which were approved by security holders.

(2) Excludes the shares issuable upon the vesting of RSUs included in the first column of this table for which there is no weighted-average price.

(3) Includes 1,466,223 shares remaining to be issued out of the 2007 Employee Stock Purchase Plan.

(4) These plans were terminated upon stockholder approval of the 2007 Incentive Plan. There are no stock options outstanding under these plans.

Table of Contents

Report of the Audit Committee

The Audit Committee oversees Williams' financial reporting process on behalf of the Board. Management has the primary responsibility for the financial statements and the reporting process, including the systems of internal controls. The Audit Committee meets separately with management, the internal auditors, the independent auditors, and the general counsel. The Audit Committee operates under a written charter approved by the Board, a copy of which is available on our website at www.williams.com. The charter, among other things, provides that the Audit Committee has full authority to appoint, oversee, compensate, evaluate, and terminate when appropriate, the independent auditor. In this context, the Audit Committee:

reviewed and discussed the audited financial statements in Williams' annual report on Form 10-K with management, including a discussion of the quality – not just the acceptability – of the accounting principles, the reasonableness of significant judgments, and the clarity of disclosures in the financial statements;

reviewed with Ernst & Young LLP, Williams' independent auditors, who are responsible for expressing an opinion on the conformity of those audited financial statements with generally accepted accounting principles, their judgments as to the quality and acceptability of Williams' accounting principles and such other matters as are required to be discussed with the Audit Committee under generally accepted auditing standards;

received the written disclosures and the letter from Ernst & Young LLP required by applicable requirements of the Public Company Accounting Oversight Board regarding Ernst & Young LLP's communications with the Audit Committee concerning independence;

discussed with Ernst & Young LLP its independence from management and Williams and considered whether Ernst & Young LLP could also provide non-audit services without compromising the firm's independence;

discussed with Ernst & Young LLP the matters required to be discussed by Auditing Standard No. 16, Communications with Audit Committees – issued by the Public Company Accounting Oversight Board;

discussed with Williams' internal auditors and Ernst & Young LLP the overall scope and plans for their respective audits, and then met with the internal auditors and Ernst & Young LLP, with and without management present, to discuss the results of their examinations, their evaluations of Williams' internal controls and the overall quality of Williams' financial reporting;

based on the foregoing reviews and discussions, recommended to the Board that the audited financial statements be included in the annual report on Form 10-K for the year ended December 31, 2015, for filing with the SEC; and

appointed Ernst & Young LLP to serve as Williams' independent auditors for 2016, subject to ratification by the Board and the Company's stockholders.

This report has been furnished by the members of the Audit Committee of the Board:

Kathleen B. Cooper, Chair
Joseph R. Cleveland
John A. Hagg
Juanita H. Hinshaw
Peter A. Ragauss
William H. Spence

Table of Contents

PROPOSAL 2

RATIFICATION OF THE
APPOINTMENT OF INDEPENDENT
AUDITORS

The Board recommends a vote **FOR** the ratification of Ernst & Young LLP as our independent auditors for 2016.

The Audit Committee is responsible for selecting Williams' independent, registered public accounting firm. At a meeting held on March 2, 2016, the Audit Committee appointed the firm of Ernst & Young LLP (EY) as the independent auditors to audit our financial statements for calendar year 2016. The Audit Committee considered a number of factors in determining to appoint EY as our independent auditors, including the firm's professional qualifications and resources, past performance, expertise in our industry, tenure, and capability in handling the breadth and complexity of our business. In selecting the independent auditors, the Audit Committee considered the firm's independence, and when rotation is required also is involved in the selection of the firm's lead engagement partner. The Audit Committee believes that the appointment of EY as our independent auditors is in the best interests of our stockholders.

A representative of EY will attend the annual meeting and will be available to respond to appropriate questions. Although the audit firm has indicated that no statement will be made, an opportunity for a statement will be provided. Stockholder approval of the appointment of EY is not required, but the Audit Committee and the Board are submitting the selection of EY for ratification to obtain our stockholders' views. If a majority of the stockholders do not ratify the appointment of EY as the independent auditors to audit our financial statements for calendar year 2016, the Audit Committee and the Board will consider the voting results and evaluate whether to select a different independent auditor.

Principal Accounting Fees and Services

Fees for professional services provided by our independent auditors for each of the last two fiscal years were as follows:

	2015	2014
	(millions)	(millions)
Audit Fees	\$9.0	\$9.7
Audit-related Fees	1.2	0.7
Tax Fees	1.2	0.2
All Other Fees	-	-
Total	11.4	10.6

Audit fees include fees associated with the annual audits of all of our registrants for SEC and Federal Energy Regulatory Commission reporting purposes, the reviews of our quarterly reports on Form 10-Q, the audit of internal controls as required by Section 404 of the Sarbanes-Oxley Act of 2002, and services performed in connection with other filings with the SEC. Audit-related fees include audits of employee benefit plans and services performed for other compliance purposes. Tax fees include tax planning, tax advice, and tax compliance. EY does not provide tax services to our executives. Audit-related and tax fees in 2015 also include services performed related to the ACMP Merger and our evaluation of strategic alternatives.

Policy on Audit Committee Pre-Approval of Audit and Non-Audit Services of Independent Auditors

The Audit Committee is responsible for appointment, compensation, retention, and oversight of EY, our independent auditors. The Audit Committee is responsible for overseeing the determination of fees associated

Table of Contents

with EY's audit of our financial statements. The Audit Committee has established a policy regarding pre-approval of all audit and non-audit services provided by EY.

On an ongoing basis, our management presents specific projects and categories of service to the Audit Committee to request advance approval. The Audit Committee reviews those requests and advises management if the Audit Committee approves the engagement of EY. On a periodic basis, our management reports to the Audit Committee regarding the actual spending for such projects and services compared to the approved amounts. The Audit Committee may also delegate the authority to pre-approve audit and permitted non-audit services, excluding services related to the Company's internal control over financial reporting, to a subcommittee of one or more committee members, provided that any such pre-approvals are reported on at a subsequent Audit Committee meeting. In 2014 and 2015, 100% of EY's services were pre-approved by the Audit Committee.

Change of Williams Partners' Independent Registered Accounting Firm

Williams Partners (formerly known as Access Midstream Partners, L.P.) merged with Pre-merger Williams Partners in February 2015 and is a significant subsidiary of the Company. The Audit Committee of the Board of the general partner of Williams Partners dismissed PricewaterhouseCoopers LLP (PwC) as Williams Partners' independent registered public accounting firm upon the filing of Williams Partners' Quarterly Report on Form 10-Q for the quarter ended September 30, 2014. The Audit Committee approved the appointment of EY as Williams Partners' independent registered public accounting firm for the fiscal year ending December 31, 2014.

During the interim period from January 1, 2014 through October 30, 2014, there were (i) no disagreements with PwC on any matter of accounting principles or practices, financial statement disclosure or auditing scope or procedure, which disagreement, if not resolved to the satisfaction of PwC, would have caused PwC to make reference to the subject matter of the disagreement in its reports on the consolidated financial statements for such period, and (ii) no reportable events within the meaning of Item 304(a)(1)(v) of the SEC's Regulation S-K.

In connection with the audits of Williams Partners' consolidated financial statements, during Williams Partners' interim period from January 1, 2014 through October 30, 2014, neither Williams Partners, its general partner, nor anyone on each of its behalf consulted with EY regarding (i) the application of accounting principles to a specified transaction, either completed or proposed, or the type of audit opinion that might be rendered on Williams Partners' financial statements, and neither a written report nor oral advice was provided to Williams Partners or its general partner that EY concluded was an important factor considered by Williams Partners or its general partner in reaching a decision as to the accounting, auditing, or financial reporting issue; or (ii) any matter that was either the subject of a disagreement (as that term is defined in Item 304(a)(1)(iv) of Regulation S-K and the related instructions to Item 304 of Regulation S-K) or a reportable event (as that term is defined in Item 304(a)(1)(v) of Regulation S-K).

We previously reported this information in our Current Report on Form 8-K dated October 3, 2014, as amended on November 4, 2014.

Table of Contents

PROPOSAL 3

ADVISORY VOTE ON EXECUTIVE

COMPENSATION

The Board recommends that you vote **FOR** the approval of the company's executive compensation.

We request our stockholders' non-binding, advisory vote on our NEO Compensation as disclosed in accordance with the SEC's rules in this proxy statement. This proposal is commonly known as a "say-on-pay" proposal.

As discussed in the "Compensation Discussion and Analysis" section of this proxy statement on pages 35 to 55 as well as in the tables and narrative in the "Executive Compensation and Other Information" section on pages 56 to 67, our compensation programs are designed to attract and retain the talent needed to drive stockholder value and help each of our businesses meet or exceed financial and performance targets. Our compensation programs are intended to reward our NEOs for successfully implementing our strategy to grow our business and create long-term stockholder value. We believe our programs effectively link executive pay to the financial performance of the Company while also aligning our NEOs with the interests of our stockholders. The following are some key points that demonstrate our commitment to aligning pay to performance:

The significant majority of NEO target compensation is provided in the form of long-term equity awards, ensuring pay is aligned with stockholders and linked to the performance of our Company's common stock; Performance-based RSU awards are measured based on both relative and absolute TSR. This ensures our stock price performance must perform well in relation to our comparator group of companies while also delivering a strong absolute return to our stockholders in order to deliver the targeted number of RSUs to our NEOs upon vesting; and

Our 2015 Annual Incentive Program aligns 2015 payments to actual performance on pre-established targets effectively linking the Company's financial performance to NEO pay.

We are seeking our stockholders' support for our NEO compensation as detailed in this proxy statement. This proposal conforms to SEC requirements and seeks our stockholders' views on our NEO compensation. It is not intended to address any specific element of compensation, but rather the overall compensation provided to our NEOs including our pay philosophy, our pay principles and pay practices as described in this proxy statement. The Board asks for your **FOR** advisory vote on the following resolution:

RESOLVED, that the stockholders of The Williams Companies, Inc. (the "Company") approve, on an advisory basis, the executive compensation of the Company's named executive officers as disclosed within this proxy statement pursuant to the compensation disclosure rules of the Securities Exchange Act of 1934, as amended (Item 402 of Regulation S-K), which disclosure includes the Compensation Discussion and Analysis, the compensation tables, and any related narrative discussion contained in this proxy statement.

Because your vote is advisory, it will not be binding on the Board and will not overrule any decision by the Board or require the Board to take any action. However, the Board will take into account the outcome of the vote when considering future executive compensation decisions for NEOs. We currently conduct annual advisory votes on executive compensation, and we expect to conduct the next advisory vote at our 2017 annual meeting of stockholders.

Table of Contents

Incorporation by Reference

The Compensation Committee Report on Executive Compensation and the Report of the Audit Committee are not deemed filed with the SEC and shall not be deemed incorporated by reference into any prior or future filings made by Williams under the Securities Act or the Exchange Act, except to the extent that Williams specifically incorporates such information by reference. In addition, the website addresses contained in this proxy statement are intended to provide inactive, textual references only. The information on these websites is not part of this proxy statement.

Website Access to Reports and Other Information

We file our annual report on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K, proxy statements, and other documents electronically with the SEC under the Exchange Act. You may read and copy any materials that we file with the SEC at the SEC's Public Reference Room at 100 F Street, N.E., Washington, DC 20549. You may obtain information on the operation of the Public Reference Room by calling the SEC at 1-800-SEC-0330. You may also obtain such reports from the SEC's website at www.sec.gov.

Our website is www.williams.com. We make available free of charge through the Investors page of our website our annual report on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K, and amendments to those reports filed or furnished pursuant to Section 13(a) or 15(d) of the Exchange Act as soon as reasonably practicable after we electronically file such material with, or furnish it to, the SEC. Our Corporate Governance Guidelines, Code of Ethics for Senior Officers, Board committee charters, and the Williams Code of Business Conduct are also available on our website. **We will provide, free of charge, a copy of any of our corporate documents listed above upon written request to our corporate secretary at Williams, One Williams Center, MD 47, Tulsa, Oklahoma 74172.**

By order of the Board of Directors,

Sarah C. Miller
Corporate Secretary
Senior Vice President and General Counsel

Tulsa, Oklahoma

October 19, 2016

Table of Contents

The Williams Companies, Inc.

Annual Meeting of Stockholders

November 23, 2016

8:00 a.m. Central Time

One Williams Center

Tulsa, Oklahoma 74172

**PLEASE SEE THE REVERSE SIDE
FOR VOTING INSTRUCTIONS.**

You can vote by telephone or Internet

24 hours a day, 7 days a week.

Using a **black ink** pen, mark your votes with an **X** as shown in this example. Please do not write outside the designated areas.

q IF YOU HAVE NOT VOTED VIA THE INTERNET OR TELEPHONE, FOLD ALONG THE PERFORATION, DETACH AND RETURN THE BOTTOM PORTION IN THE ENCLOSED ENVELOPE. q

Proposals The Board of Directors recommends a vote **FOR** the election of each of the nominees listed below.

of Directors:	For	Against	Abstain	For	Against	Abstain	For	Against	Abstain
n S. Armstrong				02 - Stephen W. Bergstrom			03 - Stephen I. Chazen		
hleen B. Cooper				05 - Peter A. Ragauss			06 - Scott D. Sheffield		
rray D. Smith				08 - William H. Spence			09 - Janice D. Stoney		

The Board of Directors recommends a vote FOR proposals 2 and 3.

- | For | Against | Abstain | For | Against | Abstain |
|--|---------|---------|--|---------|---------|
| 2. Ratification of Ernst & Young LLP as auditors for 2016. | | | 3. Approval, by nonbinding advisory vote, of the Company's executive compensation. | | |
| 4. To transact such other business as may properly come before the annual meeting or any adjournment of the meeting. | | | | | |

B Authorized Signatures This section must be completed for your vote to be counted. **Date and Sign Below**
The signer hereby revokes all proxies previously given by the signer to vote at said Annual Meeting or any adjournments thereof. Note: Please sign exactly as name appears hereon. Joint owners should each sign. When signing as attorney, executor, administrator, corporate officer, trustee, guardian, or custodian, please give full title as such.

Date (mm/dd/yyyy) Please print date Signature 1 Please keep signature within the box. Signature 2 Please keep signature within the box.
 / /

Table of Contents

q IF YOU HAVE NOT VOTED VIA THE INTERNET OR TELEPHONE, FOLD ALONG THE PERFORATION, DETACH AND RETURN THE BOTTOM PORTION IN THE ENCLOSED ENVELOPE. q

Proxy The Williams Companies, Inc.

Proxy Solicited on Behalf of the Board of Directors of Williams for the Annual Meeting of Stockholders on November 23, 2016.

The undersigned stockholder of The Williams Companies, Inc. (Williams) hereby appoints ALAN S. ARMSTRONG, DONALD R. CHAPPEL and SARAH C. MILLER, jointly and severally with full power of substitution, as proxies to represent and to vote all of the shares of Williams Common Stock the undersigned is entitled to vote at the Annual Meeting of Stockholders of Williams to be held on the 23rd day of November, 2016, and at any and all adjournments thereof, on all matters coming before said meeting.

THIS PROXY, WHEN PROPERLY EXECUTED AND TIMELY RETURNED, WILL BE VOTED AS INDICATED. IF NO VOTING DIRECTION IS INDICATED, THIS PROXY WILL BE VOTED FOR ALL LISTED NOMINEES AND IN ACCORDANCE WITH THE RECOMMENDATIONS OF THE BOARD OF DIRECTORS ON THE OTHER MATTERS REFERENCED ON THE REVERSE SIDE HEREOF.

Voting Instructions

Votes by telephone or Internet must be received by 1:00 a.m. Central Time, on November 23, 2016.

To Vote by Internet

To Vote by Telephone

To Vote by Mail

Go to the following web site:

WWW.ENVISIONREPORTS.COM/WMB

Call toll free 1-800-652-VOTE
(8683) in the United States or
Canada any time on a touch tone
telephone.

Mark, sign and date the proxy
card.

Follow the steps outlined on the secured
website.

Return the proxy card in the
postage-paid envelope provided.

Follow the instructions
provided by the recorded
message.

**If you vote by telephone or
the Internet, please DO NOT
mail back this proxy card.**

To participants in The Williams Investment Plus Plan: This proxy/voting instruction card constitutes your voting instructions to the Trustee(s) of such Plan. Non-voted shares will be voted in the same proportion on each issue as the Trustees votes those shares for which it receives voting instructions from Participants. Your instructions must be completed prior to Friday, November 18, 2016 at 1:00 a.m. Central Time.

THANK YOU FOR VOTING