

WGL HOLDINGS, INC. AND SUBSIDIARIES

Corporate Governance Guidelines

Purpose

The Boards of Directors of WGL Holdings, Inc. and Washington Gas Light Company (referred herein individually and collectively as the "Board and the "Company" respectively") have adopted these corporate governance guidelines for their respective corporations. These guidelines are intended to provide an overall structure for the operation of the Board and its committees, including a description of the basic functions and procedures of the Board. These guidelines are subject to requirements of the charters and bylaws of the Company, as well as applicable law. These guidelines may be modified at any time as the Board, in its discretion, deems appropriate.

Director Qualification Standards

The Governance Committee of the Board is responsible for identifying candidates qualified for election as directors (each, a "Director") on the Board. As provided in its committee charter, the Governance Committee will seek candidates having experience and abilities relevant to serving as a Director of the Company and who will represent the best interests of shareholders as a whole, and not any specific interest group or constituency. In evaluating the qualifications of Board nominees, the Governance Committee considers factors, including, but not limited to, the following:

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

Diversity. The Board does not have a formal policy regarding the consideration of diversity in identifying nominees for Director. Nevertheless, Directors should be selected so that the Board is a diverse body. The Board considers the term "diversity" to include differences of viewpoint, professional experience, education, skill and other individual qualities and attributes that contribute to Board heterogeneity as well as differences in race, gender and ethnicity.

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

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

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

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

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

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

As required by listing standards of the New York Stock Exchange (the "NYSE"), at least a majority of the members of the Board shall meet the requirements for "independence," as defined by the rules of the NYSE. No member of the Board will qualify as independent unless the Board affirmatively determines that the member has no material relationship with the Company (either directly or as a partner, stockholder or officer of an organization that has a material relationship with the Company). The Company will disclose the Board's determinations as to independence in the annual proxy statement.

The Governance Committee may recommend, and the Board may adopt, policies from time to time regarding an age limitation for membership on the Board, the maximum number of boards on which a Director may serve and other policies and procedures as deemed appropriate by the Governance Committee and the Board.

The Board will consider candidates for election to the Board submitted by shareholders in accordance with procedures specified in the Company's bylaws and applicable law. The Board will evaluate the qualifications of those candidates using the same criteria as used for other Board candidates.

Policy on Director Resignation Following Shareholder Vote

Any nominee for Director in an uncontested election (i.e. an election where the only nominees are those proposed by the Board) who receives a greater number of votes "withheld" from his or her election than votes "for" such election shall promptly tender an offer of resignation for consideration by the Board. The Governance Committee shall evaluate the Director's offer of resignation, taking into account the best interests of the Company and its shareholders, and shall recommend to the Board whether to accept or reject such offer of resignation. In making this

recommendation, the Governance Committee may consider all factors it deems relevant, including, without limitation, the underlying reasons why shareholders voted against the Director (if ascertainable), the qualifications of the Director, the Director's past and expected future contributions to the Company, and whether accepting such resignation would cause the Company to fail to be in compliance with any applicable law, rule, regulation or governing document.

The Board shall act to accept or reject such offer of resignation within 120 days following certification of the shareholder vote at the shareholder meeting at which the election of Directors was held. In making its decision, the Board may consider the factors considered by the Committee and such additional information and factors the Board deems relevant. The Company shall publicly disclose the Board's decision and the reasons therefor in a periodic or current report filed with or furnished to the Securities and Exchange Commission. A Director who offers his or her resignation pursuant to these guidelines shall not participate in a Committee or Board decision regarding his or her resignation. However, such Director shall remain active and fully engaged in all other Committee and Board activities, deliberations and decisions during this Committee and Board process.

Board Committees

As required by rules of the NYSE, the Board will elect Audit, Governance and Human Resources Committees of the Board. Each of those committees shall have such purposes and responsibilities and shall adopt charters that meet the applicable requirements of the NYSE.

Members of each committee will be independent as required by NYSE rules. As provided by the Company's bylaws, the Board shall also designate an Executive Committee, and may also designate other committees from time to time.

Meeting agendas, related materials and meeting schedules will be distributed to all Directors in advance of each Board meeting and each committee meeting. The Chairman of the Board shall review, revise (as necessary) and approve these items for meetings of the full Board. The respective Chairmen of the committees shall review, revise (as necessary) and approve these items for their respective committee meetings. Each Director shall review, and may suggest revisions (as appropriate) to, these items in advance of a full meeting of the Board and in advance of a meeting of each committee of which the Director is a member. Each Chairman of a committee shall act as an independent liaison between the Chairman of the Board and the respective committee members in order to ensure that accurate and timely information is provided to committee members on matters relevant to their committees.

Director Responsibilities

A. General

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

B. Meeting participation

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

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

C. Lead Director

The Board will exercise its discretion in combining or separating the offices of Chairman of the Board and Chief Executive Officer. This determination will be based on the Board's judgment of the best interests of the Company from time to time.

So long as the roles of Chairman of the Board and Chief Executive Officer are combined, the Chairman of the Governance Committee shall be the Lead Director. The Lead Director shall:

- preside at all meetings of the Board at which the Chairman is not present, including independent executive sessions of the independent Directors;

- approve meeting agendas for the Board;
- approve meeting schedules to assure that there is sufficient time for discussion of all agenda items;
- have the authority to convene meetings of the independent Directors;
- be available to communicate or meet with any shareholder controlling a significant amount of the outstanding voting stock of the Company; and
- function as a liaison between the Chairman and the independent Directors, as necessary.

D. Executive Sessions – Non-management Directors

Non- management Directors shall hold regularly scheduled executive sessions without management present. For this purpose, as defined by NYSE rules, "non-management" Directors are all those who are not officers of the Company. Non-management Directors may include Directors who are not "independent" under NYSE rules. In these executive sessions, the Lead Director shall serve as Chairman of the executive session. If the Lead Director is not able to attend an executive session, the senior member of the Board present, in terms of service on the Board, will serve as Chairman of the executive session. If the executive session includes or is devoted to a report of a committee, the Chairman of that committee will preside in that portion of the executive session.

Director Access to Management and Independent Advisors

A. Board Access to Management

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

B. Board Access to Independent Advisors

The Board shall have the authority to directly retain such outside advisors to act as advisors to the Board and/or management as may be deemed necessary or appropriate in the discharge of their duties. The Board shall pay the cost of such advisors.

Board committees may hire their own outside counsel, consultants

and other professionals to advise them in the discharge of their duties as and to the extent set forth in the respective committee charters. The Company shall pay the cost of any such advisors.

Board Compensation

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

Management Succession

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

Performance Evaluation of the Board

The Board shall from time to time conduct a self-evaluation of the performance of the Board and the Board committees to determine their effectiveness. This evaluation may be done annually, or at such other times and in such manner as the Board, in its discretion, deems appropriate. Board committees shall conduct their own self-evaluation on an annual basis, pursuant to their respective committee charters and these Corporate Governance Guidelines.

Director Orientation and Continuing Education

The Company's management will provide newly-elected Directors appropriate reference materials and arrange meetings with members of management to assist the Director in becoming more familiar with the Company and its operations. In addition, the Company will provide regular updates on financial and operating matters in each Board meeting and in materials distributed to all Board members in advance of Board and



Board committee meetings. All Board members may have direct access to senior management of the Company to obtain any further information about the Company and its operations. To the extent desired by the Board or any Board member, the Company will provide access to other appropriate continuing education programs, the cost of which will be paid by the Company.

Periodic Review of these Corporate Governance Guidelines

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