

**KINDER MORGAN, INC.**  
**(the “Company”)**  
**GOVERNANCE GUIDELINES**  
**FOR THE**  
**BOARD OF DIRECTORS**

The following governance guidelines established by the Board of directors of the Company (the “Board”) provide a structure within which directors and management can effectively pursue the Company’s objectives.

**I. Objectives Sought to be Achieved by these Guidelines**

These Guidelines have been adopted by the Board with a view to promoting:

- Transparency in reporting the Company’s financial condition and results of operations, its business activities and other information about the Company, its management and its Board to regulatory authorities, the Company’s stockholders and the Company’s other constituencies;
- Compliance with not only the literal requirements but also the Board’s perception of the intended purposes of applicable laws, rules and regulations; and
- Institutional behavior that conforms to governance standards that exceed the consensus view of minimum acceptable corporate governance standards.

**II. Composition of the Board of Directors**

The Company’s certificate of incorporation provides that the number of directors shall be fixed by, or in the manner provided in, the bylaws. The bylaws provide that the number of directors shall be fixed from time to time by resolution of a majority of the Board. The Board will review the number of directors annually and increase or decrease the number of directors as appropriate.

It is the policy of the Board that the Board will reflect the following characteristics:

- Each director shall be a person of integrity who is dedicated, industrious, honest, candid, fair and discreet;
- Each director shall be knowledgeable, or willing to become so quickly, in the critical aspects of the Company’s business and operations;
- Each director shall be experienced and skillful in serving as a member of, overseer of, or trusted advisor to, the senior management or board of at least one substantial corporation, charity, institution or other enterprise;

- A majority of the directors shall meet the standards of independence from the Company and its management described under “Director Independence” below; and
- The Board shall encompass a range of talent, skill and expertise sufficient to provide sound and prudent guidance with respect to the full scope of the Company’s operations and interests.

Prospective candidates for director may be suggested to the Nominating and Governance Committee by any member of that committee, or any other director or by such other sources as the Nominating and Governance Committee may choose. The Nominating and Governance Committee will also consider persons suggested by stockholders as prospective candidates for director. Either the Nominating and Governance Committee or the Board may adopt policies and procedures with respect to the manner in which stockholders may make such suggestions, including requirements that must be satisfied by the stockholder and suggested nominee before the suggestion will be considered by the Nominating and Governance Committee. Appropriate candidates shall be interviewed by members of the Nominating and Governance Committee and may be interviewed by the Chair of the Board or any other director who wishes to do so and nominees shall be recommended by the Nominating and Governance Committee to the full Board for its consideration. Invitations for membership on the Board for candidates nominated by the Nominating and Governance Committee shall be extended by the Chair of the Nominating and Governance Committee or such other person as may be designated by the Nominating and Governance Committee.

The Company’s bylaws provide that, unless the number of nominees for director exceeds the number of directors to be elected at a meeting of stockholders, a nominee must receive more votes cast “for” than “against” his or her election or re-election in order to be elected or re-elected to the Board. In such situations, the Board expects a director to tender his or her resignation if he or she fails to receive the required number of votes for re-election. The Board shall nominate for election or re-election as director only candidates who agree to tender, promptly following the annual meeting at which they are elected or re-elected as director, irrevocable resignations that will be effective upon (i) the failure to receive the required vote at the next annual meeting at which they face re-election and (ii) Board acceptance of such resignation. In addition, the Board shall fill director vacancies and new directorships only with candidates who agree to tender, promptly following their appointment to the Board, the same form of resignation tendered by other directors in accordance with this Board practice.

If an incumbent director nominated for re-election fails to receive the required vote for re-election, the Nominating and Governance Committee will promptly consider the tendered resignation and whether to recommend acceptance or rejection of the director’s resignation and will submit a recommendation for consideration by the Board. The Board will act on the Nominating and Governance Committee’s recommendation no later than 90 days following the certification of the stockholder vote. The Board expects the director whose resignation is under consideration to abstain from participating in any Nominating and Governance Committee recommendation or Board decision regarding his or her resignation. The Nominating and Governance Committee and the Board may consider any factors they deem relevant in deciding whether to accept a director’s resignation.

### **III. Functions of the Board of Directors**

As provided in the General Corporation Law of the State of Delaware, the business and affairs of the Company shall be managed by or under the direction of the Board, and the Company shall have such officers with such duties as stated in the bylaws or resolutions of the Board. The Board will consider all major decisions of the Company. However, the Board has established the following standing committees with functional responsibility in certain more complex recurring areas where oversight is required: Audit Committee, Nominating and Governance Committee, Compensation Committee and Environmental, Health and Safety Committee. Each standing committee has a specific charter that has been approved by the Board. The charters of the committees may at any time be modified or amended by the Board. Disclosure of any such amendment shall be made as and to the extent required by the provisions of the Securities Exchange Act of 1934, the rules promulgated thereunder and the applicable rules of the New York Stock Exchange. The Board may establish such other committees as it deems appropriate and delegate to those committees such authority as the Board sees fit and is permitted under applicable law and the Company's organizational documents.

At its regularly scheduled meetings during each year, the Board will review and discuss reports by management on the performance of the Company, its plans and prospects, as well as immediate and longer-term issues facing the Company. In addition to its general oversight of management and the matters set out in the Company's bylaws, the responsibilities of the Board and its standing committees shall include:

- Selecting, monitoring, evaluating, compensating, and, if necessary, replacing the Chief Executive Officer and other senior executives, and planning management succession;
- Reviewing and approving management's strategic and business plans, including developing a depth of knowledge of the Company's business, understanding and questioning the assumptions upon which such plans are based, and reaching an independent judgment as to the probability that the plans can be realized;
- Reviewing and approving the Company's significant financial objectives, plans, and actions;
- Reviewing and approving material transactions of the Company not in the ordinary course of business, including significant capital allocations and expenditures;
- Monitoring performance against the Company's strategic and business plans, including reviewing the Company's operating results, no less than quarterly;
- Promoting ethical behavior and compliance with laws and regulations, auditing and accounting principles, and the Company's own organizational documents;
- Reviewing, approving and periodically revising, as appropriate, these Guidelines and the charters of the Board's various standing committees;

- Assessing the Board’s own effectiveness in fulfilling these and other Board and committee responsibilities; and
- Performing such other functions as are prescribed by law, assigned to the Board in the Company’s organizational documents, or set forth in these Guidelines.

In accordance with the Company’s bylaws and subject to the direction of the Board, the Chief Executive Officer and the other executive officers of the Company will manage the business and affairs of the Company in a manner consistent with the standards set forth in these Guidelines, and in accordance with any specific plans, instructions or directions of the Board.

In addition to his or her regular responsibilities to report to and to seek Board approvals when appropriate, the Chief Executive Officer shall seek the advice and, in appropriate situations, the approval of the Board with respect to extraordinary actions to be undertaken by the Company, including those that would make a significant change in the financial structure or control of the Company, the acquisition or disposition of any significant business or the entry of the Company into a major new line of business.

#### **IV. Director Independence**

A majority of the members of the Board will be “independent,” as that term is defined in the rules of the New York Stock Exchange and as such rules may be amended in the future. Those rules are for convenience of reference encapsulated as they relate to the Company in Annex A to these Guidelines. To the extent that the rules of the New York Stock Exchange or the Securities and Exchange Commission impose additional or different requirements for directors to be considered independent, those requirements will be deemed to be incorporated into Annex A. Directors who do not meet those independence standards may nevertheless make valuable contributions to the Board and to the Company by reason of their experience and wisdom, and the Company expects to have some directors who are members of management or who otherwise are not independent.

The Board will affirmatively determine annually, generally at the regularly scheduled first quarter meeting of the Board, based on a consideration of all relevant facts and circumstances, whether each director is independent. In making this determination, the Board will affirmatively determine whether each director has any material relationship with the Company (either directly or as a partner, shareholder or officer of an organization that has a relationship with the Company). If a director is determined to have such a relationship, he or she cannot be considered independent. The Board shall also make the determinations described in Annex A.

Each member of the Audit Committee, Nominating and Governance Committee and Compensation Committee must meet the independence requirements above. In addition to these independence requirements, members of the Audit Committee must satisfy the additional requirements set forth in Annex A to the Audit Committee Charter, and in making independence determinations with respect to the members of the Compensation Committee, the Nominating and Governance Committee and the Board must consider the additional factors described in the Compensation Committee Charter. To the extent that any future rules of the Securities and Exchange Commission or the New York Stock Exchange impose additional requirements for a

member of any committee to be and remain independent, all members of that committee shall meet such additional requirements by such time as the rules of the Securities and Exchange Commission or the New York Stock Exchange require for compliance or, if at such time they do not meet such additional requirements, they shall be required to resign as a member of that committee. When independence is required as described above, the Nominating and Governance Committee must unanimously determine that nominees for the Audit Committee, the Nominating and Governance Committee or the Compensation Committee meet the applicable independence requirements, and the Board must affirm the Nominating and Governance Committee's independence determination before it places nominees on one of those Committees.

Directors have an affirmative obligation to inform the Board of all material information regarding their circumstances or relationships that may impact their characterization by the Board as "independent," including responding promptly to questionnaires circulated by or on behalf of the Chair of the Board or the Company that are designed to elicit relevant information regarding business and other relationships. This obligation includes all business relationships among directors or between directors and the Company and its affiliates or members of senior management and their affiliates.

## **V. Board Leadership**

The Board will determine from time to time whether to combine the office of Chair of the Board and the office of Chief Executive Officer.

Irrespective of whether the offices of Chair of the Board and Chief Executive Officer are held by the same person, the Chair of the Board is responsible for coordinating the activities of the Board. In addition to the duties of a regular Board member and those set forth in the Company's bylaws applicable to the office, the Chair has the following specific responsibilities:

- Schedule Board meetings in a manner that enables the Board and its committees to perform their duties responsibly while not interfering with the ongoing operations of the Company;
- Prepare, in consultation with the Chief Executive Officer (if the same person does not hold both offices), committee chairs and other directors, the agendas for the Board meetings;
- Periodically monitor the flow of information between senior management and the Board to assess whether the quantity, substance and timeliness of that information conforms to the expectations of the Board;
- Interview, along with the members of the Nominating and Governance Committee, appropriate Board candidates, and discuss with that committee his impression of such candidates;
- Consult with the Nominating and Governance Committee with respect to the membership of the various Board committees and the recommendation of the committee chairs; and

- Assist the Board in the implementation of these Guidelines.

## **VI. Role of Lead Director**

If the offices of Chair of the Board and Chief Executive Officer of the Company are held by the same person, or if the Chair of the Board is not an independent director, then the Board will appoint an independent director as Lead Director. The Lead Director shall be an independent director that shall either be (i) appointed for such term, no longer than annually, as the Board may provide or (ii) selected by a policy for rotating the office adopted by the Board. The name of the Lead Director, or method by which the Lead Director is chosen will be disclosed on or through the Company's website or in the Company's annual report or proxy statement. In such event, the Lead Director shall have the following responsibilities:

- Develop the agenda for, and moderate executive sessions of, the Board's non-management directors;
- Act as principal liaison between the non-management directors and the Chief Executive Officer (and, if the Chair of the Board is not an independent director, the Chair) on matters dealt with in executive session; and
- Evaluate, along with the other independent directors, the Chief Executive Officer's performance and meet with the Chief Executive Officer to discuss this evaluation.

If the Chair of the Board is not the Chief Executive Officer of the Company and is an independent director, then references in these Guidelines to the Lead Director shall mean the Chair of the Board.

## **VII. Selection of Chief Executive Officer and Annual Evaluation**

The Chief Executive Officer should be a person of integrity who is dedicated, industrious, honest, candid, fair and discreet. The Chief Executive Officer should also be knowledgeable or willing to become so quickly in the critical aspects of the Company's business and operations. He or she should be experienced in serving in a leadership position as a member of senior management of a substantial corporation, institution or other enterprise. In considering candidates for Chief Executive Officer, the Board, in considering the talents and background of a candidate, shall consider, among other things, the candidate's experience in dealing with employees, investors, customers, vendors, competitors, suppliers, rating agencies and regulatory authorities.

Generally following the regularly scheduled fourth quarter Board meeting in each year, the Compensation Committee shall solicit information from each director regarding the performance of the Chief Executive Officer during that year. The Compensation Committee shall complete the information gathering process and compile the information, generally prior to its regularly scheduled first quarter meeting. Annually, generally at its regularly scheduled first quarter meeting, the Compensation Committee shall evaluate the Chief Executive Officer's performance and, subject to the terms of any applicable employment agreement with the Chief Executive

Officer, make its recommendation to the other independent directors with respect to the terms of his or her compensation for that year. The Compensation Committee shall meet with the independent directors and present its evaluation of the Chief Executive Officer's performance and compensation. The Chief Executive Officer's performance and compensation may also be discussed with the board (other than the Chief Executive Officer, if he or she is a director) generally. Subject to the terms of any applicable employment agreement, the independent directors shall determine the compensation of the Chief Executive Officer for the year. Thereafter, the Compensation Committee, together with the Lead Director, shall discuss its evaluation and the decision of the independent directors with the Chief Executive Officer. Subject to the terms of any applicable employment agreement, the Board will make determinations with respect to the continued employment of the Chief Executive Officer.

### **VIII. Management Succession and Review**

The responsibilities of the Chief Executive Officer shall include: (a) developing processes to identify talent both within and outside the Company to succeed to senior positions in management; and (b) discussing such processes and presenting the information developed pursuant thereto to the Nominating and Governance Committee for its consideration at least annually, generally at the time of the regularly scheduled third quarter Board meeting in each year, and at such other times as that committee may deem appropriate or desirable. That committee shall be responsible for planning for succession in the senior management ranks, including the office of the Chief Executive Officer.

### **IX. Director's Access to Senior Management and Outside Advisors**

Each director shall have full access to: (a) senior management; (b) information about the Company's operations; and (c) any outside advisor to the Company. Except in unusual circumstances, the Chief Executive Officer shall be advised of significant director contacts with senior management or the Company's outside advisors. The Board encourages the Chief Executive Officer to bring managers to Board meetings from time to time who: (a) can provide additional insight into the items being discussed because of personal involvement in those areas, or (b) represent potential members of future senior management that the Chief Executive Officer believes should be given exposure to the Board. The Board or any committee may request any officer or employee of the Company or the Company's counsel or other advisors or consultants to attend a meeting of the Board or such committee, as the case may be, or to meet with any member of or advisor to the Board or such committee.

### **X. Outside Experts**

While the information needed for the Board's decision making generally will be found within the Company, from time to time the Board may seek legal, accounting or other expert advice from sources independent of management. Generally such advice will be sought with the knowledge and concurrence of the Chief Executive Officer.

Each standing committee of the Board shall have the sole authority, without further authorization from the Board, to engage, compensate, oversee and terminate external independent consultants, counsel and other advisors as it determines necessary to carry out its duties, including, in the case

of the Audit Committee, the resolution of any disagreements between management and the Company's external auditors regarding financial reporting. The Company shall provide appropriate funding (as determined by each standing committee) for payment of compensation to advisors engaged by any such committee.

The Board may also engage, compensate, oversee and terminate external consultants, counsel and other advisors as it deems necessary to carry out its duties. The Company shall provide appropriate funding (as determined by the Board) for payment of compensation to advisors engaged by the Board as a whole.

## **XI. Board Meetings**

The Chair of the Board, in consultation with the other members of the Board, shall determine the timing and length of the meetings of the Board. The Board expects that four regular meetings at appropriate intervals will be sufficient for the discharge of the Board's normal responsibilities. In addition to regularly scheduled meetings, special Board meetings may be called upon appropriate notice at any time to address specific needs of the Company.

Directors are expected to attend and participate in person in each regularly scheduled Board meeting, as well as any meetings of committees of which they are members associated with a regularly scheduled Board meeting. It is recognized, however, that telephone conference participation by a director may be necessary from time to time and that such participation is preferable to a director missing a Board meeting.

The Chair of the Board shall establish the agenda for each Board meeting after consulting with the other directors and senior management. Each agenda for a regularly scheduled Board meeting will include an "Other Business" segment. Each director shall be entitled to suggest the inclusion of items on the agenda, request the presence of or a report by any member of the Company's senior management or raise subjects during the "Other Business" segment of each regularly scheduled Board meeting that are not on the agenda for that meeting. The Chair of the Board or the Company Secretary shall circulate the final agenda among the directors. To the extent deemed appropriate by the Chief Executive Officer, the operating heads of the major businesses of the Company shall be afforded an opportunity to make presentations to the Board. The Company's Chief Executive Officer, President, Chief Financial Officer and Company Secretary (if not directors) shall attend each meeting of the Board, unless requested otherwise by the Board.

## **XII. Meetings of Non-Management Directors in Executive Session**

On the same day as (or the day before or after) each regularly scheduled meeting of the Board, the non-management members of the Board shall meet under the leadership of the Lead Director in regularly scheduled executive session, without the participation of the Chief Executive Officer or other members of the Company's senior management, to review matters concerning the relationship of the Board with the members of the Company's management and such other matters as the Lead Director and participating directors may deem appropriate. "Non-management" directors are all those who are not executive officers, and include directors that are not officers but who are not independent. For purposes of this section, "officer" means the



Company's president, principal financial officer, principal accounting officer (or, if there is no such accounting officer, the controller), any vice president in charge of a principal business unit, division or function (such as sales, administration or finance), any other officer who performs a policy making function or any other person who performs similar policy making functions for the Company. Officers of the Company's subsidiaries will be deemed officers of the Company if they perform such policy making functions for the Company. At least annually, if there are non-management directors who are not independent, the independent directors alone shall meet under the leadership of the Lead Director in executive session. The Board shall not take formal actions at such sessions, although the participating directors may make recommendations for consideration by the full Board or its committees. Additional executive sessions may be scheduled from time to time as determined by the Lead Director or a majority of the non-management directors or independent directors, as the case may be, and non-management directors or independent directors should contact the Lead Director at any time when they believe an additional executive session is appropriate. At least annually, generally prior to the regularly scheduled first quarter meeting of the Board, the Lead Director shall canvass each other non-management director to determine particular items that they believe should be on the agenda for the executive session of non-management directors to be held in connection with such meeting or that should be recurring agenda items for regularly scheduled executive sessions. Any non-management director or independent director, as the case may be, may raise any matter in any executive session, whether or not on a previously prepared agenda, but if appropriate, directors are encouraged to relate matters proposed for discussion to the Lead Director prior to such sessions. Minutes of each meeting shall be prepared and, unless with respect to a particular topic or meeting the non-management directors or independent directors, as the case may be, determine otherwise, the topics discussed at each meeting shall be summarized for the Chief Executive Officer by the Lead Director or the other directors participating in the meeting. In order that interested parties may be able to make their concerns known to the Lead Director, the non-management directors, the independent directors or the full Board, the Board will establish methods by which such parties may send communications to the Lead Director, the non-management or independent directors as a group or the full Board, and the Board will cause such methods to be disclosed on or through the Company's website or in the Company's proxy statement.

### **XIII. Board Materials**

Analyses and empirical data are important to the directors' understanding of the business to be conducted at a meeting of the Board or any committee. Directors should receive appropriate information and data that are important to their understanding of the business of the Company in sufficient time to prepare for meetings and in any event, if practicable, at least two business days prior to any regularly scheduled meeting in the case of a regular agenda item and as promptly as practicable thereafter with respect to any special agenda item. Such information and data relating to matters to be addressed at a specially scheduled meeting shall be received by directors as soon as practicable prior to the meeting. Efforts shall be made to make this material concise but in sufficient detail to provide the requisite information and a reasonable basis on which the directors can make informed business decisions; it shall be analytic as well as informational; and it shall include highlights and summaries whenever appropriate. The material may be distributed by electronic means, regular mail, fax, courier, or overnight mail. The Board recognizes the importance of directors reviewing and being familiar with the information furnished to them

prior to meetings. Notwithstanding the foregoing, it is recognized that under certain circumstances certain written materials may not be made available in advance of a meeting.

Directors may request that the Chief Executive Officer or appropriate members of senior management present to the Board information on specific topics relating to the Company and its operations.

#### **XIV. Board Committees and Committee Membership**

In addition to the four standing committees of the Board (the Audit Committee, the Nominating and Governance Committee, the Compensation Committee and the Environmental, Health and Safety Committee), the Board may from time to time designate ad hoc committees in conformity with the Company's bylaws. Each committee shall have the authority and responsibilities delineated in, and act in accordance with, the Company's bylaws, the resolutions creating it, its applicable charter, if any, and these Guidelines. The Board may alter or amend the charter of any standing committee at any time and shall also have the authority to disband any ad hoc or standing committee when it deems it appropriate to do so, provided that the Company shall at all times have such committees as may be required by the bylaws, applicable law or listing standards.

Each standing committee shall have a written charter, which shall be approved by the full Board and state the purpose of such committee. Committee charters shall be reviewed at least annually and revised as necessary to reflect the activities of each of the respective committees, changes in applicable law, regulation or listing requirements and other relevant matters, and proposed revisions to such charters shall be approved by the full Board. If any director ceases to be independent under the standards set forth herein or required by law or listing standards while serving on any committee whose members must be independent, he or she shall promptly resign from that committee.

The Chair of the Board, after consideration of the desires, experience and expertise of individual directors, shall recommend to the Nominating and Governance Committee the assignment of directors to committees, including the designation of committee Chairs. The Nominating and Governance Committee shall consider such recommendations and make its own recommendation to the Board. It is the Board's policy that only independent directors, subject to and as described in Section IV of these Guidelines, shall serve on the Audit Committee, the Nominating and Governance Committee and the Compensation Committee.

The members of the several standing Board committees and the committee Chairs will be appointed annually by the Board, generally at or prior to the regularly scheduled first quarter meeting of the Board, to serve for an annual term and until their successors are duly elected and qualified. Any member of a committee or committee Chair may resign or, subject to the bylaws, be removed by the Board from membership on the committee or as Chair. The several committee Chairs will periodically report the committee's findings and conclusions to the Board.

The Company will provide appropriate funding, as determined by each standing committee or the Board, as the case may be, for the ordinary administrative expenses of each committee and the Board that are necessary or appropriate in carrying out its duties.

## **XV. Committee Meetings**

Each committee Chair, in consultation with the Chair of the Board, other directors and senior management, shall establish agendas and set meetings in accordance with that committee's charter at the frequency and length appropriate and necessary to carry out the committee's responsibilities.

Any director who is not a member of a particular committee may attend any committee meeting with the concurrence of the committee Chair or a majority of the members of that committee.

Any director who so requests will be placed on the list to receive all information circulated to the members of any standing committee, unless the committee Chair requests otherwise.

At every meeting of any committee, the presence of a majority of all the members thereof shall constitute a quorum and, subject to Section 4.8 of the bylaws, the act of a majority of such members present shall be deemed to constitute the act of such committee. Unless otherwise provided in the bylaws, the charter of a committee or in procedures adopted by the committee, meetings of committees may be called in the same manner and on the same notice as set forth for meetings of directors in the Company's bylaws, and a committee may act by unanimous written consent.

## **XVI. Board Conduct and Review**

Members of the Board shall act at all times in accordance with the standards applicable to directors of the Company under the Company's certificate of incorporation and bylaws, the General Corporation Law of the State of Delaware, these Guidelines and the requirements of the Company's Code of Business Conduct and Ethics.

The Nominating and Governance Committee shall conduct an annual review and evaluation of the conduct and performance of the Board and its committees based upon completion by each director of an evaluation form, generally circulated after the final regularly scheduled Board meeting in each year, or upon such interviews of directors or other methods as the Nominating and Governance Committee believes appropriate and suitable for eliciting the relevant information. The evaluation form, or such other method, shall include questions designed to solicit an assessment of:

- the composition and independence of the Board and each committee of which a director is a member;
- access to and review of information from management by the Board and each committee on which a director is a member, and the quality and timeliness of such information;
- the performance of the Board and each committee of which each director is a member;
- the adequacy of the charter of each standing committee of which a director is a member;

- the Board's responsiveness to stockholder concerns;
- the content and effectiveness of, and compliance with, the Company's Code of Business Conduct and Ethics; and
- maintenance and implementation of these Guidelines.

The review shall seek to determine whether the Board and its committees are functioning effectively and identify specific areas, if any, in need of improvement or strengthening. The results shall be summarized in a report made by the Nominating and Governance Committee to the full Board annually, generally during the regularly scheduled first quarter Board meeting in each year. The Board shall discuss the report and consider any recommendations made by the Nominating and Governance Committee. Each standing committee of the Board shall consider the report in connection with such committee's annual evaluation of its own performance.

## **XVII. Orientation of Directors**

The Nominating and Governance Committee shall provide appropriate orientation programs for new directors, which shall be designed both to familiarize new directors with the full scope of the business of the Company and key challenges and to assist new directors in developing and maintaining the skills necessary or appropriate for the discharge of their responsibilities. The Nominating and Governance Committee shall also periodically provide materials or briefing sessions for all directors on subjects that would assist them in discharging their duties and may arrange for visits to the Company's key facilities. The Company shall reimburse each director for reasonable costs incurred if the director chooses to attend and participate in one professionally sponsored conference or educational program annually relating to directors of publicly held companies and their duties and responsibilities.

## **XVIII. Director Compensation**

The Compensation Committee shall review annually the directors' compensation package and make recommendations as appropriate to the full Board. Director compensation should be sufficient to enable the Company to attract and retain talented and qualified individuals to serve on the Board and its standing committees. Accordingly, the Company will not be limited to benchmarking its director compensation package to those offered by companies in its peer group or those offered by companies of comparable size, stature and quality.

The Board is aware that questions as to the independence of non-management directors may be raised when director's fees and other compensation and benefits exceed what is customary. The Board also is aware that similar concerns as to the independence of non-management directors may be raised if the Company makes substantial charitable contributions to organizations in which a non-management director is affiliated, or enters into consulting contracts with (or provides other indirect forms of compensation to) directors. The Board intends to evaluate these matters when determining the form and amount of director compensation and the independence of a director.

## **XIX. Age, Term and Other Limits**

The Board does not currently believe that these Guidelines should place a fixed limit on the number of directorships that its directors hold in other companies or impose maximum age or term limits on its directors. The Board believes that such limitations arbitrarily restrict the pool of talent available for service on the Board. Directors are, however, encouraged to limit the number of directorships that they hold in public companies so that they can devote sufficient time to the discharge of their responsibilities to each public company for which they serve as a director, including the Company.

## **XX. General Limitations**

The members of the Board will discharge the oversight responsibilities set out in these Guidelines and in committee charters by, among other things, evaluating (a) reports given to them, (b) presentations made to them and (c) other significant business and financial reporting decisions which are reported to them by management, internal auditors, external auditors and others. Within the bounds of reasonable business judgment and assessment, and to the extent permissible under Delaware law, each member of the Board or of any committee will be entitled to rely on the integrity of the individuals and organizations within and outside of the Company from whom they receive such information. In discharging his or her duties as a member of the Board or of any committee, each member is entitled to rely on the records of the Company and on such information, opinions, reports or statements, including financial statements and other financial data, that is prepared and presented by (i) any officer, employee or committee of the Company or (ii) legal counsel, external auditors, outsourced internal auditors, governance consultants, compensation consultants or other persons as to matters the member reasonably believes are within the person's professional or expert competence and who was selected with reasonable care by or on behalf of the Company, the Board of, or any committee of, the Company. It is recognized that members of committees are not full-time employees of the Company, and are not by present profession, and do not hold themselves out to be, professionals or certified experts in the areas in which their committees have oversight responsibilities.

## **XXI. Governance Guidelines**

The Nominating and Governance Committee shall annually reevaluate these Guidelines and recommend to the Board such revisions as it deems necessary or appropriate. In doing so, the Nominating and Governance Committee shall consider other corporate governance guidelines identified by leading governance authorities and the evolving needs of the Company.

If the Board ascertains at any time that any of the Guidelines set forth herein are not being observed, the Board shall take such action as it deems reasonably necessary to assure full compliance as promptly as practicable.

When these Guidelines provide that any particular action by the Board, a committee, the Lead Director or a Chair take place at or in connection with a particular quarterly meeting, such action may be taken at an earlier or later time, in the discretion of the Board, committee, Lead Director or Chair, as applicable.

The Board is responsible for the enactment and approval of changes in the Company's Code of Business Conduct and Ethics (the "Code of Ethics"). The Audit Committee has responsibility

for the oversight of the implementation and administration of the Code of Ethics, the review and assessment at least annually of the effectiveness of the Code of Ethics and the recommendation to the Board of suggested changes in the Code of Ethics.

No later than the times required by the New York Stock Exchange and the Securities and Exchange Commission, copies of the current version of these Guidelines, the Code of Ethics and the charter of each standing committee of the Board shall be posted on the Company's website.

**ANNEX A  
TO  
GOVERNANCE GUIDELINES  
FOR THE  
BOARD OF DIRECTORS OF  
KINDER MORGAN, INC.**

**Summary of the Independence Requirements  
Set Forth in the Rules  
of the New York Stock Exchange  
As They Relate to the Company**

The Board will affirmatively determine annually, based on a consideration of all relevant facts and circumstances, whether each director is independent. In making this determination, the Board will affirmatively determine whether each director has any material relationship with the Company (either directly or as a partner, shareholder or officer of an organization that has a relationship with the Company). If a director is determined to have such a relationship, he or she cannot be considered independent. When assessing the materiality of a director's relationship with the Company and each director's independence, the Board will consider the issue of materiality not only from the standpoint of the director's own relationships but also will take into account the relationships of other persons or organizations with which the director has an affiliation. Material relationships can include, among others, commercial, industrial, banking, consulting, legal, accounting, charitable, familial and other relationships. In assessing a director's independence, the Board will also consider the director's ownership, or affiliation with any other owner, of a significant amount of voting securities of the Company or entities related to the Company. Ownership of even a significant amount of such securities, by itself, however, is not a bar to a finding of independence, as the concern is independence from management.

The Board cannot conclude that a director is independent if he or she falls into one of the following five categories:

- the director was an employee, or had an immediate family member who was an executive officer, of the Company within three years prior to the date of determination (although employment as an interim Chairman, interim Chief Executive Officer or other interim executive officer does not disqualify a director from being independent following that employment);
- during any twelve-month period within the three years prior to the determination, the director received more than, or has an immediate family member that received more than, \$120,000 in direct compensation from the Company, other than (i) director and committee fees and pension or other forms of deferred compensation for prior service (provided such compensation is not contingent in any way on continued service), (ii) compensation received by a director for former service as an interim Chairman, interim Chief Executive Officer or other interim executive officer, and (iii) compensation received by an immediate family member for service as an employee (other than an executive officer);

- (i) the director or an immediate family member is a current partner of a firm that is the Company's internal or external auditor; (ii) the director is a current employee of a firm that is the Company's internal or external auditor; (iii) the director has an immediate family member who is a current employee of a firm that is the Company's internal or external auditor and who personally works on the Company's audit; or (iv) the director or an immediate family member was within the last three years (but is no longer) a partner or employee of a firm that is or was the Company's internal or external auditor and personally worked on the Company's audit within that time;
- within the period of three years prior to the determination, the director has been, or has an immediate family member that has been, employed as an executive officer of another company where any of the Company's present executive officers at the same time serve or served on that other company's compensation committee; or
- the director is a current employee, or has an immediate family member that is a current executive officer, of another company that has made payments to, or received payments from, the Company for property or services in an amount which, in any of the three fiscal years prior to the date of determination, was greater than the greater of \$1 million or 2% of such other company's annual consolidated gross revenues. Contributions to tax exempt organizations shall not be considered payments for purposes of this determination, provided that the Company shall disclose through its website or in its proxy statement any such contributions made by the Company to any tax exempt organization in which any independent director serves as an executive officer, if, within the preceding three years, contributions in any single fiscal year from the Company to the organization exceeded the greater of \$1 million or 2% of the tax exempt organization's consolidated gross revenues.

In making this determination, (i) the term immediate family member means a spouse, parent, child, sibling, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law, sister-in-law or other person (other than domestic employees) who shares the director's home; (ii) individuals who are no longer immediate family members as a result of legal separation or divorce, or those who have died or become incapacitated, need not be considered; and (iii) references to the Company include any parent or subsidiary in a consolidated group with the Company.

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