

Human Resources Committee

Membership, Election, Chair

Members of the Human Resources Committee (the "Committee") will be elected each year by the full Board of Directors of WGL Holdings, Inc. (the "Company"). The full Board of Directors (the "Board") will also designate one Committee member to serve as Chair of the Committee. The Board may change Committee membership at any time, including changes required by occurrence of a vacancy in the Committee, a change in the number of Committee members or removal of a Committee member by the Board.

The Committee shall consist of not less than three members of the Board. Members of the Committee shall be:

- "Independent" as defined in the listing standards of the New York Stock Exchange.
- A "non-employee director" within the meaning of Rule 16b-3 promulgated under the Securities and Exchange Act of 1934, as amended, and
- An "outside director" within the meaning Section 162(m) of the Internal Revenue Code of 1986, as amended.

In appointing members to the Committee, the Board will keep in mind whether an individual:

- Has sufficient time to commit to service on the Committee;
- Has experience with setting compensation policies, procedures and programs and in the review and administration of executive and director compensation programs;
- Has a strong understanding of financial performance measurement;
- Has had exposure to modern financial theory; and
- Brings skills and abilities not otherwise possessed by other Committee members that would aid the Committee in the execution of its duties and responsibilities.

Committee Meetings, Quorum, Invitees

Regular meetings of the Committee will be called according to the schedule approved by the Committee for the year. Any member of the Committee, a majority of Board members, and the Chairman of the Board of the Company may also request the Chair to convene a meeting of the Committee. Committee members may attend meetings of the Committee by means of conference telephone call.

Attendance by a majority of the Committee members shall constitute a quorum for transaction of business of the Committee. The Committee may also act by unanimous written consent filed with the Corporate Secretary.

Directors who are not members of the Committee and other invitees may attend Committee meetings at the invitation of the Chair of the Committee. However, it is the Committee's intent to maintain regular executive sessions at which executives, management representatives, third-party service providers and other non-Committee members generally will be excluded.

The Committee Secretary and the management liaison will prepare a preliminary agenda for regularly scheduled meetings. The Committee Chairman will make the final decision regarding the agenda for regularly scheduled meetings and will develop the agenda for special meetings based on the information supplied by the party(ies) requesting the special meeting.

The Chief Executive Officer and the Corporate Secretary will be the management liaisons to the Committee. The Committee Secretary will coordinate all mailings to the Committee members to the extent practicable.

The agenda and all materials to be reviewed at the meetings will be received by the Committee members as far in advance of the meeting day as practicable.

The Committee may delegate authority to act upon specific matters within specified parameters to a subcommittee consisting of one or more members, or to management. Any such delegates shall report any action to the full Committee at its next meeting.

The Committee will keep a record of its actions and proceedings and make reports regarding such on a regular basis to the Board.

Committee Purpose

The Committee's purpose is to discharge the board's responsibilities relating to compensation of the Company's executives, and to produce an annual report on executive compensation for inclusion in the Company's proxy statement, in accordance with applicable rules and regulations. In addition, the Committee shall discharge other responsibilities as may be assigned to it by the full board of directors.

Committee Duties and Responsibilities

The primary responsibilities of the Committee are to:

1. review and approve corporate goals and objectives relevant to compensation of the Chief Executive Officer ("CEO"), to evaluate the CEO's overall performance and have sole authority to determine the CEO's compensation level based on this evaluation;
2. make recommendations to the board with respect to non-CEO compensation, incentive compensation plans and equity-based plans including the number of shares for which shareholder approval will be requested for use in such plans;
3. review and discuss management's Compensation Discussion and Analysis to be included in the Company's proxy or information statements; and
4. conduct an annual performance evaluation of the Committee.

The Committee may also serve as administrator for certain compensation plans ("plans"), as determined by the Board. As administrator, in accordance with provisions of the plans, the Committee may have responsibility to set and evaluate performance targets and make short-term and long-term grants of cash or equity-based compensation, including, but not limited to, qualified and non-qualified stock options and performance shares. Amendments to plans which do not require approval of shareholders or the Board may be approved by the Committee.

In addition, the Board may determine that the Committee shall also carry out other functions and responsibilities from time to time. Committee procedures for carrying out these responsibilities are outlined further below in this Committee charter.

The Committee shall retain one or more independent executive compensation consultants to assist the Committee in discharging its responsibilities. The selection of any such consultants is in the sole discretion of the Committee. The cost of any such consultant will be paid by the Company.

Committee Procedures: Compensation and Benefits

The Committee will follow such procedures as it deems reasonable and appropriate in evaluating the compensation and benefits of officers and directors of the Company. These include:

- Submitting all equity plans to shareholders for approval.
- Reviewing total compensation market data on similar companies at least biannually.
- Having a detailed executive compensation philosophy as a guide for management proposals and Committee approvals.
- Consulting with an independent executive benefits consultant in determining reasonable and appropriate levels of compensation for officers of the Company and for service on the Board.
- Pursuant to the Company's Related Person Transaction Policy, consider any Related Person Transaction that may involve compensation of Executive Officers.

Total compensation levels for each Company officer shall be set at levels which are reasonable, fair and competitive with executives with similar experience and responsibility in the relevant market. The Committee will seek to align officer

compensation with the interests of the Company's shareholders. To the extent deemed appropriate by the Committee, the Committee will recommend base salary, short-term incentives, long-term incentives and other benefits for each officer.

The Committee will receive and consider recommendations from the CEO of the Company regarding compensation levels and components for officers except himself or herself. Individual and corporate performance factors will be considered by the Committee in its evaluation of appropriate levels of compensation for each officer.

Compensation of the CEO will be considered by the Committee in light of overall corporate goals and achievements as well as the CEO's individual performance. The Committee will obtain the advice of its independent executive benefits consultant in setting the compensation levels and components for the CEO.

Any equity-based and incentive-based compensation plans will be reviewed by the Committee for recommendation to the Board. The Board may designate the Committee to serve as administrator of these and other compensation plans for the Company.

The Committee will from time to time consider adjustments to compensation for members of the Board. In considering changes in compensation levels, the Committee may obtain the advice of one or more independent benefits consultants.

Committee Procedures: Succession Planning

In consultation with the Company's Chairman and Chief Executive Officer, the Committee will consider succession planning for senior executives and Directors of the Company. In the course of succession planning, the Committee will consider the Company's long-term business strategies and the skills which are necessary for the Company's long-term success. The Committee will consider plans to identify and develop individuals to meet those anticipated business needs.

Committee Procedures: Reports

Reports regarding executive compensation for use in the Company's proxy statements, Form 10-K and other similar public documents will be prepared or approved by the Committee. These reports shall conform to any applicable legal requirements.

Committee Evaluation

The Committee will meet at least once each year to evaluate the effectiveness of the Committee's performance for the year.

Reports to the Board

The Committee will report to the Board on its meetings at the Board meeting next following a meeting of the Committee.