

# Western Gas Holdings, LLC

## Corporate Governance Guidelines

As Amended and Restated by the Board of Directors on February 18, 2010

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The Board of Directors of Western Gas Holdings, LLC (the “General Partner”), the general partner of Western Gas Partners, LP (the “Partnership” and, together with the General Partner, the “Company”), has adopted these Corporate Governance Guidelines to provide an effective framework for the functioning of the Board and its committees. These Guidelines are subject to amendment from time to time by the Board of Directors.

Because Western Gas Partners, LP is a master limited partnership, it is governed by a limited partnership agreement under Delaware state law. The First Amended and Restated Agreement of Limited Partnership of the Partnership (the “Partnership Agreement”), to which all limited partners (unitholders) are parties, sets forth the rights of the unitholders. By contract, the unitholders do not participate in the management of the Partnership, nor in the selection or election of any board of directors of the limited partnership. The basic charter document for the General Partner is its Amended and Restated Limited Liability Company Agreement, an agreement to which the sole member of the General Partner is the only party. The sole member of the General Partner has delegated to the General Partner’s Board of Directors all of the General Partner’s power and authority to manage and control the business and affairs of the Partnership. Pursuant to these agreements, the corporate governance of the General Partner is, in effect, the corporate governance of the Partnership. The New York Stock Exchange has recognized the distinctive characteristics of partnerships in the application of that exchange’s listing standards regarding “corporate” governance. In light of the foregoing, the Board has adopted these Guidelines.

### **Director Independence and Qualifications**

*Independence and Other Qualifications.* The Board of Directors of the General Partner (the “Board”) will have at least three directors who are independent as defined under the independence standards established by the New York Stock Exchange. The Board will assess, on an annual basis, the skills and characteristics that candidates for election to the Board should possess, as well as the composition of the Board as a whole. This assessment will include the qualifications under applicable independence standards and other standards applicable to the Board and its committees, as well as consideration of background, experience, skills and other factors in the context of the needs of the Board.

*Service on Other Boards.* No director should serve on so many other public or private company boards that his or her ability to devote the time and attention to duties to the Board would be compromised. Determination of the existence of such a situation would be subject to the discretion of the Board. Directors should advise the Chairperson of the Board in advance of accepting an invitation to serve on another public company’s board. In no event should any director serve on more than three other public company boards. No member of the Audit Committee of the Board should serve on more than three other public company audit committees.

*Change in Responsibilities.* The Board does not believe that an individual director who changes the position of professional responsibility or primary corporate affiliation he or she held when he or she was elected to the Board should necessarily resign from the Board. There should, however, be an opportunity for the Board to review the continued appropriateness of Board membership under the circumstances. A director who changes position of professional responsibility or primary corporate affiliation will be expected to act in accordance with the Board's recommendation.

*Number of Directors.* The number of directors shall be determined from time to time by the sole member of the General Partner pursuant to the General Partner's limited liability company agreement.

### **Director Responsibilities**

The function of the Board is to provide guidance to and controls on the activities of the Partnership, in the exercise of the business judgment of each individual director. In discharging that obligation, directors should be entitled to rely reasonably on the honesty and integrity of their fellow directors and the senior management of the General Partner and its outside advisors and auditors.

*Meeting Attendance and Preparation.* Directors are expected to attend Board meetings and meetings of committees on which they serve, and to spend the time needed and meet as frequently as necessary to properly discharge their responsibilities. Information and data that are important to the Board's understanding of the business to be conducted at a Board or committee meeting should, as possible, be distributed in writing to the directors before the meeting and directors should review these materials in advance of the meeting. A director may request that the Chief Executive Officer or appropriate member of senior management present to the Board specific information as it relates to the Company and its operations.

*Chairperson and Chief Executive Officer.* The Board has no policy requiring either that the positions of the Chairperson of the Board and of the Chief Executive Officer be separate or that they be occupied by the same individual. The Board believes that this issue is properly addressed as part of the succession planning process and that a determination on this subject should be made when it elects a new chief executive officer or at such other times as when consideration of the matter is warranted by circumstances.

### **Board Meetings**

The Board shall meet at least four times per year. Additional meetings may be scheduled as necessary or appropriate in light of circumstances. The Chairperson of the Board, together with the Chief Executive Officer and the Corporate Secretary of the General Partner, will prepare an annual schedule of meetings for the Board and the standing committees. To the extent practicable, the schedule shall reflect agenda subjects that are generally of a recurring nature and are expected to be discussed during the year in question.

The Chairperson of the Board and the Chief Executive Officer of the General Partner will together establish the agenda for each Board meeting. Each Board member is free to suggest the inclusion of items on the agenda. The Board will review the Partnership's long-term strategic

plans and the principal issues that the Partnership will face in the future during at least one Board meeting each year.

*Executive Sessions of Non-Management Directors.* The non-management directors will meet regularly in executive session without management participation, and in any event at least semiannually. The directors meeting in executive session do not constitute a committee of the Board and therefore shall not take action at such sessions, although the participating directors may make recommendations for consideration by the full Board. These meetings will be chaired on a rotating basis by the chairpersons of the Board's Audit Committee and the Special Committee. If the non-management directors include directors who are not independent, the independent directors will meet separately in executive session not less than once a year.

## **Board Committees**

Board committees will at all times include an Audit Committee and a Special Committee, as provided in the Partnership Agreement. The Board may, from time to time, establish or maintain additional committees as necessary or appropriate.

The Audit Committee will consist of at least three members. The Special Committee will consist of at least two members. All of the members of the Audit Committee and the Special Committee will be independent directors under the criteria established by the New York Stock Exchange and the rules and regulations of the U.S. Securities and Exchange Commission. The members of the Special Committee will also meet the additional independence criteria set forth in the Partnership's Limited Partnership Agreement (as it may be amended and/or restated from time to time). The members of all other committees will be selected based on the experience and skills of the potential members. Each of the committees will have its own charter, which will set forth the purposes, goals and responsibilities of the committees. The Chairperson of each committee, in consultation with the committee members, will determine the frequency and length of the committee meetings consistent with any requirements set forth in the committee's charter. The Chairperson of each committee, in consultation with the appropriate members of the committee and management, will develop the committee's agenda. Each committee will regularly apprise the full Board of its work, unless the circumstances otherwise warrant.

The Board and each committee shall, at the Company's expense, have full access to independent legal, accounting, financial or other advisors as it deems necessary or appropriate to assist in the conduct of its duties.

## **Standards of Conduct**

In discharging its responsibilities, the Board shall adhere to the duties required of a board of directors of a corporation formed under the laws of the State of Delaware as enunciated by the courts of the State of Delaware: to wit, the duty of loyalty, the duty of care, the duty of oversight and the duty of disclosure.

*Code of Business Conduct and Ethics.* The Board shall adopt and maintain a Code of Business Conduct and Ethics (the "Code") for the directors, officers and employees of the Company in compliance with the requirements of the New York Stock Exchange. The Code shall be posted on the Company's website and shall be reviewed and updated periodically by the Board. The

purpose of the Code shall be to focus the directors, officers, and employees on areas of ethical risk, provide guidance in recognizing and dealing with ethical issues, provide mechanisms to report unethical conduct, and help foster a culture of honesty, fair dealing and accountability.

Each director shall act at all times in accordance with the requirements of the Code. Waivers of the Code for any officer or director may only be made by the Board or by a Board committee composed of independent directors. Any waiver for an officer or director must be posted on the Company's website and communicated to unitholders.

*Potential Conflicts of Interest.* Prior to any Board discussion or decision related to any matter that potentially affects a director's personal, business or professional interests, that director should (i) disclose the existence of the potential conflict of interest to the Chairperson of the Special Committee, or to the Chairperson of the Audit Committee if the Chairperson of the Special Committee has the potential conflict, (ii) if the Chairperson of the Special Committee (in consultation with legal counsel) determines a conflict exists or the perception of a conflict is likely to be significant, recuse himself or herself from any discussion or vote related to the matter.

### **Director Compensation**

The form and amount of director compensation will be determined and reviewed annually by the Board. Directors who are employees of the Company or its affiliates shall not be separately compensated for their services as directors. The Board will consider that directors' independence may be jeopardized if director compensation and perquisites exceed customary levels, if the Company makes substantial charitable contributions to organizations with which a director is affiliated, or if the Company enters into consulting contracts with or provides other indirect forms of compensation to a director or an organization with which the director is affiliated.

### **Equity Ownership Guidelines**

Each independent director is encouraged to hold a reasonable equity interest in the Partnership within a defined period after initial election to the Board. To more closely align the interests of directors and unitholders of the Partnership, a portion of each independent director's fees is paid in the form of Partnership equity. Independent directors of the General Partner are required to hold common units, phantom units, or related grants of such securities under the Partnership's Long-Term Incentive Plan which in the aggregate are equivalent to three times the annual Board retainer. Directors will have five years from the date of their initial election to the Board to comply with this requirement.

### **Director Access to Officers, Employees and other Advisers**

Directors are encouraged to keep themselves informed with respect to the Company and its operations. Directors will have full and free access to officers and employees of the Company. Any meetings or contacts that a director wishes to initiate may be arranged through the Chief Executive Officer or Corporate Secretary of the General Partner or made directly by the director. The directors will use their judgment to ensure that any such contact is not disruptive to the

business operations of the Company and will, to the extent not inappropriate, copy the Chief Executive Officer of the General Partner on any written communications (including e-mail) between a director and an officer or employee of the Company. The Board also welcomes regular attendance at each Board meeting by senior officers of the General Partner. To the extent they consider it necessary and appropriate, directors also will have access to the Company's independent advisors using the same procedures.

### **Communication with the Board and Reports of Accounting or Other Concerns**

Any unitholder or interested party who wishes to communicate directly with the Board or any specific director may contact such director(s) at BoardofDirectors@westerngas.com or by submitting a communication in an envelope marked "Confidential" addressed to the relevant member(s) of the Board of Directors, c/o the Corporate Secretary of the General Partner, at the following address:

Western Gas Holdings, LLC  
1201 Lake Robbins Drive  
The Woodlands, Texas 77380

Any reports of concerns regarding accounting, internal auditing controls or other audit matters should be reported at the address given above. If confidentiality is requested, the communication will be kept confidential and forwarded to the Chairperson of the Audit Committee.

### **Director Orientation and Continuing Education**

Each new director should participate in an orientation program, which should be conducted promptly after his or her initial election or appointment. This orientation will include presentations by senior management to familiarize new directors with the Company's operations, its significant financial, accounting and risk management issues, its compliance programs, its Code of Business Conduct and Ethics, its principal officers, and its internal and independent auditors. Other directors are also welcome to attend any of these orientation programs.

The Board believes it is appropriate for directors, at their discretion, to have access to educational programs related to their duties as directors on an ongoing basis to enable them to better perform their duties and to recognize and deal appropriately with issues that arise. The Company will provide appropriate funding for any such program in which a director wishes to participate.

### **Chief Executive Officer Evaluation; Management Succession**

The Board will conduct an annual review of the Chief Executive Officer's performance with a view to ensuring that the Chief Executive Officer is providing appropriate leadership for the Company in the long- and short-term.

The Board should identify and periodically update the qualities and characteristics necessary for an effective Chief Executive Officer, and shall also periodically review emergency and expected Chief Executive Officer succession planning. The Board recognizes that advance planning for contingencies such as the departure, death or disability of the Chief Executive Officer or other

top executives is also critical so that, in the event of an untimely vacancy, the Company has in place an emergency succession plan to facilitate the transition to both interim and longer-term leadership. The Chief Executive Officer shall provide to the Board his or her recommendations and evaluations of potential successors, along with a review of any development plans recommended for such individuals.

### **Annual Performance Evaluation**

The Board of Directors will conduct an annual self-evaluation to determine whether it and its committees are functioning effectively.

### **Conflicts with Agreements**

These Guidelines are in addition to and are not intended to change or interpret any federal or state law or regulation, including the Delaware Limited Liability Company Act, or the charter documents of the General Partner. These Guidelines shall in no way alter, amend or repeal any provision of the General Partner's limited liability company agreement or the limited partnership agreement of the Partnership. To the extent that these Guidelines conflict with any provision of either of those agreements, the provisions contained in the appropriate agreement shall govern.