

As filed with the Securities and Exchange Commission on August 14, 1998.

Registration No.333-

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM S-8
REGISTRATION STATEMENT
under
THE SECURITIES ACT OF 1933

THE WILLIAMS COMPANIES, INC.
(Exact name of issuer as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

73-0569878
(I.R.S. Employer
Identification No.)

One Williams Center
Tulsa, Oklahoma
(Address of principal executive offices)

74172
(Zip Code)

THE WILLIAMS COMMUNICATIONS STOCK PLAN

(Full title of plan)

DAVID M. HIGBEE, ESQ.
The Williams Companies, Inc.
One Williams Center
Tulsa, OK 74172
(918) 573-2000
(Name, address and telephone number of agent for service)

CALCULATION OF REGISTRATION FEE

Title of Securities to be Registered	Amount to be Registered	Proposed Maximum Offering Price Per Unit(1)	Proposed Maximum Aggregate Offering Price(2)	Amount of Registration Fee
Common Stock, (\$1 par value)	2,000,000(3)	\$ 29 3/16	\$ 58,375,000	\$ 17,221

(1) Estimated based on the reported New York Stock Exchange composite transactions closing price on August 11, 1998.

(2) Estimated solely for the purpose of calculating the filing fee.

(3) Includes an equal number of Rights issuable under The Williams Companies, Inc. Rights Plan.

PART II

INFORMATION REQUIRED IN REGISTRATION STATEMENT

ITEM 3. INCORPORATION OF DOCUMENTS BY REFERENCE.

The following documents are hereby incorporated by reference and made a part of this Registration Statement:

- (a) The Company's Annual Report on Form 10-K for the fiscal year ended December 31, 1997.
- (b) The Company's Quarterly Reports on Form 10-Q for the quarters ended March 31 and June 30, 1998.
- (c) The Company's Current Reports on Form 8-K dated February 22, April 27, May 18, and July 22, 1998.
- (d) "Description of Capital Stock of the Company following the Merger" pp. 55-57 of The Company's Registration Statement on Form S-4, No. 333-44963, filed January 27, 1998.

All reports subsequently filed by the Company and the Plan pursuant to Sections 13, 14 and 15(d) of the Securities Exchange Act of 1934, prior to the filing of a post-effective amendment which indicates that all securities offered have been sold or which deregisters all securities then remaining unsold, shall be deemed to be incorporated herein by reference and to be a part hereof from the date of filing such documents.

ITEM 5. INTERESTS OF NAMED EXPERTS AND COUNSEL.

The consolidated financial statements and schedule of the Company appearing in the Company's Current Report on Form 8-K dated May 18, 1998, for the three years ended December 31, 1997, have been audited by Ernst & Young LLP, independent auditors, as set forth in their report thereon included therein and incorporated herein by reference, which is based in part on the report of Deloitte & Touche LLP, independent auditors, (which report expresses an unqualified opinion and includes explanatory paragraphs relating to certain litigation to which MAPCO Inc. is a defendant and the change in its method of accounting for business process reengineering activities to conform to the consensus reached by the Emerging Issues Task Force in Issue No. 97-13). Such consolidated financial statements and schedule are incorporated herein by reference in reliance upon such reports given upon the authority of such firms as experts in auditing and accounting.

The reports of independent auditors relating to the audited consolidated financial statements and schedules of the Company in any documents filed pursuant to Sections 13(a), 13(c), 14 or 15(d) of the Exchange Act after the date hereof and prior to the termination of the offering to the extent covered by consents thereto filed with the Securities and Exchange Commission will be incorporated by reference in reliance upon the reports of such independent auditors pertaining to such financial statements given upon the authority of such independent auditors as experts in auditing and accounting.

ITEM 6. INDEMNIFICATION OF DIRECTORS AND OFFICERS.

The Company is empowered by Section 145 of the General Corporation Law of Delaware, subject to the procedures and limitations stated therein, to indemnify any person against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by such person in connection with any threatened, pending or completed action, suit or proceeding in which such person is made a party by reason of such person being or having been a director, officer, employee or agent of the Company. The statute provides that indemnification pursuant to its provisions is not exclusive of other rights of indemnification to which a person may be entitled under any by-law, agreement, vote of stockholders or disinterested directors, or otherwise. The By-laws of the Company provide for indemnification by the Company of its directors and officers to the fullest extent permitted by the General Corporation Law of Delaware. In addition, the Company has entered into indemnity agreements with

its directors and certain officers providing for, among other things, the indemnification of and the advancing of expenses to such individuals to the fullest extent permitted by law, and, to the extent insurance is maintained, for the continued coverage of such individuals.

Policies of insurance are maintained by the Company under which the directors and officers of the Company are insured, within the limits and subject to the limitations of the policies, against certain expenses in connection with the defense of actions, suits or proceedings, and certain liabilities which might be imposed as a result of such actions, suits or proceedings, to which they are parties by reason of being or having been such directors or officers.

ITEM 8. EXHIBITS.

- * (4.1) -- Restated Certificate of Incorporation of Williams (filed as Exhibit 4(a) to Form 8-B Registration Statement, filed August 20, 1987).
- * (4.2) -- Certificate of Amendment of Restated Certificate of Incorporation, dated May 20, 1994 (filed as Exhibit 3(d) to Form 10-K for the fiscal year ended December 31, 1994).
- * (4.3) -- Certificate of Amendment of Restated Certificate of Incorporation, dated May 15, 1997 (filed as Exhibit 4.3 to the Registration Statement on Form S-8, filed November 21, 1997).
- * (4.4) -- Certificate of Amendment of Restated Certificate of Incorporation, dated February 26, 1998 (filed as Exhibit 3(d) to Form 10-K for the year ended December 31, 1997).
- * (4.5) -- Certificate of Increase of Authorized Number of Shares of Shares A Junior Participating Preferred Stock, dated January 26, 1989 (filed as Exhibit 3(c) to Form 10-K for the year ended December 31, 1988).
- * (4.6) -- Certificate of Increase of Authorized Number of Shares of Series A Junior Participating Preferred Stock, dated February 5, 1996 (filed as Exhibit 3(f) to Form 10-K for the year ended December 31, 1995).
- * (4.7) -- Certificate of Increase of Authorized Number of Shares of Series A Junior Participating Preferred Stock, dated December 30, 1997 (filed as Exhibit 3(g) to Form 10-K for the year ended December 31, 1997).
- * (4.8) -- Certificate of Designation with respect to the \$3.50 Cumulative Convertible Preferred Stock (filed as Exhibit 3.1(c) to the Prospectus and Information Statement to Amendment No. 2 to the Registration Statement on Form S-4, filed March 30, 1995).
- * (4.9) -- By-laws of Williams, as amended, (filed as Exhibit 3 to Form 10-Q for the quarter ended September 30, 1996).
- * (4.10) -- Form of Senior Debt Indenture between the Company and Chase Manhattan Bank (formerly Chemical Bank), Trustee, relating to the 10 1/4% Debentures, due 2020; the 9 3/8% Debentures, due 2021; the 8 1/4% Notes, due 1998; Medium-Term Notes (9.10%-9.31%), due 2001; the 7 1/2% Notes, due 1999, and the 8 7/8% Debentures, due 2012 (filed as Exhibit 4.1 to Form S-3 Registration Statement No. 33-33294, filed February 2, 1990).
- * (4.11) -- U.S. \$1,000,000,000 Amended and Restated Credit Agreement, dated as of July 23, 1997, among Williams and certain of its subsidiaries and the banks named therein and Citibank, N.A. as agent (filed as Exhibit 4(c) to Form 10-K for the year ended December 31, 1997).
- * (4.12) -- Form of Senior Debt Indenture between the Company and The First National Bank of Chicago, Trustee, relating to 6.50% Notes due 2002; 6.625% Notes due 2004; floating rate notes due 2000; 6 1/8% Notes due 2001; 6 1/8% Mandatory Puttable/Remarketable Securities due 2012; 6.20% Notes due 2002; and 6.50% Notes due 2006 (filed as Exhibit 4.1 to Registration Statement on Form S-3 filed September 8, 1997).
- * (4.13) -- Form of Debenture representing \$360,000,000 principal amount of 6% Convertible Subordinated Debenture Due 2005 (filed as Exhibit 4.7 to the Registration Statement on Form S-8, filed August 30, 1996).
- * (4.14) -- Form of Warrant to purchase 22,611,441 shares of the Common Stock of the Company (filed as exhibit 4.8 to the Registration Statement on Form S-8, filed August 30, 1996).
- * (4.15) -- Rights Agreement, dated as of February 6, 1996, between Williams and First Chicago Trust Company of New York (filed as Exhibit 4 to Williams Form 8-K, dated January 21, 1996).

- (5.1) -- Opinion and Consent of David M. Higbee, Esq., Secretary and Counsel for the Company, relating to the validity of the securities.
- (23.1) -- Consent of David M. Higbee (contained in Exhibit 5.1).
- (23.2) -- Consent of Ernst & Young LLP.
- (23.3) -- Consent of Deloitte & Touche LLP.
- (24.1) -- Power of Attorney.
- (24.2) -- Certified copy of resolution authorizing signatures pursuant to Power of Attorney.
- (99) -- The Williams Communications Stock Plan

* The exhibits have heretofore been filed with the Securities and Exchange Commission as part of the filing indicated and are incorporated herein by reference.

ITEM 9. UNDERTAKINGS.

- (a) Rule 415 offering. Include the following if the securities are registered pursuant to Rule 415 under the Securities Act:

The undersigned registrant hereby undertakes:

- (1) To file, during any period in which offers or sales are being made, a post-effective amendment to this registration statement:
 - (i) To include any prospectus required by Section 10(a)(3) of the Securities Act of 1933;
 - (ii) To reflect in the prospectus any facts or events arising after the effective date of the registration statement (or the most recent post-effective amendment thereof) which, individually or in the aggregate, represent a fundamental change in the information set forth in the registration statement;
 - (iii) To include any material information with respect to the plan of distribution not previously disclosed in the registration statement or any material change to such information in the registration statement;

Provided, however, That paragraphs (a)(1)(i) and (a)(1)(ii) of this Section do not apply if the registration statement is on Form S-3, Form S-8 or Form F-3, and the information required to be included in a post-effective amendment by those paragraphs is contained in periodic reports filed with or furnished to the Commission by the registrant pursuant to Section 13 or Section 15(d) of the Securities Exchange Act of 1934 that are incorporated by reference in the registration statement.

- (2) That, for the purpose of determining any liability under the Securities Act of 1933, each such post-effective amendment shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.
- (3) To remove from registration by means of a post-effective amendment any of the securities being registered which remain unsold at the termination of the offering.

- (b) The undersigned registrant hereby undertakes that, for purposes of determining any liability under the Securities Act of 1933, each filing of the registrant's annual report pursuant to Section 13(a) or Section 15(d) of the Securities Exchange Act of 1934 (and, where applicable, each filing of an employee benefit plan's annual report pursuant to Section 15(d) of the Securities Exchange Act of 1934) that is incorporated by reference in the registration statement shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.
- (h) Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers and controlling persons of the registrant pursuant to the foregoing provisions, or otherwise, the registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Securities Act of 1933 and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Act and will be governed by the final adjudication of such issue.

SIGNATURES

The Registrant. Pursuant to the requirements of the Securities Act of 1933, the registrant certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form S-8 and has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized in the City of Tulsa and State of Oklahoma on the 14th day of August, 1998.

THE WILLIAMS COMPANIES, INC.
(Registrant)

By s/David M. Higbee

(David M. Higbee,
Attorney-in-fact)

Pursuant to the requirements of the Securities Act of 1933, this registration statement has been signed by the following persons in the capacities indicated on August 14, 1998:

SIGNATURE

TITLE

*

Keith E. BaileyChairman of the Board, President
and Chief Executive Officer
(Principal Executive Officer)

*

Jack D. McCarthySenior Vice President
(Principal Financial Officer)

*

Gary R. BelitzController
(Principal Accounting Officer)

*

Glenn A. Cox

Director

Director

Thomas H. Cruikshank

*

William E. Green

Director

*

Patricia L. Higgins

Director

*

W. R. Howell

Director

*

Robert J. LaFortune

Director

*

James C. Lewis

Director

*

Director

Jack A. MacAllister

*

Director

Frank T. MacInnis

*

Director

Peter C. Meinig

*

Director

Kay A. Orr

*

Director

Gordon R. Parker

*

Director

Joseph H. Williams

*By s/David M. Higbee

(David M. Higbee, Attorney-in-fact)

INDEX TO EXHIBITS

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- (24.2) -- Certified copy of resolution authorizing signatures pursuant to Power of Attorney.
- (99) -- The Williams Communications Stock Plan.

[THE WILLIAMS COMPANIES LETTERHEAD]

August 14, 1998

The Williams Companies, Inc.
One Williams Center
Tulsa, OK 74172

Dear Sirs:

The Williams Companies, Inc., a Delaware corporation (the "Company") contemplates filing a Registration Statement on Form S-8 under the Securities Act of 1933, as amended (the "Registration Statement"), relating to the registration of Common Stock of the Company, \$1.00 par value (the "Common Stock"), and associated Preferred Stock Purchase Rights (the "Rights"), to be issued pursuant to the terms of The Williams Communications Stock Plan (the "Plan").

As counsel for the Company, I have examined originals or copies, certified or otherwise identified to my satisfaction, of such documents, corporate records, certificates of public officials and other instruments and legal matters as I deem relevant to the authorization and issuance of the Common Stock and the Rights under the terms of the Plan. Based on such examination, it is my opinion that the Common Stock has been duly authorized and, when issued and delivered in accordance with the terms of the Plan, will be validly issued, fully paid and nonassessable, and the Rights to which holders of Common Stock issued under the Plan will be entitled, have been duly authorized and when issued in accordance with their terms, will be validly issued.

I hereby consent to the filing of this opinion with the Securities and Exchange Commission as Exhibit 5.1 to the Registration Statement.

Very truly yours,

/s/ David M. Higbee

David M. Higbee

Consent of Independent Auditors

We consent to the reference to our firm in Item 5., "Interests of Named Experts and Counsel," in the Registration Statement (Form S-8) pertaining to the registration of 2,000,000 shares of The Williams Companies, Inc. common stock to be used in connection with The Williams Communications Stock Plan and to the incorporation by reference therein of our report dated April 3, 1998, with respect to the consolidated financial statements and schedule of The Williams Companies, Inc. for the three years ended December 31, 1997, which have been restated to reflect the acquisition of MAPCO Inc., which has been accounted for as a pooling of interest, included in The Williams Companies, Inc. Current Report on Form 8-K dated May 18, 1998, filed with the Securities and Exchange Commission.

ERNST & YOUNG LLP

Tulsa, Oklahoma
August 11, 1998

INDEPENDENT AUDITORS' CONSENT

We consent to the incorporation by reference in this Registration Statement of The Williams Companies, Inc. on Form S-8 of our report dated January 27, 1998 (March 3, 1998, as to Notes 2 and 16 to the MAPCO Inc. consolidated financial statements) with respect to the consolidated financial statements of MAPCO Inc., which report includes explanatory paragraphs relating to certain litigation to which MAPCO Inc. is a defendant and the change in its method of accounting for business process reengineering activities to conform to the consensus reached by the Emerging Issues Task Force in Issue No. 97-13, appearing in the Current Report on Form 8-K of The Williams Companies, Inc. dated May 18, 1998 and to the reference to us under the heading "Interests of Named Experts and Counsel."

Deloitte & Touche LLP
Tulsa, Oklahoma
August 11, 1998

THE WILLIAMS COMPANIES, INC.

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS that each of the undersigned individuals, in their capacity as a director or officer, or both, as hereinafter set forth below their signature, of THE WILLIAMS COMPANIES, INC., a Delaware corporation ("Williams"), does hereby constitute and appoint WILLIAM G. VON GLAHN, DAVID M. HIGBEE and SHAWNA L. BARNARD their true and lawful attorneys and each of them (with full power to act without the others) their true and lawful attorneys for them and in their name and in their capacity as a director or officer, or both, of Williams, as hereinafter set forth below their signature, to sign a registration statement on Form S-8 for the registration under the Securities Act of 1933, as amended, of Common Stock of Williams issuable to participants in the Williams Communications Group, Inc. Stock Plan and any and all amendments and post-effective amendments to said registration statement and any and all instruments necessary or incidental in connection therewith; and

THAT the undersigned Williams does hereby constitute and appoint WILLIAM G. VON GLAHN, DAVID M. HIGBEE and SHAWNA L. BARNARD its true and lawful attorneys and each of them (with full power to act without the others) its true and lawful attorney for it and in its name and on its behalf to sign said registration statement and any and all amendments and post-effective amendments thereto and any and all instruments necessary or incidental in connection therewith.

Each of said attorneys shall have full power of substitution and resubstitution, and said attorneys or any of them or any substitute appointed by any of them hereunder shall have full power and authority to do and perform in the name and on behalf of each of the undersigned, in any and all capacities, every act whatsoever requisite or necessary to be done in the premises, as fully to all intents and purposes as each of the undersigned might or could do in person, the undersigned hereby ratifying and approving the acts of said attorneys or any of them or of any such substitute pursuant hereto.

IN WITNESS WHEREOF, the undersigned have executed this instrument, all as of the 21st day of May, 1998.

/s/ Keith E. Bailey

 Keith E. Bailey
 Chairman of the Board,
 President and
 Chief Executive Officer
 (Principal Executive Officer)

/s/ Jack D. McCarthy

 Jack D. McCarthy
 Senior Vice President
 (Principal Financial Officer)

/s/ Gary R. Belitz

 Gary R. Belitz
 Controller
 (Principal Accounting Officer)

/s/ Glenn A. Cox

Glenn A. Cox
Director

Thomas H. Cruikshank
Director

/s/ William E. Green

William E. Green
Director

/s/ Patricia L. Higgins

Patricia L. Higgins
Director

/s/ W.R. Howell

W.R. Howell
Director

/s/ Robert J. LaFortune

Robert J. LaFortune
Director

/s/ James C. Lewis

James C. Lewis
Director

/s/ Jack A. MacAllister

Jack A. MacAllister
Director

/s/ Frank T. MacInnis

Frank T. MacInnis
Director

/s/ Peter C. Meinig

Peter C. Meinig
Director

/s/ Kay A. Orr

Kay A. Orr
Director

/s/ Gordon R. Parker

Gordon R. Parker
Director

/s/ Joseph H. Williams

Joseph H. Williams
Director

THE WILLIAMS COMPANIES, INC.

By /s/ William G. von Glahn

William G. von Glahn
Senior Vice President

ATTEST:

/s/ David M. Higbee

David M. Higbee
Secretary

I, the undersigned, DAVID H. HIGBEE, Secretary of THE WILLIAMS COMPANIES, INC., a Delaware company (hereinafter called the "Company"), do hereby certify that at a meeting of the Board of Directors of the Company, duly convened and held on May 21, 1998, at which a quorum of said Board was present and acting throughout, the following resolutions were duly adopted:

RESOLVED that authorization be, and hereby is, given for the issuance, from time to time, of up to two million (2,000,000) shares of the Company's authorized but unissued Common Stock, one dollar (\$1.00) par value, and associated preferred stock purchase rights, under the terms and provisions of Williams Communications Group, Inc. Stock Plan (the "Plan").

RESOLVED that the officers of the Company be, and they hereby are, authorized to execute and file with the Securities and Exchange Commission under the Securities Act of 1933, as amended, a Registration Statement on Form S- 8 or other Securities Act registration form as may be considered appropriate, and all amendments and supplements thereto, all required exhibits and documents in connection therewith, the prospectus contained therein and all amendments or supplements thereto with respect to not more than two million (2,000,000) shares of Common Stock, one dollar (\$1.00) par value, and associated preferred stock purchase rights, of the Company to be issued in accordance with the terms and provisions of the Plan and to make all such payments and to do or cause to be done all other acts and things as, in their opinion or in the opinion of any of them, may be necessary or desirable and proper in order to effect such filing or in order that such Registration Statement and any such amendment or amendments may become effective and may remain in effect as long as shall be required.

RESOLVED that the form of power of attorney submitted to this meeting for use in connection with the execution and filing for and on behalf of the Company of the Registration Statement referred to in the immediately preceding resolution and any amendments or supplements thereto is hereby approved and the Chairman of the Board, the President or any Vice President of the Company be, and hereby is, authorized to execute said power of attorney in the form so presented by, for and on behalf of the Company.

RESOLVED that the officers of the Company be, and they hereby are, authorized and directed in the name and on behalf of the Company to take any and all action which they may deem necessary or advisable in order to effect the registration or qualification (or exemption therefore) of such securities for issue, offer, sale or trade under the Blue Sky or securities laws of any state of the United States of America or elsewhere, and in connection therewith to execute, acknowledge, verify, deliver, file or cause to be published any applications, reports, consents to service of process, appointments of attorney to receive service of process and other papers and instruments which may be required under such applications, reports, consents to service of process, appointments of attorney to receive service of process and other papers and instruments which may be required under such laws and to take any and all further action which they may deem necessary or advisable in order to maintain any such registration or qualification for as long as they deem necessary or as required by law.

RESOLVED that the Chairman of the Board, the President, any Vice President, the Secretary or any Assistant Secretary of this Company be, and they hereby are, authorized to execute and deliver on behalf of this Company applications for the listing of not more than an additional two million (2,000,000) shares of Common Stock of the Company reserved for sale under the terms of the Plan together with associated preferred stock purchase rights, on the New York Stock Exchange and the Pacific Stock Exchange and said officers are further authorized to take all such action and to file with such exchanges all such documents as may be necessary in order to accomplish the same.

RESOLVED that the Chairman of the Board, the President, any Vice President, the Secretary or any Assistant Secretary or any one or more of them be, and they hereby are, authorized and empowered to appear before the New York Stock Exchange and the Pacific Stock Exchange or any committees or any representatives of such exchanges with authority to present such applications for listing and to make such changes in such applications or in any amendments relative thereto and to furnish such information in connection therewith as may be necessary or advisable to conform with the requirements for the listing of such Common Stock on said New York Stock Exchange and Pacific Stock Exchange.

RESOLVED that First Chicago Trust Company of New York, transfer agent for the Company, as agent for the transfer of certificates of the Company's Common Stock, one dollar (\$1.00) par value, and Wells Fargo Bank as co-transfer agent, be, and they hereby are, authorized (1) to record, countersign and deliver to First Chicago Trust Company of New York as registrar, or Wells Fargo

Bank as co-registrar, certificates for shares of Common Stock, one dollar (\$1.00) par value, of the Company to be issued as authorized under the terms of the Plan; (2) to deliver such certificates when countersigned by such registrar or co-registrar; and (3) from time to time to make transfers of certificates for such shares of Common Stock with the same authority and upon the terms and conditions as to such additional shares of Common Stock as are fully set forth in the resolutions previously adopted by the Board of Directors of the Company with respect to presently outstanding Common Stock of the Company.

RESOLVED that First Chicago Trust Company of New York, as registrar for registration of the Company's Common Stock, one dollar (\$1.00) par value, and Wells Fargo Bank as co-registrar, be, and they hereby are, authorized and directed to record, when presented by First Chicago Trust Company of New York, transfer agent, or Wells Fargo Bank, co-transfer agent, of the Company's Common Stock, and register transfers of certificates for shares of the Company's Common Stock to be issued as authorized under the terms of the Plan with the same authority and upon the same terms and conditions as to such shares of Common Stock as are fully set forth in resolutions previously adopted by the Board of Directors of the Company with respect to the presently outstanding Common Stock of the Company.

RESOLVED that the officers of this Company be, and they hereby are, authorized to take all such further action and to execute and deliver all such further instruments and documents in the name and on behalf of the Company and under its corporate seal or otherwise and to pay such fees and expenses as shall be necessary, proper or advisable in order to fully carry out the intent and to accomplish the purposes of the foregoing resolutions.

I further certify that the foregoing resolutions have not been modified, revoked or rescinded and are in full force and effect.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of THE WILLIAMS COMPANIES, INC., this 14th day of August, 1998.

/s/ David M. Higbee

David M. Higbee
Secretary

(CORPORATE SEAL)

THE WILLIAMS COMMUNICATIONS
STOCK PLAN

SECTION 1

PURPOSES AND EFFECTIVE DATE

1.01 Purposes. The objectives of the THE WILLIAMS COMMUNICATIONS STOCK PLAN (the "Plan") are to promote the long-term financial success of WILLIAMS COMMUNICATIONS GROUP, INC. (the "Company") by providing a compensation program to enable the Company to (i) retain employees who are critical to the Company's success; (ii) recognize and reward employee performance; (iii) keep key employees focused on common measurements and goals; and (iv) provide incentives for key employees that are consistent with The Williams Companies, Inc. ("Williams") stockholder interests and values.

1.02 Effective Date. The Plan shall become effective upon its approval by the Board of Directors of the Company.

SECTION 2

DEFINITIONS

2.01 Definitions. In addition to the terms defined elsewhere in the Plan, the following terms as used in the Plan shall have the following meanings when used with initial capital letters:

2.01.1 "Affiliate" means any entity, other than the Company, in which Williams owns, directly or indirectly, at least 20 percent of the combined voting power of all classes of stock of such entity or at least 20 percent of the ownership interest in such entity.

2.01.2 "Award" means any Option, Deferred Stock, Dividend Equivalent or any other right or interest relating to Shares or cash granted under the Plan.

2.01.3 "Award Agreement" means any written agreement, contract, notice to a Participant or other instrument or document between the Company and the Participant evidencing an Award.

2.01.4 "Board" means the Board of Directors of Williams.

2.01.5 "CEO" means the Chief Executive Officer of Williams.

2.01.6 "Code" means the Internal Revenue Code of 1986, as amended from time to time. References to any provision of the Code include regulations thereunder and successor provisions and regulations thereto.

2.01.7 "Deferred Stock" means a right, granted under the terms of the Plan, to receive Shares at the end of a specified deferral period.

2.01.8 "Disability" means disability as defined under the terms of the Williams Consolidated Pension Plan or any successor plan.

2.01.9 "Dividend Equivalent" means a right, granted under the terms of the Plan, to receive payments equal to dividends paid on Shares.

2.01.10 "Fair Market Value" of a Share means, as of any given date, the closing price of a Share reported in the table entitled "New York Stock Exchange Composition Transactions" contained in The Wall Street Journal (or an equivalent successor table) for such date or, if no such closing sales price was reported for such date, for the most recent trading day prior to such date for which a closing sales price was reported.

2.01.11 "Option" means a right, granted under the terms of the Plan, to purchase Shares at a specific price during specified time periods.

2.01.12 "Participant" means any employee of the Company or an Affiliate granted an Award which remains outstanding under the Plan.

2.01.13 "Person" is as defined in the Securities Exchange Act of 1934, as amended.

2.01.14 "Shares" means shares of the Common Stock of Williams, \$1.00 par value, and such other securities of Williams or the Company as may be substituted or resubstituted for Shares under the terms of the Plan.

Definitions of the terms "Change of Control", "Potential Change of Control", "Change of Control Price", "Related Party" and "Voting Securities" are set forth in Section 9 hereof.

SECTION 3

ADMINISTRATION

3.01 The Plan shall be administered by the CEO. The CEO shall have full and final authority to take the following actions, in each case subject to, and consistent with, the provisions of the Plan:

(i) to designate Participants;

(ii) to determine the type or types of Awards to be granted to each Participant;

(iii) to determine the number of Awards to be granted, the number of Shares or amount of cash to which an Award will relate, the terms and conditions of any Award (including,

but not limited to, any exercise price, grant price or purchase price, any limitations or restrictions, any schedule for or performance conditions relating to the lapse of limitations, forfeiture restrictions or restrictions on exercisability or transferability, and accelerations or waivers thereof, based in each case on such considerations as the CEO shall determine), and all other matters to be determined in connection with an Award;

(iv) to determine whether, to what extent and under what circumstances an Award may be settled in, or the exercise price of an Award may be paid in, cash, Shares, other Awards or other property, or an Award may be accelerated, vested, canceled, forfeited or surrendered;

(v) to determine whether, to what extent and under what circumstances cash, Shares, other Awards, other property and other amounts payable with respect to an Award shall be deferred either automatically, at the election of the CEO or at the election of the Participant;

(vi) to prescribe the form of each Award Agreement, which need not be identical for each Participant;

(vii) to adopt, amend, suspend, waive and rescind such rules and regulations and approve such agents as may be deemed necessary or advisable to administer the Plan;

(viii) to correct any defect or supply any omission or reconsider any inconsistency, and to construe and interpret the Plan, the rules and regulations, any Award Agreement or any other instrument entered into, or relating to, an Award under the Plan; and

(ix) to make all other decisions and determinations as may be required under the terms of the Plan or as may be deemed necessary or advisable for the administration of the Plan.

Any action of the CEO with respect to the Plan shall be final, conclusive and binding on all persons, including the Company, Williams, Affiliates, Participants, any person claiming rights under the Plan from or through any Participant, except to the extent the CEO may subsequently modify, or take further action not inconsistent with, prior action. The express grant of any specific power to the CEO, and the taking of any action by the CEO, shall not be construed as limiting the power or authority of the CEO. The CEO may delegate to officers or managers of the Company or of any Affiliate the authority to perform specific functions under the Plan. Any and all powers, authorizations or discretions granted by the Plan to the CEO shall likewise be exercisable at any time by the Board of Directors of the Company or the Board of Directors of Williams.

SECTION 4

SHARES SUBJECT TO THE PLAN

4.01 Shares Reserved and Available. Subject to adjustment as provided in Section 8.01 hereof, the total number of Shares reserved and available for distribution under the Plan shall be two million (2,000,000) Shares.

For purposes of this Section 4.01, the number of Shares to which an Award relates shall be counted against the number of Shares reserved and available under the Plan at the time of grant of the Award, unless such number of Shares cannot be determined at that time in which case the number of Shares actually distributed pursuant to the Award shall be counted against the number of Shares reserved and available under the Plan at the time of distribution; provided, however, that Awards related to or retroactively added to, or granted in tandem with, substituted for or converted into, other Awards shall be counted or not counted against the number of Shares reserved and available under the Plan in accordance with procedures adopted by the CEO so as to ensure appropriate counting but to avoid double counting; and, provided further, that the number of Shares deemed to be issued under the Plan upon exercise or settlement of an Award shall be reduced by the number of Shares surrendered by the Participant or withheld by the Company in payment of the exercise price of the Award and withholding taxes relating to the Award.

If any Shares to which an Award relates are forfeited, or payment is made to the Participant in the form of cash or other property other than Shares, or the Award otherwise terminates without payment being made to the Participant in the form of Shares, any Shares counted against the number of Shares reserved and available under the Plan with respect to such Award shall, to the extent of any such forfeiture, alternative payment or termination, again be available for Awards under the Plan. Any Shares distributed pursuant to an Award may consist, in whole or in part, of authorized and unissued Shares, or of treasury Shares, including Shares repurchased by the Company or Williams for purposes of the Plan.

SECTION 5

ELIGIBILITY

5.01 Awards may be granted only to full time executive, management and professional employees of the Company or Affiliates as may be selected from time to time in the sole and exclusive discretion of the CEO.

SECTION 6

SPECIFIC TERMS OF AWARDS

6.01 General. Awards may be granted on the terms and conditions set forth in this Section 6. In addition, the CEO may impose on any Award or the exercise or settlement thereof, at the date of grant or thereafter (subject to the terms of Section 10.01), such additional terms and conditions, not inconsistent with the provisions of the Plan, as the CEO shall determine, including terms requiring forfeiture of Awards in the event of termination of employment by the Participant. Except as may be required under the Delaware General Corporation Law or as provided in Sections 6.06 or 7.01, Awards shall be granted for no consideration other than prior and future services.

6.02 Options. The CEO is authorized to grant Options on the following terms and conditions:

(i) Exercise Price. The exercise price per Share purchasable under an Option shall be determined by the CEO; provided, however, that such exercise price shall not be less than the Fair Market Value of a Share on the date of grant of such Option and in no event shall be less than the par value of a Share;

(ii) Option Term. Subject to the terms of the Plan and any applicable Award Agreement, the term of each Option shall be determined by the CEO;

(iii) Methods of Exercise. Subject to the terms of the Plan, the CEO shall determine the time or times at which an Option may be exercised in whole or in part, the methods by which such exercise price shall be paid or deemed paid, and the form of such payment, including, without limitation, cash, Shares, other outstanding Awards or other property (including notes or other contractual obligations of Participants to make payment on a deferred basis, to the extent permitted by law).

6.03 Deferred Stock. The CEO is authorized to grant Deferred Stock on the following terms and conditions:

(i) Issuance and Limitations. Delivery of Shares shall occur upon expiration of the deferred period specific for the Award by the CEO. In addition, an Award of Deferred Stock shall be subject to such limitations as the CEO may impose, which limitations may lapse at the expiration of the deferral period or at other specified times, separately or in combination, in installments or otherwise, as the CEO shall determine at the time of grant or thereafter. A Participant awarded Deferred Stock shall have no voting rights and will have no rights to receive dividends in respect of such Deferred Stock;

(ii) Forfeiture. Except as otherwise determined by the CEO, upon termination of employment (as determined under criteria established by the CEO) during the applicable deferral period, Deferred Stock that is at the time subject to deferral (other than a deferral at the election of

the Participant) shall be forfeited; provided, however, that the CEO may provide, by rule or regulation or in any Award Agreement, that forfeiture of Deferred Stock may be waived in whole or in part in the event of termination resulting from specified causes, and the CEO may in other cases waive in whole or in part the forfeiture of Deferred Stock.

6.04 Dividend Equivalents. The CEO is authorized to grant Awards of Dividend Equivalents. Dividend Equivalents shall confer upon the Participant rights to receive payments equal to interest or dividends, when and if paid, with respect to a number of Shares determined by the CEO. The CEO may provide that Dividend Equivalents shall be paid or distributed when accrued or shall be deemed to have been reinvested in additional Shares or additional Awards or otherwise reinvested.

6.05 Other Stock-Based Awards. The CEO is authorized, subject to limitations under applicable law, to grant such other Awards that are denominated or payable in, valued in whole or in part by reference to, or otherwise based on, or related to, Shares, as deemed by the CEO to be consistent with the purposes of the Plan including, without limitation, Shares awarded which are not subject to any restrictions or conditions, convertible or exchangeable debt securities or other rights convertible or exchangeable into Shares, Awards valued by reference to the value of securities of or the performance of the Company or specified Affiliates, and Awards payable in the securities of the Company or Affiliates. Except as may be provided elsewhere herein, Shares granted under this Section 6.05 shall be purchased for such consideration, paid for by such methods and in such forms, including, without limitation, cash, Shares, outstanding Awards or other property, as the CEO shall determine, provided, however, that the value of such consideration shall not be less per share than the Fair Market Value of a Share on the date of grant of such purchase right and in no event shall be less per share than the par value of a Share.

6.06 Exchange Provisions. The CEO may at any time offer to exchange or buy out any previously granted Award for a payment in cash, Shares or another Award, based on such terms and conditions as the CEO shall determine and communicate to the Participant at the time that such offer is made.

SECTION 7

GENERAL TERMS OF AWARDS

7.01 Stand-Alone, Tandem and Substitute Awards. Awards granted under the Plan may, in the discretion of the CEO, be granted either alone or in addition to, in tandem with, or in substitution for, any other Award granted under the Plan or any other plan of Williams, the Company or any Affiliate, subject to the terms of the Plan. If an Award is granted in substitution for another Award or award, the CEO shall require the surrender of such other Award

or award in consideration for the grant of the new Award. Awards granted in addition to or in tandem with other Awards or awards may be granted either at the same time as or at a different time from the grant of such other Award or awards. The exercise price of any Option or the purchase price of any other Award conferring a right to purchase Shares:

(i) granted in substitution for an outstanding Award or award shall either be not less than the Fair Market Value of Shares at the date such substitute Award is granted or not less than such Fair Market Value at that date reduced to reflect the Fair Market Value of the Award or award required to be surrendered by the Participant as a condition to receipt of a substitute Award; or

(ii) retroactively granted in tandem with an outstanding Award or award shall be either not less than the Fair Market Value of Shares at the date of grant of the later Award or the Fair Market Value at the date of grant of the earlier Award or award.

7.02 Term of Awards. The term of each Award shall be for such period as may be determined by the CEO.

7.03 Form of Payment of Awards. Subject to the terms of the Plan and any applicable Award Agreement, payments or substitutions for payments upon the grant or exercise of any Award may be made in such forms as the CEO shall determine, including, without limitation, cash, Deferred Stock, Shares, other Awards of other property, and may be made in a single payment or substitution in installments or on a deferred basis, in each case in accordance with rules and procedures established by the CEO. Such rules and procedures may include, without limitation, provisions for the payment or crediting of reasonable interest on installment or deferred payments on the grant or crediting of Dividend Equivalents in respect of installment or deferred payments denominated in Shares. The CEO may also permit or require the deferral of any award payment, subject to rules and procedures as may be established, which may include provisions for the payment or crediting of interest, or dividend equivalents, including converting such credits into deferred Share equivalents.

7.04 Limitations on Transferability. Awards and other rights under the Plan shall not be transferable by a Participant except by will or the laws of descent and distribution (or, in the event of the Participant's death, to a designated beneficiary), and, if exercisable, shall be exercisable during the lifetime of a Participant only by such Participant or such Participant's guardian or legal representative; provided, however, that except as otherwise provided by the CEO, Awards and other rights may be transferred to one or more Persons during the lifetime of the Participant in connection with the Participant's estate planning, and may be exercised by such transferees in accordance with the terms of such Award consistent with the registration of the offer and sale of Shares on Form S-8 or Form S-3 or such other registration form of the Securities and Exchange Commission as may then be filed and effective with respect to the Plan, and permitted by the CEO. Awards and other rights under the Plan may not be pledged, mortgaged, hypothecated, or otherwise encumbered to or in favor of any Person other than Williams, the Company or an Affiliate, and shall not be subject to any lien, obligation or liability of a Participant or transferee to any Person other than Williams, the Company or any Affiliate. If so determined by the CEO, a Participant may, in the manner established by the CEO, designate a beneficiary or beneficiaries to exercise the rights of the Participant, and to receive any distribution with respect to any Award upon the death of the

Participant. A transferee, beneficiary, guardian, legal representative or other Person claiming any rights under the Plan from or through any Participant shall be subject to all the terms and conditions of the Plan and any Award Agreement applicable to such Participant, except to the extent the Plan and Award Agreement otherwise provide with respect to such Persons, and to any additional restrictions or limitations deemed necessary or appropriate by the CEO.

7.05 Registration and Listing Compliance. Neither Williams nor the Company shall be obligated to issue or deliver Shares in connection with any Award or take any other action under the Plan in a transaction subject to the registration requirements of the Securities Act of 1933, as amended, or any other federal or state securities law, any requirement under any listing agreement between Williams and any national securities exchange or automated quotation system, or any other law, regulation, or contractual obligation of Williams or the Company, until Williams and the Company are satisfied that such laws, regulations and any other obligations have been satisfied.

7.06 Share Certificates. All certificates for Shares delivered under the terms of the Plan shall be subject to such stop-transfer orders and other restrictions as the CEO may deem advisable under federal or state securities laws, rules and regulations thereunder, and the rules of any national securities exchange or automated quotation system on which the Shares are listed or quoted. The CEO may cause a legend to be placed on any such certificates to make appropriate reference to such restrictions or limitations that may be applicable to the Shares. In addition, during any period in which Awards or Shares are subject to restrictions or limitations under the Plan or any Award Agreement, or during any period during which delivery or receipt of an Award or Shares has been deferred by the CEO or a Participant, the CEO may require the Participant to enter into an agreement providing that certificates representing Shares issuable or issued pursuant to an Award shall remain in the physical custody of the Company or such person as the CEO may designate.

7.07 Performance-Based Awards. The CEO may designate any Award as subject to specified performance conditions. The performance objectives for an Award shall consist of one or more business criteria and a targeted level or levels of performance with respect to such criteria, as specified by the CEO. The levels of performance required with respect to such business criteria may be expressed in absolute or relative levels. Achievement of performance objectives with respect to such Awards shall be measured over a period of not less than one year nor more than five years, as the CEO may specify. Performance objectives may differ for such Awards to different Participants. The CEO shall specify the weighting to be given to each performance objective for purposes of determining the final amount payable with respect to any such Award. The CEO may, in the CEO's discretion, reduce the amount of a payout otherwise to be made in connection with an Award subject to this Section 7.07, but may not exercise discretion to increase such amount, and the CEO may consider other performance criteria in exercising such discretion. All determinations by the CEO as to the achievement of performance objectives shall be in writing. The CEO may not delegate any responsibility with respect to an Award subject to this Section 7.07. The CEO also has the discretion to adjust performance objectives to reflect the impact of acquisitions or dispositions of assets or other events that impact targeted levels of performance that were not contemplated at the time the Award was made.

SECTION 8

ADJUSTMENT PROVISIONS

8.01 In the event that the CEO shall determine that any dividend or other distribution (whether in the form of cash, Shares, other securities, or property), recapitalization, forward or reverse stock split, reorganization, merger, consolidation, split-up, spin-off, combination, repurchase, exchange of Shares or other securities of Williams, or other similar corporate transactions or event affects the Shares such that an adjustment is determined by the CEO to be appropriate in order to prevent dilution or enlargement of Participant's rights under the Plan, then the CEO shall, in such manner as deemed equitable, adjust any and all of : (i) the number and kind of Shares which may thereafter be issued in connection with Awards; (ii) the number and kind of Shares issued or issuable with respect to outstanding Awards; (iii) the exercise price, grant price or purchase price relating to any Award or, if deemed appropriate, make provision for a cash payment with respect to any outstanding Award. In addition, the CEO is authorized to make adjustments in the terms and conditions of , and the criteria in, Awards in recognition of unusual or nonrecurring events (including, without limitation, events described in this Section) affecting Williams, the Company or any Affiliate or the financial statements of Williams, the Company or any Affiliate, or in response to changes in applicable laws, regulations or accounting principles.

SECTION 9

CHANGE OF CONTROL PROVISIONS

9.01 Creation and Funding of a Trust. Upon the earlier of a Potential Change of Control as defined in Section 9.02.2, unless the Board adopts a resolution within ten business days following the date the Potential Change of Control arises to the effect that such action is not necessary to secure any payments hereunder, or a Change of Control as defined in Section 9.02.1, the Company shall deposit with the trustee of a trust for the benefit of Participants monies or other property having a Fair Market Value at least equal to the net present value of cash, Shares and other property potentially payable or distributable in connection with Awards outstanding at that date. The trust shall be an irrevocable grantor trust which shall preserve the "unfunded" status of Awards under the Plan, and shall contain other terms and conditions substantially as specified for trusts authorized under Williams' employment agreements with executives.

9.02 Definitions of Certain Terms. For purposes of this Section 9, the following definitions, in addition to those set forth in Section 2.01, shall apply:

9.02.1 "Change of Control" means and will be deemed to have occurred if: (i) any Person, other than Williams or a Related Party, is or becomes the "beneficial owner" (as defined in Rule 13d-3 under the Securities Exchange Act of 1934, as amended), directly or indirectly, of securities of Williams representing 15 percent or more of the total voting power of all the then outstanding Voting Securities; or (ii) a Person, other than Williams or a Related Party, purchases

or otherwise acquires, under a tender offer, securities representing 15 percent or more of the total voting power of all the then outstanding Voting Securities; or (iii) the individuals (a) who as of the effective date of the Plan constitute the Board or (b) who thereafter are elected to the Board and whose election, or nomination for election, to the Board was approved by a vote of at least two-thirds (2/3) of the directors then still in office who either were directors as of the effective date of the Plan or whose election or nomination for election was previously so approved, cease for any reason to constitute a majority thereof; or (iv) the stockholders of Williams approve a merger, consolidation, recapitalization or reorganization of Williams or an acquisition by Williams, or consummation of any such transaction if stockholder approval is not obtained, other than any such transaction which would result in the Voting Securities outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity) at least 65 percent of the total voting power represented by the Voting Securities of such surviving entity outstanding immediately after such transaction if the voting rights of each Voting Security relative to the other Voting Securities were not altered in such transaction; or (v) the stockholders of Williams approve a plan of complete liquidation of Williams or an agreement for the sale or disposition by Williams of all or substantially all of Williams' assets other than any such transaction which would result in a Related Party owning or acquiring more than 50 percent of the assets owned by Williams immediately prior to the transaction; or (vi) the Board adopts a resolution to the effect that a Change of Control has occurred or adopts a resolution to the effect that a Potential Change of Control has arisen and the transaction giving rise to such resolution has been thereafter approved by the stockholders of Williams or been consummated if such approval is not sought.

9.02.2 "Potential Change of Control" means and will be deemed to have arisen if: (i) Williams enters into an agreement, the consummation of which would result in the occurrence of a Change of Control; or (ii) any Person (including Williams) publicly announces an intention to take or to consider taking actions which if consummated would constitute a Change of Control; or (iii) any Person, other than a Related Party, files with the Securities and Exchange Commission a Schedule 13D pursuant to Rule 13d-1 under the Securities Exchange Act of 1934 with respect to Voting Securities; or (iv) any Person, other than Williams or a Related Party, files with the Federal Trade Commission a notification and report form pursuant to the Hart-Scott-Rodino Antitrust Improvements Act of 1976 with respect to any Voting Securities or a major portion of the assets of Williams; or (v) the Board adopts a resolution to the effect that, for purposes of the Plan, a Potential Change of Control has arisen. A Potential Change of Control will be deemed to continue (i) with respect to an agreement within the purview of clause "(i)" of the preceding sentence, until the agreement is canceled or terminated; or (ii) with respect to an announcement within the purview of clause "(ii)" of the preceding sentence, until the Person making the announcement publicly abandons the stated intention or fails to act on such intention for a period of twelve (12) calendar months; or (iii) with respect to either the filing of a Schedule 13D within the purview of clause "(iii)" of the preceding sentence or the filing of a notification and report form within the purview of clause "(iv)" of the preceding sentence with respect to Voting Securities, until the Person involved publicly announces that its ownership or acquisition of the Voting Securities is for investment purposes only and not for the purpose of seeking a Change of Control or such Person disposes of the Voting Securities; or (iv) with respect to any Potential Change of Control until a Change of Control has

occurred or the Board, on reasonable belief after due investigation, adopts a resolution that the Potential Change of Control has ceased to exist.

9.02.3 "Related Party" means: (i) a majority-owned subsidiary of Williams; or (ii) an employee or group of employees of Williams or any majority-owned subsidiary of Williams; or (iii) a trustee or other fiduciary holding securities under an employee benefit plan of Williams or any majority-owned subsidiary of Williams; or (iv) a corporation owned directly or indirectly by the stockholders of Williams in substantially the same proportion as their ownership of Voting Securities.

9.02.4 "Voting Securities" means any securities of Williams which carry the right to vote generally in the election of directors.

SECTION 10

AMENDMENTS TO AND TERMINATION OF THE PLAN

10.01 The Board or the Company may amend, alter, suspend, discontinue or terminate the Plan without the consent of Participants; provided, however, that, without the consent of a Participant, no amendment, alteration, suspension, discontinuation or termination of the Plan may materially and adversely affect the rights of such Participant under any Award theretofore granted to such Participant. The CEO may waive any conditions or rights under, or amend, alter, suspend, discontinue or terminate any Award theretofore granted, prospectively or retrospectively; provided, however, that, without the consent of a Participant, no amendment, alteration, suspension, discontinuation or termination of any Award may materially and adversely affect the rights of such Participant under any Award theretofore granted to such Participant.

SECTION 11

GENERAL PROVISIONS

11.01 No Rights to Awards. Nothing contained in the Plan shall give any Participant or employee any claim to be granted any Award under the Plan, nor give rise to any obligation for uniformity of treatment of Participants and employees.

11.02 Withholding. Williams, the Company or any Affiliate is authorized to withhold from any Award granted or any payment due under the Plan, including from a distribution of Shares, amounts of withholding taxes due with respect to an Award, its exercise or any payment thereunder, and to take such actions as the CEO may deem necessary or advisable to enable Williams, the Company or any Affiliate to satisfy obligations for the payment of such taxes. This authority shall include authority to withhold or receive Shares, Awards or other property, and to make cash payments in respect thereof in satisfaction of such tax obligations.

11.03 No Right of Employment. Nothing contained in the Plan shall confer, and no grant of an Award shall be construed as conferring, upon any Participant any right to continue in the employ of the Company or any Affiliate or to interfere in any way with the right of the Company or any Affiliate to terminate a Participant's employment at any time or increase or decrease a Participant's compensation from the rate in existence at the time of granting of an Award.

11.04 Unfunded Status of Awards. The Plan is intended to constitute an "unfunded " plan for incentive and deferred compensation. With respect to any payments not yet made to a Participant pursuant to an Award, nothing contained in the Plan or any Award shall give any such Participant any rights that are greater than those of a general creditor of the Company.

11.05 No Limit on Other Compensatory Arrangements. Nothing contained in this Plan shall prevent Williams, the Company or an Affiliate from adopting other or additional compensation arrangements (which may include, without limitation, employment agreements and arrangements which relate to Awards under the Plan), and such arrangements may be either generally applicable or applicable only in specific cases.

11.06 No Fractional Shares. No fractional Shares shall be issued or delivered pursuant to the Plan or any Award. The CEO shall determine whether cash, other Awards or other property shall be issued or paid in lieu of fractional Shares or whether such fractional Shares or any rights thereto shall be forfeited or otherwise eliminated.

11.07 Governing Law. The validity, interpretation, construction and effect of the Plan and any rules and regulations relating to the Plan shall be governed by the laws of the State of Delaware and applicable federal laws.

11.08 Severability. If any provision of the Plan is or becomes or is deemed invalid, illegal or unenforceable in any jurisdiction, or would disqualify the Plan or any Award under any law deemed applicable by the CEO, such provision shall be construed or deemed amended to conform to applicable laws or if it cannot be construed or deemed amended without, in the determination of the CEO, materially altering the intent of the Plan, it shall be stricken and the remainder of the Plan shall remain in full force and effect.