



ONEOK, INC.

DIRECTOR INDEPENDENCE GUIDELINES

The following Director Independence Guidelines have been adopted by the Board of Directors of ONEOK, Inc. (sometimes referred to in these Guidelines together with its subsidiaries and affiliates as the “Company”) to assist the Board in the exercise of its responsibilities to ONEOK and its shareholders. The Guidelines should be interpreted in the context of all applicable laws and ONEOK’s other corporate governance documents, and are intended to serve as a flexible framework within which the Board may conduct its business. The Guidelines are subject to modification from time to time, and the Board shall be able, in the exercise of its discretion, to deviate from the Guidelines from time to time, as the Board may deem appropriate and as required or permitted by applicable laws and regulations.

1. *Effectiveness.* The Guidelines, as amended and restated, will become effective on December 15, 2005.
2. *Implementation.* The Board will annually review the independence of all directors, affirmatively make a determination as to the independence of each director and disclose those determinations, in each case, consistent with the requirements of the New York Stock Exchange and the Securities and Exchange Commission, as applicable.
3. *Independence of at Least a Majority of the Board.* The Board will at all times have at least a majority of directors who meet the criteria for independence required by the NYSE and the SEC.
4. *Absence of a Material Relationship.* In order for a director to be considered “independent,” the Board must affirmatively determine, after consideration of all relevant facts and circumstances, that the director has no direct or indirect material relationship with the Company, either directly or as a partner, shareholder or officer of an organization that has a relationship with the Company. When assessing the materiality of a director’s relationship with the Company, the Board will consider the issue not merely from the standpoint of the director, but also from that of persons or entities with which the director has an affiliation.
5. *Cooling-Off Period.* A director will not be considered independent if
 - (i) the director is, or has been within the last three years, an employee of the Company; or an immediate family member of the director is, or has been within the last three years, an executive officer of the Company;

- (ii) the director has received, or the director has an immediate family member who has received, during any twelve-month period within the last three years, more than \$100,000 in direct compensation from the Company, other than:
 - (a) director and committee fees and pensions or other forms of deferred compensation for prior service (provided such compensation is not contingent in any way on continued service),
 - (b) compensation received by a director for former service as an interim Chairman, CEO or other executive officer, and
 - (c) compensation received by an immediate family member for service as an employee of the Company (other than an executive officer of the Company);
- (iii) the director or an immediate family member of the director is a current partner of a firm that is the Company's internal or external auditor; the director is a current employee of such a firm; the director has an immediate family member who is a current employee of such a firm and who participates in the firm's audit, assurance or tax compliance (but not tax planning) practice; or the director or an immediate family member of the director has, within the last three year (but is no longer), been a partner or employee of such a firm and personally worked on the Company's audit within that time;
- (iv) the director or an immediate family member of the director is, or has been during the last three years, employed as an executive officer of another company where any of the Company's present executive officers at the same time serves or served on that company's compensation committee; or
- (v) the director is a current employee, or an immediate family member of the director is a current executive officer, of a company that has made payments to, or received payments from, the Company for property or services in an amount which, in any of the last three fiscal years, exceeded the greater of (a) \$1 million or (b) two percent of the other company's consolidated gross revenues.

6. *Audit Committee Independence.* In addition to Paragraph 5 above, a director will not be considered independent for purposes of serving on the Company's audit committee if the director:

- (i) has accepted, directly or indirectly, any consulting, advisory or other compensatory fee from the Company other than in the director's capacity as a director or committee member or any pension or other deferred compensation for prior service that is not contingent in any way on continued service; or
- (ii) is an "affiliated person" of the Company as such term is defined by the Securities Exchange Commission.

7. *Categorical Standards.* Provided that the independence criteria set forth in Paragraph 5 above (and solely with respect to directors serving on the Company's audit committee, Paragraph 6 above) are met, the Board has determined that the following commercial or charitable

relationships will not be considered material relationships for purposes of determining whether a director is independent:

- (i) the director or any of his or her immediate family members is a member, director, partner or executive officer of, or of counsel to, an entity (excluding any charitable organization) that made or received, during the last completed fiscal year, or expects to make or receive in the current fiscal year, annual payments to or from the Company for property or services in an amount less than 2% of the other entity's consolidated gross revenues reported for its last completed fiscal year;
- (ii) the director or any of his or her immediate family members receives natural gas service from the Company at regulated rates available on terms generally available to customers of the Company, or an entity (excluding any charitable organization) of or to which the director or any of his or her immediate family members is a member, director, partner or executive officer, or of counsel to, receives natural gas service from the Company at regulated rates available on terms generally available to customers of the Company, in an amount which, in any single year, is less than the greater of (a) \$1 million or (b) 2% of the other entity's consolidated gross revenues reported for its last completed fiscal year;
- (iii) the director is an employee, officer, trustee or director of a charitable organization to which the Company or the Company's related charitable foundation gave during the last completed fiscal year, or expects to give during the current fiscal year, either directly, or indirectly through the provision of services, charitable contributions in an amount less than 2% of that charitable organization's total annual charitable receipts for its last completed fiscal year;
- (iv) the director or any of his or her immediate family members is a member, director, partner, or executive officer of, or of counsel to, an entity which is indebted to the Company, or to which the Company is indebted, and the total amount of either's indebtedness to the other is less than 2% of its own total consolidated assets, measured as of the last fiscal year-end; and
- (v) the director, or his or her immediate family member, is an executive officer or general partner of an entity that has received an investment from the Company that is less than 2% of such entity's total invested capital.

For purposes of these Guidelines, "immediate family member" means a person's spouse, parents, children, siblings, mothers and fathers-in-law, sons and daughters-in-law, brothers and sisters-in-law and anyone (other than domestic employees) who shares such person's home.

8. *Relationships and Transactions Not Covered by the Categorical Standards.* Any determination by the Board that a director who has a business or other relationship with the Company that is not covered by the Categorical Standards set forth in Paragraph 7 above is independent will be disclosed by ONEOK in its annual proxy statement, together with the basis for such determination.

9. *Affirmative Obligation of Directors.* Each director has an affirmative obligation to inform the Board of any change in his or her business or other relationships that may impact the Board's determination with regard to his or her independence.

10. *Disclosure by the Company.* The Board will cause ONEOK to disclose the following in its annual proxy statement:

- (i) the Guidelines, including the categorical standards adopted by the Board to assist it in making determinations regarding the independence of a director;
- (ii) a specific explanation and the basis of any determination by the Board that a director's relationship with the Company is not material, notwithstanding that the relationship does not meet the categorical standards set forth in the Guidelines; and
- (iii) charitable contributions by the Company to an entity that employs a director of the Company as an executive officer if, within the preceding three years, contributions by the Company in any fiscal year exceeded the greater of (a) \$1 million, or (b) 2% of the other entity's consolidated gross revenues.