



# Director Independence Standards

As Modified October 30, 2013

The Board has established the following standards to assist it in determining director independence so as to meet or exceed the New York Stock Exchange independence requirements. Each year, prior to nominating directors to stand for election at the next annual meeting, the Board determines whether any director or nominee has any material relation with the Company other than as a director or nominee. In making these determinations, the Board considers all facts and circumstances and applies the following standards.

A director may be independent if:

- He or she is not and has not been
  1. an employee of the Company or an affiliate within the past three years,
  2. the recipient within the past three years of more than \$100,000 per year in direct compensation from the Company or an affiliate, other than director and committee fees and pension or other forms of deferred compensation for prior services,
  3. affiliated with or employed by the Company's independent auditor within the past three years,
  4. part of a compensation committee interlocking directorate within the past three years in which the director is an executive officer of another company that has any of the Company's executive officers serving on such other company's compensation committee,
  5. an employee of a company that within the past three years has made payments to, or received payments from, the Company or an affiliate for property or services in an amount that in any single fiscal year exceeded the greater of \$1 million or 2% of such other company's consolidated gross revenues,
  6. an executive officer of a company that is indebted to the Company or any affiliate, or to which the Company or any affiliate is indebted, and the total amount of the indebtedness from one to the other is 1% or more of the total consolidated assets of the company of which the director is an executive officer, or
  7. an executive officer of a tax exempt entity that within the past three years receives or has received more than the greater of \$1 million or 2% of its annual contributions from the Company and its affiliates.
  
- He or she has no immediate family member<sup>1</sup> that
  1. is or has been an executive officer of the Company or an affiliate within the past three years,

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<sup>1</sup> Immediate family member of a person means such person's spouse, parent, sibling, child, mother- or father-in-law, son- or daughter-in-law, brother- or sister-in-law and anyone (other than domestic employees) who shares such person's home; but does not include one who is no longer an immediate family member as a result of legal separation or divorce, or who has died or become incapacitated.

2. receives or has received within the past three years more than \$100,000 per year in direct compensation from the Company or an affiliate other than director and committee fees and pension or other forms of deferred compensation for prior service,
3. is or has been within the past three years affiliated with or employed in a professional capacity by the Company's independent auditors,
4. is or has been within the past three years an executive officer of another company where any of the Company's present executives serves or served on that other company's compensation committee,
5. is or has been within the past three years an executive officer of a company that made payments to, or received payments from, the Company or an affiliate for property or services in an amount that, in any single fiscal year, exceeds the greater of \$1 million or 2% of such other company's consolidated gross revenues,
6. an executive officer of a company that is indebted to the Company or any affiliate, or to which the Company or any affiliate is indebted, and the total amount of the indebtedness from one to the other is 1% or more of the total consolidated assets of the company of which the director is an executive officer, or
7. an executive officer of a tax exempt entity that within the past three years receives or has received more than the greater of \$1 million or 2% of its annual contributions from the Company and its affiliates.

Further, no director qualifies as independent if the director has a material relationship with the Company or an affiliate, either directly or as a partner, shareholder or officer of an organization that has a relationship with the Company. The Board does not consider material the provision by Laclede Gas Company or Alabama Gas Corporation, Company subsidiaries, of natural gas service at tariffed rates approved by the Missouri Public Service Commission to a director, immediate family member of a director or a director-related company. The Board may determine that a director who personally or through an immediate family member has a relationship described in either 5, 6 or 7 is nonetheless independent. If such a determination is made, the Company will explain in the proxy statement the basis for a determination of independence.