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Adrian J. Rodriguez
Chief Executive Officer

August 1, 2019

TO EL PASO ELECTRIC COMPANY CONTRACTORS, CONSULTANTS AND SUPPLIERS

El Paso Electric Company ("EPE") is strongly committed to conducting our Company's business in a lawful and ethical manner. The legal and ethical standing and the good name of any business organization can be seriously damaged by the actions of one or a few of its members. We expect our contractors, consultants and suppliers (collectively, "Contractors") to honor this same commitment and we ask that you make compliance and ethics a top priority as you work with EPE.

Also important to our success, is your commitment to provide goods and services to EPE in full compliance with all applicable laws and regulations and with the highest standards of ethical business conduct.

EPE's Code of Ethics provides fundamental principles and values that EPE employees should apply in their daily work and reinforces the importance of conducting business in a lawful and ethical manner. This includes EPE's expectation that employees should refrain from any activity with Contractors that may be considered a conflict of interest.

We ask that you commit to the following principles and standards:

- **GIFTS** - Except for items of nominal value (i.e., no more than \$50.00), employees and members of their immediate family may not directly or indirectly request or receive cash, bonuses, fees, discounts, commissions, gift cards, or any other cash equivalent item from any person, customer, contractor, corporation or other entity with which EPE does business or is likely to do business.
- **Conflicts of Interest** - All employees, officers and directors are to avoid any activity, investment, interest, or association that compromises (or even appears to compromise) their independent exercise of judgment and the performance of work in the best interest of EPE.

A conflict of interest exists whenever a person's interests, position or relationships compete or conflict in any way, or even appears to compete or conflict, with EPE's best interest. A conflict of interest can arise when an employee, officer or director takes an action or has a personal interest that may make it difficult to objectively and effectively perform EPE duties and responsibilities or receives improper personal gifts or benefits for themselves or their family members as a result of their position in the Company.

- **Protection of Confidential and Proprietary Information** - Confidential and proprietary information includes all nonpublic information that might be useful to competitors or harmful to EPE, EPE's reputation or EPE's customers or vendors if disclosed. Intellectual property such as trade secrets, patents, trademarks and copyrights, as well as research and new product plans, objectives and strategies, records, databases, salary and benefits data, employee medical information, customer information, employee personnel data, supplier lists and any unpublished financial or pricing information must also be protected. These same protections apply to information supplied to EPE by customers and vendors.

We respect the property rights of other companies and their proprietary information and require our employees, officers and directors to observe such rights.

Failure to comply with these obligations could result in termination of your assignment and/or contract with EPE.

Additional information concerning our Code of Ethics is available for your review at our website (<http://www.epelectric.com>) under Investor Relations/Governance & Regulatory/Code of Ethics.

If you have any concerns regarding compliance or ethical issues or believe that any misconduct has occurred or is imminent, please disclose it immediately by contacting Wayne Soza, Vice President - Compliance and Chief Risk Officer (office: 915-543-4097) (cell: 915-222-1147).

We appreciate your efforts in making compliance and ethics a critical component in your relationship with EPE. Please ensure that any of your employees who interact with EPE understand and comply with EPE's commitment to conducting business in a lawful and ethical manner by providing a copy of this letter to them.

Sincerely,



Adrian J. Rodriguez

IF AND TO THE EXTENT A PROVISION OF THIS LETTER CONFLICTS WITH AN EXECUTED AGREEMENT BETWEEN CONTRACTOR AND EPE, THEN THE PROVISION IN THE EXECUTED AGREEMENT SHALL GOVERN AND CONTROL.