



CODE OF ETHICS



El Paso Electric



POWER

JULY 2022

DEAR FELLOW EMPLOYEES

Dear Fellow Employees,

El Paso Electric Company has proudly and reliably served our customers and communities for more than 120 years. That important accomplishment and the trust it generated is a direct result of your commitment to excellence, compliance, and ethical business conduct. Our Strategic Plan incorporates being a trusted partner as a critical anchor to all other initiatives. Accordingly, we all must continue to conduct our operations in a manner that signals our unwavering integrity and maintains the highest public confidence.

Our Code of Ethics (the “Code”) is meant to help us safeguard that trust by providing a framework for use in our daily business decisions. In addition, it provides guidance for interactions with all our stakeholders, including fellow employees, customers, vendors, and regulators. Although the Code cannot anticipate and cover specifically every situation where ethical decisions must be made, our core values upon which the code is rooted – Safety, Innovation, Teamwork, Excellence, and Integrity – serve as a firm supplement to the Code. The effectiveness of both the Code and our Values depends on the steadfast support from all of us.

The Code applies to our Company’s employees, officers, and board of directors who must conduct themselves according to the language and spirit of the Code and seek to avoid even the appearance of improper behavior. Even well-intentioned actions that violate the Code may result in negative consequences for the Company and for the individuals involved.

Consequently, each of us has a personal responsibility to make sure we understand the Code so please take the time to read it in its entirety. If you have questions about its meaning, please contact the Office of the General Counsel. We all want to avoid inadvertently damaging the Company’s reputation by not clearly interpreting the restrictions and obligations within the Code.

Likewise, if a situation arises that might involve a Code conflict, employees, officers and directors should consult with the Office of the General Counsel before proceeding. Remember, when in doubt, consult.

Thank you for joining me in our continued efforts to uphold our promise to the community to be a Company they can trust, respect, and do this business with ethically. Working together, we will continue to Transform the Energy Landscape and be a strong catalyst for growth, innovation, and economic prosperity.



Kelly A. Tomblin
President and Chief Executive Officer



TABLE OF CONTENTS

VISION, MISSION AND CORE VALUES	1
CODE OF ETHICS – PURPOSE AND COMMITMENT	2
Responsibility for Compliance – All Employees, Officers, Directors	3
Additional Compliance Responsibilities – Management	3
ACCURATE COMPANY RECORDS AND COMMUNICATION	4
Dishonest Activities	5
AVOIDING CONFLICTS OF INTEREST	6
Outside Employment and Business Activities	7
Gifts, Entertainment and Gratuities	7
Competing for the Acquisition of Property or Services	8
Community and Professional Organizations	8
Corporate Opportunities	8
BUSINESS CONDUCT	9
Fair Dealing	10
Outside Business Contacts	10
Political Contributions and Activities	10
COMPLIANCE WITH LAWS, RULES AND REGULATIONS	11
Antitrust Laws	12
Foreign Corrupt Practices Act	12
Positions Requiring Reporting or Approval	12
ENVIRONMENT, HEALTH AND SAFETY	13
Workplace Violence	14
Government Inquiries and Investigations	14
SAFEGUARDING COMPANY ASSETS	15
Cybersecurity	16
Loans and Gifts of Company Goods	16
Protection and Proper Use of Company Assets	16
Protection of Confidential and Proprietary Information	16
Social Media	17
WORKPLACE CONDUCT	18
Alcohol and Drug-Free Workplace	19
Harassment-Free Workplace	19
Nondiscrimination	19
No Retaliation	20
Records Retention	20
INFORMATION RESOURCES	20
WAIVERS AND AMENDMENTS	20
CONSEQUENCES OF VIOLATIONS	21
REPORTING VIOLATIONS	21





EL PASO ELECTRIC

VISION, MISSION AND CORE VALUES

OUR VISION

Together we are powering the next hundred years of Growth, Innovation and Economic Vibrancy.

OUR MISSION

We are transforming the Energy Landscape.

OUR CORE VALUES

We are committed to performing our day-to-day business activities with the following five core values:





CODE OF ETHICS

PURPOSE AND COMMITMENT

CODE OF ETHICS – PURPOSE AND COMMITMENT

The Code is intended to guide our day-to-day actions as we conduct the Company’s business with the highest standards of integrity and fair dealing. The Company also has other policies that address specific issues and actions in more detail. We must comply with those policies as well as the Code.

You may find it helpful to ask the following questions before taking action in specific situations that raise ethical concerns:



The Code should be employed together with common sense and good judgment. Situations not covered by the Code or about which you are not certain should be discussed with your supervisor or manager or others listed in the Code under “Information Resources” or “Reporting Violations” sections of the Code.

RESPONSIBILITY FOR COMPLIANCE – EMPLOYEES, OFFICERS, DIRECTORS

Every employee, officer, and director is responsible for compliance with the standards and expectations outlined in the Code. Conducting our daily job responsibilities ethically and in compliance with Company policies and procedures as well as laws, rules, and regulations that impact our jobs is a responsibility we all shoulder. We also have the responsibility to report, promptly and in good faith, any issue or activity that may violate the Code, other Company policies and procedures, or any law or regulation that impacts our business.

Ethical issues and concerns should be discussed with higher levels of management, including the employee’s supervisor or manager, or others identified in the “Information Resources” or “Reporting Violations” sections of the Code. These discussions may concern the activities of the employee or other employees and may involve, among other things, apparent conflicts between actions the employee has been directed to take and the standards addressed in the Code.

ADDITIONAL COMPLIANCE RESPONSIBILITIES – MANAGEMENT

Management assumes additional responsibilities for compliance including:

- Leading by example and ensuring employees understand and follow the Code,
- Maintaining an open-door policy creating an environment where employees feel comfortable raising concerns or asking questions,
- Ensuring employees complete required training,
- Encouraging employees under their supervision to speak up without fear of retaliation, and
- Supplementing Code standards, as necessary, to address any specific requirements of the various Company functions in their areas of responsibility, and to add clarity or additional guidance tailored to specific activities or job responsibilities.

ACCURATE COMPANY RECORDS AND COMMUNICATION



ACCURATE COMPANY RECORDS AND COMMUNICATION

Employees, officers, and directors are responsible and accountable for the reports and records they prepare. All Company records, accounts, financial reports, research reports, marketing information, sales reports, tax returns, expense accounts, time sheets, claims and any other Company documents, including those submitted to governmental agencies, must be accurate. All entries on the Company's books and records are to represent, and not conceal, the true nature of each transaction. The intentional falsification of records is always unethical and may also be illegal. Employees, officers, and directors must never withhold or fail to communicate information that should be brought to the attention of any level of management.

All information transmitted, both within and outside the Company, must be honest and well-founded. Misrepresentations and shading of information to create a misleading business picture are not acceptable practices under the Code and will not be tolerated.

The Company also has in place a Disclosure Committee consisting of members of management who assist in monitoring disclosures of a financial nature. Company reporting and filings and other public communications shall include full, fair, accurate, and timely disclosure in the manner required by governing authorities.

DISHONEST ACTIVITIES

Dishonest activities involving Company money, documents, transactions, or equipment are not permitted. This includes, but is not limited to:

1. Alteration or intentional misstatement of Company reports and records.
2. Forgery, alteration, or misrepresentation of authorizations.
3. Misappropriation of funds, supplies or any other Company asset.
4. Irregularity in the handling or reporting of money transactions.
5. Unauthorized purchases or use of services, supplies, furniture, fixtures, and equipment.
6. Alteration or intentional misstatement in reporting items such as employee expenses, vacations, leave time, sick time and overtime.

Q. My recent pay information indicated 4 PTO days instead of 5 actually taken. What should I do?

A. If you enter your own time, contact the payroll department for guidance on correcting the discrepancy. If you do not enter your own time, talk to your supervisor or other person who enters your time to have this issue corrected. PTO records must always reflect accurate information.

AVOIDING CONFLICTS OF INTEREST



AVOIDING CONFLICTS OF INTEREST

Conflicts of interest exist whenever a person's interests, position or relationships compete or conflict in any way, or even appear to compete or conflict, with the best interest of the Company. 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 Company 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.

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 the Company.

Although it would not be possible to describe every situation in which a conflict of interest may arise, the following are some examples of situations which may constitute a conflict of interest. References in the Code to a person's "immediate family" include, for example, that person's spouse, parents, siblings, children, stepchildren, in-laws, aunts, uncles, cousins, as well as any other individual with a close personal relationship to that person.

Q. Can an employee hire a relative's company or award a relative a contract to perform EPE work?

A. The employee may not directly award a relative a contract or hire a relative's company to perform EPE work as the relative stands to benefit from this situation and this creates a conflict of interest. The employee's relative is welcome to compete for the job, but the employee should not have any role in the selection process.

Q. Can a manager or supervisor hire a relative as an EPE employee to become part of his or her team?

A. The manager or supervisor may not hire a relative and may not directly or indirectly supervise a relative that works within their division hierarchy.

Q. I was offered a second job outside the Company. Will this create any issues as an EPE employee?

A. Accepting a second job away from EPE is not an issue as long as the second job does not conflict or even appear to conflict with your ability to perform your job with EPE. You cannot use EPE's name, property, information or other EPE resources to perform your second job.

OUTSIDE EMPLOYMENT AND BUSINESS ACTIVITIES

Any outside employment or business activities must not conflict with, have the potential to conflict with, or even appear to conflict with, the employee's ability to properly perform work for the Company. Employees are not to seek financial gains for themselves, their families, or their associates from third parties by holding themselves out to be representatives of the Company or by representing or implying to such third parties that they possess proprietary information or influence due to employment with the Company. In addition, employees should not wear clothing which displays the Company logo while working for financial gain outside of the Company. Employees shall not use their Company identification badge for any purpose other than to identify themselves as Company employees performing Company business. Employees should not engage in any outside employment which has a negative impact on their availability to the Company for work or their ability to perform assigned duties during their normal work hours.

GIFTS, ENTERTAINMENT AND GRATUITIES

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, supplier, contractor, corporation or other entity with which the Company does business or is likely to do business.

The Code does not preclude employees from providing or accepting gifts, gratuities and entertainment that are business related, as long as the value of the offering is nominal (i.e. no more than \$175.00) and is infrequent, legal and reasonable.

If a gift or gratuity of more than nominal value is offered or received, the gift or gratuity should be refused or returned with a polite explanation of the Company's policy, and the employee should notify his or her supervisor or manager. Regardless of value, an employee should decline any item offered with the intent to improperly influence the employee in the performance of the employee's duties for the Company.

In limited circumstances, employees may receive permission to attend special events sponsored by suppliers or other organizations associated with the Company.

COMPETING FOR THE ACQUISITION OF PROPERTY OR SERVICES

Employees, officers and directors, and members of their immediate family, shall not knowingly acquire any material interest (whether direct or indirect) in any property that the Company or its affiliates is acquiring or is likely to acquire. Business transactions with businesses owned by any director or director's immediate family members are covered by a separate policy entitled "Policies and Procedures with Respect to Related Party Transactions" found on the Company's intranet site. In addition, affiliate restrictions are covered by a separate policy entitled "Policies for Compliance with Regulatory Affiliate Restrictions and Cross-Subsidization Rules." Some examples of conduct that constitutes a conflict of interest include:

- Having a material financial interest in a transaction involving the Company, or in entities with which the Company does business or is likely to do business, or in entities that compete against the Company (this generally does not include routine investments in publicly traded companies). A material financial interest is one that might compromise, or even appear to compromise, the independent exercise of a person's judgment in the best interest of the Company.
- Receiving a loan or guarantee of an obligation as a result of your position with the Company.
- Directing business to a supplier or contractor owned or managed by, or which employs, a relative or friend.
- Giving or receiving bribes or kickbacks.

Q. An EPE vendor sent me a \$100.00 gift card during the holidays. Can I accept this gift?

A. No, employees may not accept gifts of cash or cash equivalents such as gift cards from vendors. The Code does not prevent an employee from receiving other types of business-related gifts as long as the value of the gift is less than \$175 and not of a nature that would suggest intent to influence Company business decisions.

In order to avoid conflicts of interest, employees, officers, and directors must disclose to the Vice President – Human Resources and Safety (VP-HRS) any material transaction or relationship that reasonably could be expected to give rise to such a conflict. The VP-HRS shall notify the President and CEO, General Counsel, Chairperson of the Board, the Chairperson of the Audit and Risk Committee, and Chairperson of the Governance and Nominating Committee of any such disclosure. Conflicts of interest involving the VP-HRS shall also be disclosed to the President and CEO, General Counsel, Chairperson of the Board and Chairperson of the Governance and Nominating Committee.

COMMUNITY AND PROFESSIONAL ORGANIZATIONS

The Company has a long-standing commitment to good corporate citizenship. The Company supports and encourages involvement in community activities and professional organizations. It expects its employees, officers, and directors to pursue these interests in a responsible manner and in a manner that will reflect favorably upon the employee, officer or director and the Company. Before accepting any position with a community or professional organization, employees, officers, and directors should evaluate carefully whether the position could cause, or even appear to cause, a conflict of interest.

CORPORATE OPPORTUNITIES

Employees, officers, and directors are prohibited from taking advantage of business opportunities that arise through their employment for personal gain. No employee, officer or director may use corporate property, information or position for personal gain, and no employee, officer or director may compete with the Company. Competing with the Company may involve engaging in the same line of business as the Company, or any situation where the employee, officer or director takes away from the Company opportunities for sales or purchases of products, services, or interests.



BUSINESS CONDUCT





OUTSIDE BUSINESS CONTACTS

In the course of performing assigned duties, employees, officers and directors frequently have business contacts outside the Company with customers, suppliers, competitors, governmental agencies, and the news media. Employees, officers, and directors should only perform services, provide information, and answer questions that fall within the realm of their knowledge and responsibilities. For example, inquiries from the news media should be directed to Corporate Communications. Inquiries from shareholders, rating agencies or other financial stakeholders should be directed to the Financial, Planning and Analysis Department.

POLITICAL CONTRIBUTIONS AND ACTIVITIES

Any political contributions made by or on behalf of the Company and any solicitations for political contributions of any kind must be lawful and in compliance with Company policies. This policy applies solely to the use of Company assets and is not intended to discourage or prevent individual employees, officers, or directors from making political contributions or engaging in political activities on their own behalf. No one may be reimbursed directly or indirectly by the Company for personal political contributions.

FAIR DEALING

Each employee, officer and director of the Company should endeavor to deal fairly with customers, suppliers, contractors, competitors, the public and one another at all times and in accordance with ethical business practices. No one should take unfair advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation of material facts or any other unfair dealing practice. No bribes, kickbacks or other similar payments in any form shall be made directly or indirectly to or for anyone for the purpose of obtaining or retaining business or obtaining any other favorable action. The Company and the employee, officer or director involved may be subject to disciplinary action as well as potential civil or criminal liability for violation of this policy.

Practices that are acceptable in commercial business environments may be against the law or the policies governing federal, state, or local government employees. Therefore, no gifts or business entertainment of any kind may be given to any government employee or official without the prior approval of the Office of General Counsel.

Q. Is it acceptable to use an EPE copy machine to make flyers for a political campaign in which I am involved?

A. No, you may not use Company time or resources for personal participation in a political campaign.

COMPLIANCE WITH LAWS, RULES AND REGULATIONS



COMPLIANCE WITH LAWS, RULES AND REGULATIONS

Employees, officers, and directors are expected to comply with all applicable laws, rules, and regulations. The Company's activities are subject to a variety of federal, state and local laws and regulations. No employee, officer or director of the Company shall commit an illegal, unlawful, or unethical act or instruct others to do so, for any reason.

If you believe that any practice raises questions as to compliance with the Code or applicable laws, rules or regulations, please discuss your concerns with your supervisor or manager, or as otherwise set out in the "Information Resources" or "Reporting Violations" sections of the Code.

ANTITRUST LAWS

It is the policy of the Company to obey the antitrust laws and to avoid all conduct or behavior that unreasonably restrains competition. Among other things, antitrust laws prohibit any agreements between competitors on such matters as prices, terms of sale to customers and allocating markets or customers. Antitrust laws can be very complex and failure to adhere to them may result in criminal sanctions, including fines, jail time and civil liability.

Contact the Office of General Counsel in advance, whenever you need specific guidance on the scope of permissible discussions as you interact on behalf of the Company with your counterparts in other utility or energy companies.

ANTI-CORRUPTION AND THE FOREIGN CORRUPT PRACTICES ACT

The Company must never compromise its reputation by engaging in, or appearing to engage in, bribery or any form of corruption. Bribery and corruption are crimes with potentially severe penalties to the Company and its employees. The Company has zero-tolerance for such activity, and any employee who violates the Anti-Corruption Policy is subject to disciplinary action up to and including dismissal. The Anti-Corruption Policy is a separate policy that can be found on the Company's intranet site.

Except in certain limited circumstances, the Foreign Corrupt Practices Act ("FCPA") prohibits giving, or promising to give, anything of value directly or indirectly to any "foreign official" for the purpose of obtaining or retaining business. This includes the fact that the Company may be held liable for the corrupt practices of a third-party working on behalf of the Company. Due to our interconnection and other business with the Comisión Federal de Electricidad ("CFE") in Mexico, this includes the CFE and its officials. When in doubt as to whether a contemplated payment or gift may violate the FCPA, contact the Office of General Counsel before taking any action.

POSITIONS REQUIRING REPORTING OR APPROVAL - INTERLOCKING POSITIONS

Certain kinds of positions with other organizations, if held by certain types of Company employees, officers, or directors, are subject to reporting and approval requirements by governmental authorities. For example, there are government regulations that address permissible and impermissible positions that a utility employee and director may hold in another organization, without regard to whether the positions held are voluntary or paid. Please contact the Office of General Counsel to determine whether any advance reporting or approval of the third-party position is required.

ENVIRONMENT, HEALTH AND SAFETY



ENVIRONMENT, HEALTH AND SAFETY

The Company complies with all applicable environmental, health and safety laws and regulations in order to provide a safe workplace and to protect the environment. It is the responsibility of each employee to do their part by complying with the Company's policies, as well as any applicable requirements established by federal, state, and local law.

Employees are expected to report observed safety, health, or environmental potential or actual violations, potentially unsafe conditions, and any accidents resulting in injuries to employees or the public. All jobs at the Company are to be performed in a safe manner in accordance with all the established safety rules including the Safety Manual and the Cardinal Rules (found on the Company's intranet site). As a core value, safety will not be compromised. Every employee assumes the responsibility of individual and organizational safety. Failure to follow Company safety and health guidelines and engaging in conduct that places employees, the public, or the Company at risk will not be tolerated.

WORKPLACE VIOLENCE

The Company seeks to provide a work environment where employees will not be subjected to acts of physical assault or threats of bodily harm while performing their official duties, wherever those duties are performed. Workplace violence includes implied, conditional or direct threats of violence, whether made in verbal, physical, or visual form. The Company is committed to providing a secure and safe work environment for all employees, contractors, visitors,

Q. I am a new EPE employee. During an on-site visit at a substation, I noticed an oil spill next to a barrel. What should I do?

A. If an employee is not specifically trained to handle an environmental emergency situation, the issue should be reported to the supervisor on-site and the Environmental Department. All environmental releases must be properly cleaned up and potentially reported to a regulatory agency. The situation will be assessed and depending on the amount of the release and conditions surrounding the release, the Environmental Department will coordinate proper handling, disposal, paperwork and regulatory reporting.

Q. I had a minor accident at work that I am not sure needs to be reported.

A. All work-related accidents are required to be reported immediately to the supervisor and the Safety Department. When immediate reporting is not possible, employees should report as soon as practicable. Your report may help bring light to a potential safety hazard and may also help alleviate any future similar accidents from occurring.

Q. What should I do if I see an unsafe condition at work?

A. Safety is one of EPE's core values. Unsafe conditions should immediately be reported to your supervisor. If a job has become unsafe, stop the job until safety issues are resolved. We all share the responsibility of safety and part of this involves fostering an injury-free workplace.

customers, and vendors. Any threat in the workplace to people, property or information, will be taken seriously and acted upon appropriately. There shall be zero tolerance of such threats or acts of violence. Employees are required to immediately report any incidents of workplace violence. Reports should be made to the employee's supervisor, Human Resources or any other resource listed in the Code under "Reporting Violations."

GOVERNMENT INQUIRIES AND INVESTIGATIONS

Much of the Company's activities are subject to governmental review. The Company's policy is to cooperate fully and responsibly with any appropriate governmental agency conducting an investigation with assistance from legal counsel and subject matter experts who can help represent the Company during such investigations. Contact the Office of General Counsel before taking action or responding to questions on behalf of the Company when government agents arrive to conduct an investigation. This also applies when the government inquiry comes in the form of a written subpoena or written request for information. Although it is the Company's policy to cooperate fully with such investigations, the Company has a right to have representation from legal counsel and appropriate subject matter experts.

SAFEGUARDING COMPANY ASSETS



CYBERSECURITY

Employees work with electronic data every day in carrying out work-related tasks and activities. This electronic data is on computers, servers, within email and USB drives and is stored in a multitude of formats. Employees must protect the Company's electronic data and comply with all information and information system policies located on the Company's intranet site. The Company provides employees with cybersecurity awareness training and it is each employee's responsibility to ensure that the techniques and processes discussed in training are applied to ensure the security of the Company's electronic data.

LOANS AND GIFTS OF COMPANY GOODS

The Company does not extend or maintain credit, arrange for the extension of credit, or renew credit in the form of a personal loan to or for any director or officer of the Company. Similarly, an employee may not offer to anyone else, inside or outside the Company, any Company asset (property, loans, contributions, unpaid services, etc.). In certain limited situations, such as in the context of charitable giving activities where contributions of cash or goods are sought for a community or charitable purpose, exceptions are permitted, with advance Company approval.



Q. One of EPE's construction sites has some leftover supplies and material no one seems to be using. Is it ok to take this home?

A. No, it is never okay to take EPE property and equipment for personal use. Unauthorized appropriation of EPE property is an act of theft which is prohibited by the Code and may also have criminal consequences.

PROTECTION AND PROPER USE OF COMPANY ASSETS

The safeguarding of Company assets against unauthorized use, damage or theft is critical. Unauthorized use, misuse, or theft of Company assets directly impacts the Company on many levels, not just with respect to our financial strength. The misuse of Company assets includes, for example, the use of any Company asset for personal gain, including the use of equipment, material, supplies, contractors, or personnel. It also includes taking or selling leftover Company property and scrap materials without express permission from the Company.

PROTECTION OF CONFIDENTIAL AND PROPRIETARY INFORMATION

Confidential and proprietary information generated and gathered in our business is a valuable Company asset. Protecting this information plays a vital role in our continued growth and ability to compete. All proprietary information should be maintained in strict confidence, except when disclosure is authorized by the Company or required by law.

All employees, officers and directors must protect proprietary information, both technical and commercial, that is confidential, privileged or valuable to the Company. Confidential and proprietary information includes all nonpublic information that might be useful to competitors or that could be harmful to the Company, the Company's reputation or its customers or vendors if disclosed outside the Company.

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 personal data, supplier lists and any unpublished financial or pricing information must also be protected. These same protections apply to information supplied to the Company by customers and vendors.

The use or disclosure of this information is for Company purposes only and not for personal benefit or for the benefit of others outside the Company. To preserve confidentiality, disclosure and discussion of proprietary or competitive information should be limited to those employees who have a need to know the information or except as authorized by an appropriate Company officer or Company counsel for a legitimate Company need or if required by government agencies or courts.

Every employee, officer and director shall respect copyright and intellectual property laws and shall observe the terms and conditions of any license agreements to which the Company has agreed. In most cases, this means that the Company does not have a right to copy copyrighted or other protected materials, including computer software that is licensed. Copyright and intellectual property laws and Company policy also prohibit individuals from using or reproducing, for personal purposes, programs or materials they use at work.

Q. Some of my job responsibilities include working with confidential customer information. Am I restricted from talking to other employees about this information?

A. The sharing of confidential customer information should be limited to employees who have a legitimate business need to know.

Q. What should I do if I overhear co-workers discussing EPE non-public business at lunch and other public places?

A. Discuss your concerns with the co-workers or talk to your supervisor. Employees should always use extreme caution when discussing business in public places.

Unauthorized use or distribution of proprietary information violates Company policy and could be illegal. Such use or distribution could result in negative consequences for both the Company and the individuals involved, including potential legal and disciplinary actions. We respect the property rights of other companies and their proprietary information and require our employees, officers, and directors to observe such rights.

The obligation to protect and hold confident all confidential and proprietary information shall survive termination of employment or service. Upon termination of employment or service, all confidential and proprietary information shall be returned to the Company.

SOCIAL MEDIA

The Company recognizes that the internet provides unique opportunities to participate in interactive discussions and share information with others using a wide variety of social media venues including Twitter, LinkedIn, Facebook, YouTube, and other nontraditional means of communication. However, employees' use of social media can pose risks to the Company's confidential and proprietary information, reputation, and brands. As a result, employees should participate responsibly when engaging in social media outlets. Care should be taken to avoid disclosing confidential and proprietary information in social media venues. No one should speak on behalf of the Company unless specifically authorized to do so. The Company, however, recognizes and respects employees' rights to communicate with one another about the terms and conditions of their employment under the National Labor Relations Act (NLRA). For additional information, please refer to the Company's "Social Media Policy" located on the Company's intranet site.

WORKPLACE CONDUCT



ALCOHOL AND DRUG-FREE WORKPLACE

The Company has a zero-tolerance policy regarding prohibited alcohol and controlled substance use by employees. Employees are generally prohibited from manufacturing, distributing, possessing, or using alcohol or any illegal substance during work hours, while on Company business, or while on or in Company property. Management has discretion to approve the moderate use of alcohol at certain offsite business conferences or business entertainment venues where alcohol is normally served. However, employees shall not report to work or remain at work while under the influence of alcohol, an illegal substance, a controlled substance or prescribed medicine that adversely affects their ability to safely perform their job duties.

HARASSMENT-FREE WORKPLACE

The Company prohibits harassment of any kind. Unlawful harassment consists of any derogatory action, whether verbal, physical, or visual, directed against an individual because of the individual's age, disability, national origin, race, religion, sex, sexual orientation, gender identity, workers' compensation status, veteran status, genetic information, familial responsibilities, or other legally recognized protected categories.

Sexual harassment includes any unwelcome sexual advances, requests for sexual favors, or other visual, verbal or physical conduct of a sexual or offensive nature (such as sexual jokes, comments and/or crude pictures), made by a co-worker, supervisor or non-employee toward an individual where:

- Submission to the conduct is made either explicitly or implicitly as a term or condition of employment;
- Submission to or rejection of the conduct by an individual is used as the basis for employment decisions affecting the individual; or
- Such conduct has the purpose or effect of unreasonably interfering with the individual's work performance or creating an intimidating, hostile or offensive work environment.

Any individual who is being harassed or is aware of the harassment of others must report the harassment immediately. All reports will be investigated promptly, and appropriate action will be taken when necessary to prevent any recurrence of the misconduct toward the complaining individual or any others within the workplace.

NONDISCRIMINATION

Employees, officers, and directors are not to discriminate against anyone on the basis of age, disability, national origin, race, religion, sex, sexual orientation, gender identity, workers' compensation status, veteran status, genetic information, familial responsibilities, or other legally protected categories. In addition, the Company is committed to complying with all relevant and applicable federal, state and local laws pertaining to equal employment opportunity and nondiscrimination in the workplace.

Each employee has a different and unique background, and the diversity of these backgrounds provides the Company with a special strength.

Q. I received a complaint from one of my employees accusing a supervisor under my direction of discrimination; however, I am confident the accusation is false.

A. It is not your decision to determine whether a potential discrimination issue is true or false. You need to escalate the issue to Human Resources. Equal Employment Opportunity issues such as discrimination may have legal consequences.

NO RETALIATION

Open communication of issues and concerns by all employees without fear of retaliation is vital to the successful implementation of the Code. The Company strictly prohibits any retaliation against anyone who has, in good faith, filed an internal complaint or participated in an investigation. Good faith does not mean that you have absolute proof, but that you honestly believe your report to be true. Any person who believes that they have been subjected to retaliation should report it immediately.

RECORDS RETENTION

The Company's Records and Information Management Program establishes document retention processes to ensure information is retained, accessible, and protected to satisfy legal, regulatory and operational requirements. The Office of General Counsel may suspend the retention/destruction schedule of certain documents in the event that they may relate to an open investigation or litigation matter. When this occurs, the Office of General Counsel will notify pertinent employees through issuance of a "Litigation Hold" for relevant documents. Employees who receive a "Litigation Hold" notification must preserve applicable documents. A "Litigation Hold Release" will be issued by the Office of General Counsel once pertinent documents no longer need to be preserved. Additional information and policies on records management are located on the Company's intranet site.

Q. Two years ago I received a "Litigation Hold Memorandum" from the Office of General Counsel concerning a former employee in our area. How long do I have to hold on to relevant documents?

A. You should not destroy any documents related to the litigation hold until you receive a "Litigation Hold Release" from the Office of General Counsel.



INFORMATION RESOURCES

The best way to protect yourself and the Company if you have any doubts about what is proper business conduct, is to ask before you act. If you have questions or need clarification concerning the Code, discussing the matter with your supervisor or manager is a good place to start.

You may also contact:

- Office of General Counsel at (915) 543-2018
- Vice President – Human Resources and Safety (VP-HRS) at (915) 351-4205

WAIVERS AND AMENDMENTS

Any waivers of the provisions in the Code for any officers or directors may only be granted by the Board of Directors. Any waivers of the Code for other employees may only be granted by the Office of General Counsel. Significant amendments to the Code must be approved by the Board of Directors.

CONSEQUENCES OF VIOLATIONS

All employees are responsible for ensuring that their conduct and the conduct of anyone reporting to them comply fully with policies governing the Company's business dealings, including the Code. Compliance, both personal and by subordinates, will be a factor in annual performance reviews. The Code will be enforced throughout the Company, and employees whose conduct is not in line with the Code may face disciplinary action up to and including termination of employment with the Company. The Company may also be obligated to report to the appropriate authorities any violations of the Code that involve illegal behavior.

REPORTING VIOLATIONS

It may not always be clear exactly what is unethical or illegal. Employees should report any concerns or questions about possible violations of laws, rules, or regulations or any conduct that may be unethical or not permitted under the Code to any of the following:

- Employee's supervisor or manager
- Human Resource Department at (915) 543-2241
- Office of General Counsel at (915) 543-2018
- Safety Department (for matters involving safety issues) at (915) 351-4229
- Vice President – Human Resources and Safety (VP-HRS) at (915) 351-4205
- Any other member of Management
- EthicsPoint Hotline at (866) 384-4277 or www.ethicspoint.com

EthicsPoint Hotline provides an avenue for employees to anonymously and confidentially report violations of the Code or actual or suspected activities that involve unlawful or unethical conduct. EthicsPoint is available twenty-four (24) hours per day, seven (7) days per week at (866) 384-4277 or is accessible online at www.ethicspoint.com. Information on EthicsPoint is also located on the Company's intranet site. An anonymous report should provide enough information about the incident or situation to allow the Company to investigate properly. If concerns or complaints require confidentiality, including keeping an employee's identity anonymous, the Company will endeavor to protect this confidentiality, subject to applicable laws, regulations, or legal proceedings. In certain situations, the person filing a complaint may have to disclose their own identity to allow the Company to conduct a proper investigation

and remedy the situation. Nevertheless, in those situations the Company will work to limit the disclosure to those with a need to know.

Any concerns about violations of laws, rules, or regulations, or any conduct that may be unethical or impermissible under the Code, by any officer or director should be reported promptly to the Office of General Counsel. The Office of General Counsel is to notify the Board of Directors, as appropriate for violations of the Code.

The Company encourages all employees, officers and directors to report any suspected violations promptly so that it can thoroughly investigate them. You are expected to cooperate in internal investigations and failure to do so may implicate you if it is later determined that you participated in or covered up the misbehavior or had an obligation to act upon your knowledge of the situation and failed to do so.

The Company recognizes the need for the Code to be applied equally to everyone it covers. The Office of General Counsel will have primary authority and responsibility for the enforcement of the Code, subject to the supervision of the Board of Directors.

Q. What types of issues can employees report to EPE's hotline, EthicsPoint?

A. Any potential or actual violations of law or Company policy can be reported through the Company hotline. However, employees are encouraged to report less serious issues or concerns to their supervisor or any of the other reporting channels listed in this section.



CODE OF ETHICS



El Paso Electric