

# **EL PASO ELECTRIC COMPANY**

A Texas corporation  
(the "Company")

## **Executive Committee Charter**

Adopted July 15, 2004

### **Purpose**

The Executive Committee (the "Committee") is created by the Board of Directors (the "Board") of the Company to:

- consult with senior management on administrative matters and direct the Company's strategic planning effort on behalf of the Board; and
- analyze and make recommendations to the Board regarding the maximization of shareholder value.

### **Membership**

The Committee shall consist of at least three directors, none of whom need be "independent" under the requirements of the New York Stock Exchange. Committee members shall be appointed by the Board and may be removed by the Board at any time. The Committee shall recommend to the Board, and the Board shall designate, the Chair of the Committee.

### **Authority and Responsibilities**

- The Committee shall have and may exercise during the period between Board meetings, subject to such restrictions as may be contained in the Articles of Incorporation or that may be imposed by the Texas Business Corporation Act, all of the authority of the Board, including without limitation the power and authority to declare a dividend and to authorize the issuance of shares of the Company. In no event shall the Committee take action with respect to any matter delegated to the Audit, Compensation, or Nominating and Corporate Governance Committees.
- The Committee shall report to the Board periodically. This report shall include a review of all actions taken and matters decided, and any other matters that the Committee deems appropriate or is requested to be included by the Board.
- At least annually, the Committee shall evaluate its own performance and report to the Board on such evaluation.
- The Committee shall periodically review and assess the adequacy of this charter and recommend any proposed changes to the Board for approval.

## **Procedures**

The Committee shall meet as often as it determines is appropriate to carry out its responsibilities under this charter. The Chair of the Committee, in consultation with the other Committee members, shall determine the frequency and length of the Committee meetings and shall set meeting agendas consistent with this charter.

The Committee has the sole authority to retain and terminate any consultant assisting the Committee in its functions, including sole authority to approve all such consultant's fees and other retention terms.