

**APPROVED BY THE BOARD OF DIRECTORS
DECEMBER 14, 2010
(Amended: 02/28/12; 02/28/13; 2/27/14; 08/05/22)**

**CHARTER
COMPENSATION AND HUMAN CAPITAL COMMITTEE**

A. PURPOSE

1. The Compensation and Human Capital Committee (the "Committee") shall be a standing committee appointed by the Board of Directors (the "Board") of TXNM Energy, Inc. ("Company") with responsibility to:
 - a. review and approve corporate goals and objectives relevant to Chief Executive Officer ("CEO") compensation;
 - b. evaluate the CEO's performance in light of those goals and objectives;
 - c. determine and recommend for approval by the independent directors of the Board the CEO's compensation level based on this evaluation;
 - d. oversee the performance evaluation process of the CEO;
 - e. discuss and review the evaluation of senior officer performance;
 - f. review and approve senior officer compensation, incentive-compensation plans and equity-based plans; and
 - g. oversee the management of human capital matters and initiatives.
2. The Committee shall be responsible for preparing the report on senior officer compensation required by the rules of the Securities and Exchange Commission ("SEC") to be included in the Company's annual proxy statement or annual report on Form 10-K filed with the SEC.
3. For purposes of this charter, "officer" refers to an officer of the Company but does not include any officer of any affiliates of the Company.

B. STRUCTURE AND OPERATIONS

1. The Committee shall consist of independent directors appointed by the Board upon the recommendation of the Nominating and Governance Committee. All members of the Committee shall be free of any relationships that would interfere with their exercise of independent judgment and shall meet the membership requirements established by the New York Stock Exchange. The Committee shall annually elect one of its members to be the Chair.
2. The Committee shall meet as often as it deems appropriate, but not less frequently than three times a year.
3. The Committee Chair shall schedule meetings and, in consultation with management and with other Committee members, establish meeting agendas.
4. The Committee shall meet in executive session on compensation matters pertaining to the CEO.

5. The Committee may take action by unanimous written consent.
6. The Committee has the authority to initiate and supervise investigations into any matters within the scope of its authority and responsibilities and is authorized to retain the services and evaluate performance of internal or outside legal, accounting and other advisers, as it deems necessary in the fulfillment of its duties.
7. The Committee shall have sole authority to retain and terminate any compensation consulting firm to be used to assist the Committee in fulfilling its responsibilities, and to approve the consulting firm's fees and other retention terms. The Committee and its designees shall have unlimited accessibility to all the Company's records, property and employees.
8. Prior to selecting or receiving advice from a compensation consultant, external legal counsel, accountant or other advisers, the Committee shall assess the independence of such advisers taking into account such factors as required by the New York Stock Exchange, the SEC, applicable law and such other factors as the Committee determines relevant.
9. At least annually, the Committee shall review any compensation consultant who has performed services for the Committee to determine whether the provision of such services has given rise to an actual conflict of interest taking into account such factors as required by the New York Stock Exchange, the SEC, applicable law and such other factors as the Committee determines relevant.
10. The Committee shall have sufficient funding to carry out its duties, including funding for payment for any advisers used by the Committee; payment to compensate consulting firms; and payment of ordinary administrative expenses necessary and appropriate in carrying out its duties.
11. The Committee may delegate specific responsibilities to a subcommittee of one or more of its members provided that the subcommittee shall keep the full Committee informed of its activities.
12. The Committee shall conduct an annual evaluation of its performance and shall submit an annual report to the Board regarding the evaluation and confirming that all responsibilities described in this Charter have been fulfilled.

C. DUTIES AND OTHER RESPONSIBILITIES

1. The Committee shall recommend to the Board the compensation philosophy and guidelines for the entire officer group, giving emphasis to rewarding long-term results, maximizing shareholder value, and developing compensation programs that reflect the Company's commitment to environmental, social and governance principles. The Committee shall make recommendations to the Board regarding use of equity-based compensation plans.
2. The Committee shall establish an appropriate compensation program for the CEO based on a review of compensation practices for CEOs and various senior officers in the Company's own industry, as well as comparable positions nationally. This program shall include attainment of corporate performance goals as a key part of its structure.
3. The Committee shall review and recommend to the independent directors the CEO's compensation level, including incentives, each year and communicate this to the CEO. The level of compensation shall be measured against attainment of goals. In determining the long-term incentive component of

CEO compensation, the Committee should consider the Company's performance and relative shareholder return, the value of similar incentive awards to CEOs at comparable companies, and the awards given to the CEO in past years.

4. The Committee shall review and approve the annual compensation levels, including incentives for senior officers, giving due consideration to the CEO's recommendations. As part of this review, the Committee shall discuss the performance evaluations provided by the CEO for the senior officers.
5. The Committee shall review and approve compensation, including incentive compensation, above market median for new hire senior officers (above the level of vice president). For compensation of a newly hired senior officer, the CEO shall have the discretion to approve salary offers up to market median. The Committee shall approve all equity compensation for all new officers.
6. The Committee shall oversee equity awards as follows:
 - a. inform the Board of the pool of shares and the aggregate equity awards authorized by the Committee for non-officers;
 - b. recommend the individual awards for the officers to the Board for approval;
 - c. recommend the awards for the CEO to the independent directors for approval.

The Committee shall review such information as it shall require to assure that the awards issued to both officers and non-officers are no more than the total amount of equity awards authorized by the Board and that the amount of equity awarded to non-officers is appropriately allocated consistent with the long-term best interest of the Company.

7. The Committee oversees and includes the independent directors in the annual performance evaluation of the CEO, giving emphasis to the CEO's performance relative to the corporate and individual performance goals established by the Board for that year.
8. The Committee shall recommend officer stock ownership guidelines and shall review officer stock ownership on an annual basis, in compliance with the officer stock ownership guidelines.
9. The Committee shall review and make recommendations to the Board concerning any contracts or other transactions with current or former senior officers of the Company, including consulting arrangements, employment contracts, and severance or termination arrangements, unless provided for under existing retention and severance plans. Additionally, the Committee may permit management to make administrative and timing accommodations in the actual execution of these plans for employees and officers, as long as these accommodations do not materially change the benefits under said plans.
10. The Committee shall plan for management continuity through annual review and approval of a succession plan for the CEO and review of the CEO's plans for other senior officers.
11. The Committee shall review, monitor, and discuss with management the human capital management matters relevant to the Company's workforce, including talent attraction and retention, pay equity, diversity and inclusion, affirmative action, corporate culture initiatives, employee engagement initiatives and other similar programs, including the Company's policies, programs and strategies related to corporate social responsibility and sustainability. For the avoidance of doubt, the Committee's responsibility for these matters does not include oversight of Board diversity and inclusion.

12. The Committee shall review and approve any employee benefits plan or amendment that is solely for the benefit of one or more officers.
13. The Committee shall review and discuss with management the Compensation Discussion and Analysis (the “CD&A”) required to be disclosed in the Company’s proxy materials and based on this review and analysis, determine whether to recommend to the Board that CD&A be included in the Company’s proxy materials.
14. The Committee shall review the results of an annual compensation risk assessment addressing whether the Company’s compensation policies and practices contain incentives for executive officers and other employees to take risks in performing their duties that are reasonably likely to have a material adverse effect on the Company. The Committee shall provide feedback to management regarding whether any adjustments to the Company’s policies and practices are needed to meet the Company’s risk management objectives and regarding disclosure of the Company’s risk profile relating to its compensation policies and procedures.
15. The Committee shall review this Charter at least annually and recommend any appropriate changes to the Board for approval.

For purposes of this Charter, “employee benefits plan” includes all plans as defined in Section 3(3) of the Employee Retirement Income Security Act of 1974, as amended (“ERISA”), the trusts or other funding mechanisms for the plans, and individually negotiated severance or deferred compensation agreements, whether or not covered by Section 3(3) of ERISA.