

BEFORE THE NEW MEXICO PUBLIC REGULATION COMMISSION

IN THE MATTER OF THE JOINT APPLICATION OF)
PUBLIC SERVICE COMPANY OF NEW MEXICO,)
TXNM ENERGY, INC. AND TROY PARENTCO LLC FOR)
APPROVAL OF AN ACQUISITION AND MERGER OF) Case No. 25-00060-UT
TROY MERGER SUB INC. WITH TXNM ENERGY, INC.;)
APPROVAL OF A GENERAL DIVERSIFICATION PLAN;)
AND ALL OTHER AUTHORIZATIONS AND)
APPROVALS REQUIRED TO CONSUMMATE AND)
IMPLEMENT THIS TRANSACTION)
)
PUBLIC SERVICE COMPANY OF NEW MEXICO,)
TXNM ENERGY, INC. AND TROY PARENTCO LLC,)
)
JOINT APPLICANTS.)

DIRECT TESTIMONY IN RESPONSE TO SHOW CAUSE ORDER AND EXHIBIT
OF
JOSEPH D. TARRY

April 6, 2026

**NMPRC CASE NO. 25-00060-UT
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JOSEPH D. TARRY**

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| JA Exhibit JDT-1 | Stock Purchase Agreement entered into between TXNM and Troy TopCo LP |
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| JA Exhibit JDT-2 | Stock Purchase Agreement entered into between TXNM and Zimmer Partners, LP |
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| | |
|------------------|--|
| JA Exhibit JDT-3 | Exchange Agreement and Option Agreement (“Option Agreement”) |
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SELF AFFIRMATION

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I. INTRODUCTION AND PURPOSE OF TESTIMONY

1
2
3 **Q. Please state your name and describe your role at PNM.**

4
5 **A.** My name is Joseph D. Tarry. I generally go by Don Tarry. I am the President and Chief
6 Executive Officer for Public Service Company of New Mexico (“PNM” or the
7 “Company”). PNM is a vertically integrated utility headquartered in Albuquerque, New
8 Mexico and regulated as a public utility by the New Mexico Public Regulation Commission
9 (“Commission” or “NMPRC”) under the Public Utility Act (“PUA”). PNM provides
10 electric utility service to approximately 550,000 New Mexico residential and business
11 customers throughout the state. I am also the President and Chief Executive Officer of
12 TXNM Energy, Inc. (“TXNM”), the parent utility holding company for PNM. My business
13 address is 414 Silver Avenue, SW, Albuquerque, New Mexico 87102.

14
15 **Q. Have you previously filed testimony in this proceeding?**

16 **A.** Yes. I filed testimony before the Commission on August 25, 2025, in connection with the
17 transaction proposed in this case (the “Acquisition”). My qualifications are attached to my
18 Direct Testimony as JA Exhibit JDT-1.

19
20 **Q. Please describe the purpose of this testimony.**

21 **A.** My testimony addresses the Order Directing Joint Applicants to Show Cause issued by the
22 Hearing Examiners on March 11, 2026 (“Show Cause Order”). Specifically, the Show
23 Cause Order states that Joint Applicants shall address the following matters:

- 24 a. Whether Section 62-6-12 applies to the stock acquisition and required prior express
25 authorization of the Commission before completion of the transaction;

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- 1 b. If the stock acquisition is found to have contravened Section 62-6-12, the legal
2 consequences of such violation, including whether the transaction is void and of no
3 effect pursuant to Section 62-6-12(B);
- 4 c. Any other issues of law or fact necessary for the Commission to determine whether
5 the stock acquisition complies with Section 62-6-12 and applicable law.

6

7 The purpose of my testimony is to provide factual support regarding the interpretations of
8 the law provided in the accompanying brief. While I do not believe Section 62-6-12 applies
9 from a factual standpoint to the acquisition of shares of stock at issue, should the
10 Commission determine the acquisition of shares of stock should have been approved prior
11 to its execution, the Joint Applicants have alternative proposals to maintain the equity
12 financing that TXNM received without implicating the statute. The Commission’s careful
13 consideration of these alternatives is important in that voiding the Financing Transaction—
14 potentially requiring TXNM to return the \$400 million in equity financing—could have
15 severe consequences for TXNM’s credit metrics and its ability to raise capital, as it could
16 cause TXNM stock to trade at a discount due to business risk and lack of credit quality.

17

18 **Q. Are you familiar with the “stock acquisition” referred to in the Show Cause Order?**

19 **A.** Yes. Troy TopCo LLP (“TopCo”) agreed to invest \$400 million in equity in TXNM in
20 exchange for 8,000,000 shares of TXNM common stock, totaling over 7.5%, of the
21 company’s shares (“Financing Transaction”). On May 18, 2025, TopCo and TXNM
22 entered into a Stock Purchase Agreement regarding the Financing Transaction. This Stock

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1 Purchase Agreement is attached as JA Exhibit JDT-1 (Direct Testimony in Response to
2 Show Cause Order). This transaction closed in June 2025.

3
4 I was involved in securing the Financing Transaction for TXNM. This Financing
5 Transaction was needed to address the near-term capital needs of TXNM and its
6 subsidiaries, PNM and TNMP, to support PNM's and TNMP's capital and operating
7 programs while maintaining TXNM's and PNM's credit ratings with rating agencies.

8
9 **Q. What concern was raised with the Financing Transaction that resulted in the Show**
10 **Cause Order?**

11 **A.** On February 6, 2026, Prosperity Works filed a Motion and Brief for Order Directing Joint
12 Applicants to Show Cause and for Other Relief ("Motion for Show Cause" or "Show
13 Cause"). Prosperity Works asked the Commission to order the Joint Applicants to explain
14 why the Financing Transaction with TopCo did not violate Section 62-6-12 and therefore
15 void, because it had not been expressly approved by the Commission.

16
17 **Q. Please provide an overview of how your testimony addresses these issues.**

18 **A.** First, my testimony provides details on the Financing Transaction, including why it was
19 needed. The testimony also describes the Merger Agreement that is the subject of the
20 pending Joint Application filed on August 25, 2025 ("Application") to address why the
21 Financing Transaction and Merger Agreement are not only separate agreements but also
22 have different purposes. This explanation provides context as to why I believe that the
23 facts do not support the application of Section 62-6-12 to the Financing Transaction.

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1 My testimony also details how TXNM acted to protect its interest, as well as the interests
2 of PNM and TNMP and their customers, based on how the Financing Transaction was
3 structured as it pertained to the pending Acquisition. Also, my testimony makes it clear
4 that TXNM has been transparent about the Financing Transaction, and that the purpose and
5 terms of the Financing Transaction were established to provide operational funds for PNM
6 and TNMP to the benefit of customers of both utilities while protecting TXNM’s and
7 PNM’s credit ratings.

8
9 My testimony also describes other financing transactions that TXNM undertook to be sure
10 that its 2025 Annual Operating Plan (“AOP”) was fully funded. In terms of the
11 applicability of Section 62-6-12, my testimony also details why the Financing Transaction
12 did not result in a change in control of TXNM. My testimony also discusses the impacts
13 to TXNM of voiding the Financing Transaction, including the financial harm that would
14 result to TXNM—and therefore PNM and TNMP—from such an outcome. My testimony
15 provides two potential alternatives, other than voiding the Financing Transaction, that the
16 Commission may consider. Finally, my testimony provides the Joint Applicants’
17 recommendations as to how to resolve this Show Cause.

18
19 **II. BACKGROUND ON THE ORIGIN AND PURPOSE OF THE**
20 **FINANCING TRANSACTION AND MERGER AGREEMENT**
21

22 **Q. Please provide more detail on the significance of the Financing Transaction and the**
23 **purpose it served.**

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1 **A.** TXNM’s 2025 AOP included a requirement for \$900 million of equity and equity-linked
2 securities. While \$50 million of the equity need was accomplished through an at-the-
3 market (“ATM”) stock transaction in late 2024 that was settled in 2025, TXNM still needed
4 to raise \$850 million during the year. However, accessing this amount of financing in a
5 short amount of time presented challenges, which included but were not limited to very
6 specific merger-related risks.¹

7
8 Given the risk that TXNM may not be able to access sufficient equity or equity-linked
9 capital compared to its identified needs in the 2025 AOP,² the TXNM Board determined it
10 was important that merger bidders be willing to enter into a separate financing transaction.
11 Addressing this risk with merger bidders provided a practical solution that proved
12 beneficial to TXNM and therefore beneficial to PNM and TNMP.

13
14 The end result was that TopCo invested \$400 million in equity in TXNM in exchange for
15 eight million shares of TXNM common stock. This investment was made via a “private
16 investment in public equity,” or “PIPE.” A PIPE involving common stock is a transaction
17 where a publicly traded company sells its common shares directly to investors at a
18 negotiated price in a private placement. TXNM filed an 8-K on May 19, 2025,³ and, after
19 issuance, the shares were listed for trading on the New York Stock Exchange. This

¹ These risks, discussed in more detail below, include blackout periods given securities law considerations.

² See Proxy Statement, Application Exhibit D at page 44 of 214.

³ See TXNM Energy, Inc., SEC Form 8-K, at Exhibit Number 10.3 (May 19, 2025), at <https://www.txnmenergy.com/~media/Files/P/PNM-Resources/events-and-presentations/2025/05192025%20TXNM%208-K.pdf>.

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1 investment, which has already been utilized by TXNM, supports PNM's and TNMP's
2 capital and operating programs, as well as TXNM's and PNM's credit ratings.

3
4 **Q. Please discuss TXNM's requirement that merger bidders be willing to enter into a
5 separate financing transaction.**

6 **A.** As noted above, TXNM needed to raise \$850 million to fund operations for PNM and
7 TNMP. With respect to issuing or trading in public securities while in possession of
8 material non-public information with respect to those securities, if TXNM had sought the
9 financing elsewhere before the announcement of the merger, TXNM would have been
10 required to inform any potential investors of the proposed Acquisition and its terms before
11 it was finalized and announced.⁴ This was impractical and likely would result in the leak
12 of confidential information regarding the proposed Acquisition.

13
14 The TXNM Board also was concerned that the risk was too great to assume that TXNM
15 could successfully raise \$850 million in the short period of time after the merger
16 announcement was made. Specifically, under securities law, it is not permitted to issue or
17 trade in public securities while in possession of material non-public information,
18 effectively imposing blackout periods both prior to an announcement of a merger and after
19 a merger is announced during which the issuance of equity or similar financing transactions
20 cannot occur. It would have been a significant challenge to raise the equity required to fund
21 both PNM and TNMP while the approval for the merger was pending and during the fairly

⁴ See 17 CFR § 240.10b5-1; Securities Exchange Act of 1934, 15 U.S.C. § 78.

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1 short period of time between the effective blackout period after the announcement of the
2 merger and the end of 2025. An investment from a merger bidder was the most efficient
3 and certain method to ensure TXNM met its financing needs, as well as the needs of PNM
4 and TNMP.

5
6 TXNM believed the most practical means to accomplish its financing needs was for the
7 successful acquisition bidder to be willing to separately provide about half of the required
8 financing that TXNM needed, independent of any acquisition of TXNM as a whole. In
9 short, having TopCo agree to a separate stock purchase—that it would retain whether or
10 not the Acquisition was completed—helped fund ongoing budget requirements, avoided
11 third party disclosure issues and reduced risk going into the announcement of the merger.

12
13 **Q. Did TXNM believe it was complying with the law when it required and executed the**
14 **Financing Transaction.**

15 **A.** Yes, TXNM did. To that end, TXNM—and Blackstone Infrastructure—have been
16 transparent about the Financing Transaction from the start. Specifically, the Financing
17 Transaction was disclosed in SEC filings, press releases,⁵ the TXNM Proxy,⁶ the
18 Application,⁷ the General Diversification Plan,⁸ and various direct testimonies filed with
19 the Application, including my direct testimony,⁹ Sean Klimczak’s direct testimony,¹⁰

⁵ See <https://www.blackstone.com/news/press/txnm-energy-enters-agreement-to-be-acquired-by-blackstone-infrastructure/>.

⁶ Application Exhibit D at page 50 of 214.

⁷ Application at 10, at n.10.

⁸ Amended General Diversification Plan at 16, which was Exhibit F to the Application.

⁹ Direct Testimony of Don Tarry at 13.

¹⁰ Direct Testimony of Sean Klimczak at 13, 16.

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1 Henry Monroy’s direct testimony,¹¹ and Heidi Boyd’s direct testimony.¹² The Joint
2 Applicant’s expert witnesses also included testimony regarding the Financing
3 Transaction.¹³ I can say with absolute certainty that TXNM was not attempting to game
4 the process or violate any law, nor was there an intent to hide the Financing Transaction
5 from anyone. Furthermore, TXNM was very cognizant of ensuring that TopCo’s interest
6 did not result in any change in control, as we understand that any resulting change in control
7 must come before the Commission.

8
9 **Q. Please also describe the Agreement and Plan of Merger entered into by TXNM Troy
10 ParentCo LLC, an affiliate of Blackstone Infrastructure Partners, L.P., and Troy
11 Merger Sub Inc.**

12 **A.** As stated in the Application, on May 18, 2025, TXNM, Troy ParentCo LLC (“Troy”), an
13 affiliate of Blackstone Infrastructure Partners L.P., and Troy Merger Sub. Inc., entered an
14 Agreement and Plan of Merger (the “Merger Agreement”), pursuant to which Troy Merger
15 Sub. Inc. will merge with and into TXNM, with TXNM surviving the merger as a wholly-
16 owned subsidiary of Troy. The Merger Agreement is meant to result in the acquisition of
17 TXNM as a whole by Troy. PNM will remain a direct and wholly owned subsidiary of
18 TXNM, and Troy will become the direct holding company of TXNM, the parent of PNM.
19 All common stock of TXNM outstanding at the closing of the Acquisition (other than
20 (i) treasury stock and (ii) dissenting shares) will be cancelled and converted to the right to

¹¹ Direct Testimony of Henry Monroy at 39.

¹² Direct Testimony of Heidi Boyd at 5.

¹³ Direct Testimony of Erik Talley at 20; Direct Testimony of Ellen Lapson at 21, 22.

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1 receive \$61.25 per share in cash.¹⁴ With an overall transaction value of approximately
2 \$11.5 billion, the Acquisition is funded through equity and the assumption of existing
3 TXNM debt. No incremental debt will be issued as result of the Acquisition.
4

5 **Q. What was the purpose of the Merger Agreement?**

6 **A.** The Merger Agreement is meant to set forth the terms of the Acquisition. As my Direct
7 Testimony and the Application in this case detailed, I believe this Acquisition will bring
8 about numerous benefits, not the least of which is to provide PNM with the financial
9 backing and long-term strategic support of a well-capitalized and experienced
10 infrastructure investor. The Acquisition by Troy and Troy's commitment to long-term
11 ownership will provide greater certainty for long-range planning and ensure that PNM has
12 the resources and support necessary to continue providing customers with safe and reliable
13 service and serving local communities for years to come.
14

15 **Q. Are the Merger Agreement and the Financing Transaction separate transactions?**

16 **A.** Yes. First, the Stock Purchase Agreement and the Merger Agreement are consummated in
17 separate documents. Each contract states that the agreement is being entered into
18 simultaneously but is a separate transaction from the other agreement and each has its own
19 terms and conditions that differ from the other.¹⁵
20

¹⁴ Additionally, any common stock held by Troy, Troy Merger Sub, TXNM, or any wholly owned subsidiary of Troy or TXNM, shall be automatically cancelled. Joint Application at 9.

¹⁵ Merger Agreement, Application Exhibit E, at page 78 of 85; Stock Purchase Agreement, Exhibit JDT-1, at Section 10.3 (Stock Purchase Agreement and Merger Agreement are being entered into simultaneously but are separate transactions).

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1 Second, the nature of each transaction is separately stated, as explained in the Proxy
2 Statement. The Proxy Statement details that while the agreements are to be signed and
3 announced simultaneously, the agreements are deemed separate and the Financing
4 Transaction (or PIPE) would not be contingent on the closing of the merger. Specifically,
5 the Proxy Statement says:

6 Following receipt of the initial bids, management and Wells Fargo continued to
7 evaluate options for interim financing and narrowed the focus to propose interim
8 financing through a block sale of \$400 million of common stock, or the PIPE. Each
9 potential acquiror was informed that the merger and PIPE were to be consummated
10 by the same potential acquiror and that both transactions were to be signed and
11 announced simultaneously. Additionally, each potential acquiror was informed that
12 the PIPE was expected to close soon after signing the merger agreement and that it
13 would not be contingent on the closing of the merger. ... This [Merger] Agreement
14 and the Stock Purchase Agreement are being entered into simultaneously but are
15 separate transactions ¹⁶

16
17
18 **III. THE APPLICABILITY OF SECTION 62-6-12 TO THE STOCK**
19 **PURCHASE AGREEMENT.**
20

21 **Q. What are the concerns as identified by Prosperity Works with the applicability of**
22 **Section 62-6-12?**

23 **A.** Prosperity Works claims that Section 62-6-12(A)(3)(c) requires prior express Commission
24 authorization for stock transactions associated with a merger or acquisition.¹⁷ Specifically,
25 my understanding is that Prosperity Works claims that the statute applies because TopCo
26 acted in concert with TXNM to acquire TXNM stock through the Financing Transaction
27 for purposes of the Acquisition through its affiliate, Troy.¹⁸ While the brief that is being

¹⁶ Proxy Statement, Application Exhibit D, at page 44 and 197 of 214.

¹⁷ Case No.25-00060-UT, Motion and Brief for Order Directing Joint Applicants to Show Cause and for Other Relief, at 2-3.

¹⁸ *Id.* at 3.

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1 filed contemporaneously with this testimony walks through the legal argument as to why
2 Prosperity Works' argument fails, and my testimony will explain why the facts do not support
3 Prosperity Works' claims.

4
5 **Q. Based on the background provided in the prior section, was the Financing
6 Transaction for the purposes of the Acquisition?**

7 **A.** No. At a high level, the Financing Transaction and the Acquisition address two very
8 different timing needs associated with the financial health of TXNM and its utility
9 subsidiaries, PNM and TNMP. First, the Merger Agreement for the Acquisition facilitates
10 a long-term partnership that will provide support for PNM's and TNMP's utility needs for
11 years to come. This is in contrast to the short-term objectives met by the Financing
12 Transaction, which was aimed at providing equity capital for TXNM to meet its identified
13 AOP during the remainder of 2025.

14 The Financing Transaction and the Acquisition have very different overall objectives,
15 including when viewed from a regulator's perspective. The Merger Agreement results in
16 a transfer in control and ownership of TXNM, and the indirect change in control and
17 ownership of its affiliates PNM and TNMP. The Financing Transaction, by contrast,
18 results in no transfer of control—and in fact limits the rights of TopCo—while aiding
19 TXNM in raising nearly half of its 2025 financing needs regardless of whether the
20 Acquisition is approved.

21
22 **Q. Is the fact that TXNM required merger bidders to include a financing transaction an
23 indication that the Financing Transaction was for the purpose of the Acquisition?**

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1 **A.** No. While successful acquisition bidders needed to be willing to separately provide the
2 required equity financing that TXNM needed, this context does not make the Financing
3 Transaction for the purpose of the Acquisition. These types of block stock sale transactions
4 are not uncommon and serve the purpose of funding operations and maintaining credit
5 ratings. While the complexities of the Acquisition contributed to TXNM’s decision that
6 potential bidders should be willing to address some of TXNM’s financing needs, the
7 purpose of the Financing Transaction did *not* change as a result of the Acquisition.

8
9 In short, TXNM was addressing two separate objectives through these two transactions.
10 The Acquisition is aimed at providing a long-term ownership solution to ensure the
11 financial and managerial well-being of the utility over a long period of time. The Financing
12 Transaction resolved the immediate need for equity financing through a standard type of
13 stock issuance. While the pending Acquisition introduced some additional risk for TXNM
14 in obtaining that near-term financing, TXNM required the financing regardless of the
15 pending Acquisition.

16
17 **Q.** **By requiring the merger bidders to provide equity financing, was TXNM “acting in**
18 **concert” with Troy or Blackstone Infrastructure “for the purpose of” the**
19 **Acquisition?**

20 **A.** No. Again, when the TXNM Board determined it was best to seek financing from the
21 merger bidders, as described above, I did not view that financing as an effort to work with
22 the bidder “for the purpose of” of acquiring the company. We were trying to resolve an
23 immediate financing need for TXNM.

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1 **Q. Is it at all possible that TXNM and TopCo were “acting in concert” for the purposes**
2 **of the Acquisition?**

3 **A.** No. TXNM and TopCo could not have been acting in concert because of the nature of the
4 relationship of the companies leading up to the execution of the Financing Transaction and
5 the Merger Agreement. During that negotiation period for the Financing Transaction,
6 TXNM’s objective was to maximize cash proceeds to improve credit metrics and fund
7 investments in PNM and TNMP for the benefit of customers, and TopCo’s objective was
8 to pay as little as possible pursuant to its own interests. Before the execution of the
9 Financing Transaction, TXNM and TopCo were counterparties negotiating the transactions
10 in the best interest of their respective stakeholders. TXNM and TopCo could not have been
11 acting in concert for the purposes of the Acquisition because the companies were not joint
12 parties at that time; TXNM and TopCo were counterparties trying to finalize a deal at arm’s
13 length.

14
15 **Q. Is it true that TXNM could terminate the Merger Agreement if the Financing**
16 **Transaction was not consummated, as required by the Stock Purchase Agreement?**

17 **A.** Yes, but this was a short-term protection TXNM required for the benefit of TXNM, PNM
18 and TNMP, and PNM’s and TNMP’s customers. As previously discussed, we had an
19 immediate matter to resolve to fund the existing business operations. Waiting for approval
20 of the Acquisition while attempting to issue the entire \$850 million of equity in a short
21 period of time was not realistic or prudent. On the other hand, we understood that TopCo
22 required a short period of time to fund the Financing Transaction. For this reason, the
23 Merger Agreement specifically permitted termination if the Financing Transaction was not

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1 timely completed and funded in the approximately two-week period provided by the Stock
2 Purchase Agreement. Once the Financing Transaction promptly closed, there were no
3 further terms in the Stock Purchase Agreement or the Merger Agreement, respectively, that
4 affected the purpose of the other agreement.

5
6 **Q. Were there other conditions with respect to the financing TXNM required that**
7 **demonstrate the parties intended the Financing Transaction for a purpose other than**
8 **the Acquisition?**

9 **A.** TXNM did include other conditions, but those served as a means to protect TXNM, PNM
10 and TNMP—not to tie the financing to the Acquisition. Specifically, TXNM would not
11 accept financing agreements from potential merger bidders that were contingent on the
12 closing of a proposed merger and would not unwind the stock purchase if a proposed
13 merger was not approved. The financing was needed regardless of a proposed merger, so
14 any condition connecting the financing and the merger was not appropriate. These types
15 of requirements simply reflect the TXNM Board’s efforts to protect PNM and TNMP and
16 their customers from the potential negative outcomes of not having enough equity during
17 a pending merger transaction.

18
19 **Q. Given the protections TXNM built into its Financing Transaction, is there any**
20 **validity to the argument made by some intervenors that the \$400 million in equity**
21 **financing was a condition precedent to the Acquisition?**¹⁹

¹⁹ Case No. 25-00060-UT, *New Energy Economy Response in Support of Motion to Show Cause*, at 6 (arguing that because the Merger Agreement could be terminated if the financing did not complete that the Financing Transaction was a condition precedent to the Acquisition).

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1 **A.** No. TXNM would not accept any financing that was conditioned on the closure of the
2 Acquisition because TXNM always saw the two transactions as separate transactions and
3 TXNM needed and benefited from the Financing Transaction regardless of whether the
4 Acquisition was completed. Given this, I do not view the \$400 million in equity financing
5 as a condition of the Acquisition—but instead, independent of the Acquisition.

6
7 **IV. ADDITIONAL INVESTMENTS MADE TO MEET TXNM’S 2025**
8 **EQUITY NEEDS.**
9

10 **Q.** **Besides the Financing Transaction with TopCo, how did TXNM secure capital**
11 **funding for the 2025 AOP?**

12 **A.** Ultimately, TXNM also entered into other transactions to fund capital investments for
13 PNM and TNMP and to maintain TXNM’s credit metrics.

14
15 Specifically, in addition to the Financing Transaction, on June 25, 2025, Zimmer Partners,
16 LP (“Zimmer”) purchased TXNM common stock for \$200 million. Additionally, TXNM
17 sold \$200 million of common stock through its ATM program.²⁰

18
19 **Q.** **Are the Zimmer and the ATM transactions above an indication that TXNM did not**
20 **need to require that bidders to the proposed merger offer a financing transaction?**

21 **A.** No. As Table 1 below shows, based on the history of TXNM’s efforts to raise equity over
22 the last several years, the sheer volume of equity financing needed in 2025 was greater than

²⁰ See TXNM Energy, Inc., SEC Form 8-K, at Item 1.01 (filed June 24, 2025); see also Proxy Statement, Application Exhibit D at pages 29 and 137 of 214.

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1 the previous four years combined. Prior to 2025, the most equity TXNM had raised was
2 approximately \$300 million in a given year, which is not even half of what TXNM needed
3 to raise in 2025 to finance PNM and TNMP operations. This history indicates why the
4 TXNM Board sought to reduce risk and engage merger bidders in TXNM's effort to raise
5 equity during the pendency of the Acquisition.

6
7 **Table 1: PNM Resources/TXNM Energy Common Stock Issuance 2020-2025**

| Year | # Shares Issued | Transaction Type | Avg Price/Share | Gross Proceeds (\$ mil) |
|------|-----------------|------------------|-----------------|-------------------------|
| 2025 | 3,542,377 | ATM | \$ 56.46 | \$ 200.00 |
| 2025 | 3,615,003 | Block Sale | \$ 55.33 | \$ 200.00 |
| 2025 | 8,000,000 | Block Sale | \$ 50.00 | \$ 400.00 |
| 2025 | 1,104,641 | ATM | \$ 45.26 | \$ 50.00 |
| 2024 | 2,458,951 | ATM | \$ 40.67 | \$ 100.00 |
| 2023 | 4,365,510 | ATM | \$ 45.81 | \$ 200.00 |
| 2020 | 6,181,250 | Block Sale | \$ 47.21 | \$ 291.82 |

8
9 **Q. More specifically, was the fact that TXNM was able to sell over three million shares**
10 **to Zimmer an indication that it could have met its financing needs with similar types**
11 **of transactions from entities other than TopCo?**

12 **A.** No, I do not believe so. The transaction with Zimmer was unique and could not necessarily
13 be replicated. Specifically, Zimmer is an investor that has made past investments in TXNM
14 and is well-known to TXNM for that reason. After the announcement of the Merger
15 Agreement, Zimmer approached TXNM to make another investment. This resulted in
16 TXNM negotiating a \$200 million stock purchase agreement with Zimmer. While the
17 Zimmer stock purchase helped TXNM meet an additional portion of the financing plan,

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1 there would have been no guarantee that other transactions like Zimmer would have come
2 along.

3
4 **Q. Could TXNM have raised all of the required equity from its ATM program?**

5 **A.** TXNM did not believe it was possible to use the ATM in this way based on TXNM's
6 experience and the advice of the company's financial advisors. Issuing shares through an
7 ATM program generally involves selling a relatively small number of shares each day to
8 investors who are purchasing the shares in the market. The challenge of selling shares
9 through an ATM is the number of shares that can be sold under the ATM program, which
10 are limited to a nominal percentage (typically around 15%) of the average daily trading
11 volume in TXNM's stock. In addition, TXNM cannot sell shares of stock under the ATM
12 program while it is in a blackout period, as mandated by securities laws.²¹ These two
13 factors were considered and were a concern in TXNM's ability to sell the necessary amount
14 of equity under its ATM program between the time of the Acquisition announcement and
15 the end of 2025.

²¹ My understanding is that the blackout period was in place until the proxy statement was issued on July 21, 2025, leaving TXNM with just about five months to use its ATM program to raise a significant amount of equity.

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**V. NO CHANGE OF CONTROL OCCURRED AS A RESULT OF THE
STOCK ACQUISITIONS.**

1
2
3
4 **Q. Is whether a change of control occurred relevant for purposes of the Financing**
5 **Transaction?**

6 **A.** Yes. As argued in the brief filed simultaneously with this testimony, the Joint Applicants
7 argue that the purpose of Section 62-6-12 is to regulate mergers, consolidations,
8 acquisitions that result in a change in control. While my testimony will not address the
9 legal basis for this argument, I do address why from a factual standpoint a change of control
10 did not occur with the Financing Transaction or as a result of the combined effect of the
11 Financing Transaction and the Zimmer transaction.

12
13 **Q. Please explain why the Financing Transaction was neither designed to nor resulted in**
14 **a change in control.**

15 **A.** When seeking a financing deal from the bidders to the merger, TXNM aimed to ensure that
16 a controlling interest was not the result. Specifically, I understand that applicable federal
17 and state rules may consider an acquisition of 10% or more of the common stock of TXNM
18 as a presumptive finding of control.²²

19
20 The Financing Transaction did not result in a controlling interest. Specifically, TXNM
21 currently has approximately 108.9 million shares of outstanding stock. The eight million

²² See 42 U.S.C. § 16451(8)(A)(i) (defining a Public Utility Holding Company as a “company that directly or indirectly owns, controls, or holds with power to vote 10 percent or more of outstanding voting securities of a public-utility company”); see also NMSA 1978, § 62-3-3(A) which defines control over a utility to include ownership of more than 10% of the voting securities.

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1 shares sold to TopCo via the Financing Transaction made TopCo a 7.53% owner of
2 TXNM's common stock.

3
4 **Q. Were there other limitations included in the Stock Purchase Agreement to make it**
5 **clear that TopCo had no control over TXNM?**

6 **A.** Yes, in the Stock Purchase Agreement, TopCo specifically agreed it could not and would
7 not exercise control in connection with its acquisition of common stock. TopCo also agreed
8 not to have governance rights or rights to appoint anyone to TXNM's Board of Directors
9 ("Board"). Specifically, TopCo's rights to vote its approximately 7.5% of TXNM's shares
10 were restricted in that the Stock Purchase Agreement explicitly states that TopCo gets no
11 rights to nominate any member of the Board, cannot seek to control the management of
12 TXNM or the Board, cannot propose any matter to be voted on by shareholders, and cannot
13 seek to call a meeting of the shareholders.²³ The Stock Purchase Agreement also clearly
14 states that TopCo cannot vote its shares in a manner contrary to the recommendations of
15 the TXNM Board while the proposed Acquisition is pending.²⁴

16
17 The Stock Purchase Agreement also contains a standstill provision that prohibits TopCo
18 from acquiring additional shares in TXNM.²⁵

19
20 **Q. What about the shares that Zimmer acquired?**

²³ JA Exhibit JDT-1 (Direct Testimony in Response to Show Cause Order) at Section 7.1(v).

²⁴ *Id.* at Section 5.4.

²⁵ *Id.* at Section 7.1.

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1 **A.** Zimmer’s total share of TXNM’s common stock results in an approximately 3.4% interest
2 in TXNM. I have attached that agreement with Zimmer as JA Exhibit JDT-2 (Direct
3 Testimony in Response to Show Cause Order).

4
5 **Q.** **Is there any validity to the concern raised during this Show Cause that the combined**
6 **effect of the financing transactions with TopCo and Zimmer results in change in**
7 **control.²⁶**

8 **A.** No, not at all. My understanding is that there is a belief by certain intervenors that
9 Blackstone Infrastructure, via TopCo, and Zimmer acted in concert to achieve a controlling
10 interest of approximately 11% in TXNM. But the facts just don’t support that belief. As I
11 discuss above, given Zimmer’s past investments, Zimmer approached TXNM after the
12 Acquisition was announced to purchase additional shares of stock. Moreover, the fact that
13 TXNM required both TopCo and Zimmer to vote their shares in support of the Acquisition
14 does not demonstrate any coordination between Zimmer and TopCo. This requirement to
15 vote shares in favor of a pending merger is common for large investments that would occur
16 during the pendency of a major transaction.

17

²⁶ See Case No. 25-00060-UT, *New Energy Economy Response in Support of Motion to Show Cause*, at 9 (arguing that combined control of the Zimmer and TopCo transactions is 11%, resulting in a change in control).

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VI. THE IMPACT OF VOIDING THE FINANCING TRANSACTION.

1
2
3 **Q. If the Financing Transaction is void, does that affect the Merger Agreement?**

4 **A.** No. As I discussed above, the Stock Purchase Agreement with TopCo and the Merger
5 Agreement are two separate legal agreements. Voiding one does not change the validity
6 of the other contract. The Stock Purchase Agreement was specifically drafted to not be
7 conditioned on the Merger Agreement, and once the Financing Transaction was funded,
8 nothing in the Merger Agreement provides for the Merger Agreement's termination if the
9 Stock Purchase Agreement is terminated or declared invalid for any reason. Given this,
10 my understanding is that determining that the Stock Purchase Agreement is "void" would
11 not impact the Merger Agreement.

12
13 **Q. If the Commission determines that the Financing Transaction is void, is there any
14 impact on the Acquisition from the perspective of the proxy vote?**

15 **A.** No. The vote of TopCo's purchased shares was not necessary for shareholder approval of
16 the Acquisition. The Acquisition was overwhelmingly approved by TXNM's
17 shareholders, with 99.6% of the TXNM common stock that voted on the Acquisition voting
18 in favor of the Acquisition. In other words, based on the shareholder vote, the shares held
19 by TopCo were not decisive to shareholder approval of the Merger Agreement. Even if
20 one were to exclude TopCo's and Zimmer shares, the other shareholders overwhelmingly
21 approved the Merger Agreement, with approximately 99.5% of the shares voting in favor
22 of the Acquisition.

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1 **Q. If the Commission determines that the Financing Transaction is void, would a new**
2 **Proxy Statement for the Acquisition need to be issued because the Proxy Statement**
3 **contained incorrect information?**

4 **A.** No. The Financing Transaction is not material to the matters contemplated by the Proxy
5 Statement, so voiding the Financing Transaction will not impact or require reissuance of
6 the Proxy Statement. The Proxy Statement is intended to provide an explanation of
7 matters that are subject to a shareholder vote, so that investors will be informed of what
8 they are voting on. The discussion of the Financing Transaction was part of the
9 background information, but no shareholder vote was necessary or taken on the
10 Financing Transaction as equity issuances of that size are solely within the purview of the
11 TXNM Board. The Proxy Statement provided shareholders with the Merger Agreement
12 and discussed the terms and conditions of the Acquisition, including the offer to purchase
13 all outstanding shares of stock at a price of \$61.25 per share. The Proxy Statement
14 clearly identifies the question presented to shareholders.²⁷ The Financing Transaction
15 was not material to existing shareholders deciding if they wanted to vote in favor of the
16 Acquisition.

17
18 **Q. If the Stock Purchase Agreement is void, would new approvals be required from**
19 **governmental entities that already approved the Acquisition?**

20 **A.** No. The Acquisition has already been approved by the Federal Energy Regulatory
21 Commission, the Federal Communications Commission, and the Public Utility

²⁷ Application, Exhibit D, at page 23 of 214 (describing what shareholders are being asked to vote on) and page 212 of 214 (showing the proxy card).

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1 Commission of Texas. Since the Merger Agreement was a standalone agreement not
2 conditioned on the Stock Purchase Agreement in any way, my understanding is there would
3 be no impact on the approvals that have already occurred. It is my understanding that none
4 of the other regulatory bodies required approval of the Financing Transaction because it
5 did not result in TopCo owning 10% or more of TXNM and therefore did not involve a
6 change in control.

7
8 **Q. If there is no impact from your perspective on the Merger Agreement, do you have**
9 **concerns with the potential outcome of the Show Cause that would void the Financing**
10 **Transaction?**

11 **A.** Yes. While voiding the Financing Transaction does not invalidate the Merger Agreement
12 that TXNM is asking the Commission to authorize, such action would nonetheless cause
13 harm for TXNM, as well as PNM. First, TXNM has already used the \$400 million that
14 resulted from this transaction. Specifically, among other things, this funding was used to
15 pay down TXNM debt, to provide equity contributions and term loans to PNM and TNMP.
16 If the Financing Transaction were void—and since the funds have already been spent—
17 TXNM would need to pay back the \$400 million that TXNM would owe to TopCo,
18 negatively affecting the credit metrics of TXNM. Paying that amount back to TopCo
19 reduces TXNM’s equity by \$400 million, while simultaneously adding \$400 million in
20 debt, which essentially amounts to an \$800 million swing in TXNM’s capital structure.
21 Internal modeling indicates that the impact on TXNM’s Funds from Operations to Debt
22 (“FFO/Debt”) metric as calculated by Standard & Poors (“S&P”) from replacing the \$400
23 million of equity with \$400 million of debt as of December 31, 2025 has a 110 basis point

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1 impact. This would lower TXNM's 2025 FFO/Debt metric from 14.1% to 13.0%.²⁸ S&P's
2 downgrade threshold is 14%., and thus, an FFO/Debt metric of 13% could cause TXNM
3 or PNM to be placed on a negative outlook or result in a downgrade.²⁹

4
5 A lower credit rating for PNM would result in a higher cost of debt for PNM and its
6 customers, and could impair PNM's ability to access the capital markets during periods of
7 market instability. To avoid a potential credit downgrade, PNM would likely need to
8 consider adjusting its capital expenditure plans, which in turn, could impact our service
9 quality and result in negative outcomes for PNM's customers.

10
11 In addition to specific credit metric concerns, I have broader concerns that voiding the
12 Financing Transaction could affect investor views of TXNM and PNM more generally.
13 Investors may view the uncertainty from this Show Cause as an indication of a challenging
14 environment in New Mexico, which is viewed by rating agencies and investors as a risk to
15 PNM's credit profile.

²⁸ TXNM also modeled the impact if TXNM assumes that the Financing Transaction was never consummated and TXNM issued debt instead of selling the shares to TopCo. In that scenario, the result would be 12.8% instead of 13% for the year ending 2025. The difference is that TXNM FFO would be reduced as a result of paying interest over the course of seven months on the debt.

²⁹ If TXNM's credit rating is impaired, PNM's credit rating from S&P could be similarly negatively impacted given that S&P does not assign a stand-alone downgrade threshold for PNM's FFO/Debt metric.

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**VII. POTENTIAL ALTERNATIVES TO VOIDING THE FINANCING
TRANSACTION.**

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Q. If the Commission determines that TXNM should have sought approval in advance of engaging in the Financing Transaction, are there alternatives to voiding the Financing Transaction?

A. Yes. First, and this is discussed in the brief, the Commission could retroactively approve the Financing Transaction if the Commission finds the transaction benefits customers and is in the public interest. The Joint Applicants believe this is the simplest way to solve the potential issue.

Q. What is the basis for the Commission finding the Financing Transaction benefits customers and is in the public interest?

A. As I discuss above, the Financing Transaction was entered into to help fund the approved annual budgets for both PNM and TNMP as well as TXNM’s corporate operations. In particular, PNM is facing significant capital investment needs to maintain and expand PNM’s system to provide customers with safe and reliable service and to pave the way for PNM’s transition to cleaner resources. The Financing Transaction provided capital and operating funds for utility needs. Both TXNM’s and PNM’s credit ratings are dependent on a strong capital structure and funding the approved budgets through more debt and less equity would have weakened the credit metrics applied by the credit rating agencies. That results in more costly debt and equity for customers over time. Customers have directly benefited from the funds that resulted from the Financing Transaction.

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1 The public interest is served because a primary purpose of the Public Utility Act is to attract
2 capital to the public utility in order to construct and operate the extremely capital-intensive
3 electricity system, which helps foster business and industry in the state. But for the
4 statutory question raised due to the pending request for approval of the Acquisition, the
5 Financing Transaction is not subject to Commission jurisdiction or approval, because it is
6 a non-controlling securities transaction undertaken by TXNM and not PNM, and is the type
7 of transaction that TXNM commonly undertakes to fund its business and utility
8 subsidiaries.

9
10 Finally, as I discussed above and as referenced in the testimony of witness Sherman, the
11 Joint Applicants were not trying to evade the Commission’s jurisdiction and had no intent
12 to violate the law. The facts surrounding the Financing Transaction were publicly available
13 for some months even before the Acquisition Application was filed—demonstrating no
14 intent to hide the transaction. Because the Financing Transaction was intended to help
15 fund ongoing PNM and TNMP operations and investments, similar transactions by TXNM
16 have never been subject to Commission approval, and the Financing Transaction did not
17 result in any change in control of the holding company or the utility, the public interest
18 would be served by retroactively approving the Financing Transaction.

19
20 **Q. What if the Commission determines it cannot retroactively approve the Financing**
21 **Transaction?**

22 **A.** Should the Commission determine that the Financing Transaction is void, that it cannot
23 retroactively approve it, or that it desires an alternative path other than the current

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1 Financing Transaction, Blackstone Infrastructure and TXNM propose that TXNM and
2 TopCo enter into an exchange and option agreement (“Option Agreement”) as a solution
3 to remedy the financial consequences to both parties if the Stock Purchase Agreement is
4 void and of no effect.³⁰ Under the Option Agreement, TopCo would “exchange” the
5 common stock it currently holds for an option to purchase the same amount of shares at a
6 purchase price of \$0.0001 per share. Either the shares of common stock or the \$400 million
7 paid by TopCo and already utilized by TXNM would be consideration for TopCo’s
8 purchase of the option, and TXNM would retain the \$400 million. If the Acquisition was
9 not approved, the option could be triggered at TopCo’s discretion. The result would be
10 that, until the option is exercise, no stock is held or owned by TopCo, but the credit metrics
11 of TXNM would not be harmed.

12
13 **Q. Please provide more detail on the proposed exchange and option agreement?**

14 **A.** A draft of the Option Agreement is attached as JA Exhibit JDT-3 (Direct Testimony in
15 Response to Show Cause Order).³¹ As noted above, the Option Agreement is meant to
16 serve as a means for TXNM to retain the \$400 million from TopCo while ensuring that
17 TopCo also holds no stock in TXNM. The Option Agreement is simply a contract that
18 gives TopCo the right to purchase eight million shares of TXNM’s stock at purchase price
19 of \$0.0001 per share. The option to purchase may be exercised at any time following the

³⁰ The Option Agreement offers two paths. First, if the Commission does not deem it necessary to void the Financing Transaction but nonetheless desires an alternative path, TXNM and TopCo can exercise the Option Agreement now, in which case the shares are the consideration for the option. If the Commission voids the Financing Transaction, the cash becomes the consideration for the Option Agreement.

³¹ The Option Agreement has two components. The first component is an exchange agreement that exchanges the stock for the options. The second component is the option agreement, which is appended to exchange agreement.

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1 earlier of the following to occur: approval of the Option Agreement by the Commission or
2 a determination that no approval is required of the Option Agreement; or valid termination
3 of the Merger Agreement.

VIII. CONCLUSION AND RECOMMENDATION

4
5
6
7 **Q. What is your recommendation to the Commission regarding the Show Cause?**

8 **A.** I recommend that the Commission find that the statute referenced in the Show Cause was
9 not violated or is not applicable. I believe the Joint Applicants acted reasonably in entering
10 into the Financing Transaction as a separate stock sale agreement that did not result in any
11 change of control for TXNM, and instead raised equity as part of TXNM's obligations to
12 fund its business and the utility operations of PNM and TNMP, while maintaining financial
13 credit metrics applied by credit rating agencies.

14
15 The other recommendations include retroactive approval of the Financing Transaction per
16 permitting TopCo to exchange its shares for options, as described above. I cannot
17 recommend that the Commission void the Financing Transaction, as that would have
18 consequences for TXNM's credit metrics and potentially TXNM's and PNM's credit
19 rating, which could result in the cost of debt increasing for PNM's customers and reduced
20 access to future capital.

21
22 **Q. Does this conclude your testimony?**

23 **A.** Yes.

24
GCG#535103

Stock Purchase Agreement entered into between TXNM and Troy
TopCo LP

JA Exhibit JDT-1

Is contained in the following 37 pages.

Execution Version

STOCK PURCHASE AGREEMENT

by and between

TXNM ENERGY, INC.

and

TROY TOPCO LP

Dated as of May 18, 2025

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STOCK PURCHASE AGREEMENT

This STOCK PURCHASE AGREEMENT, dated as of May 18, 2025 (this “Agreement”), is entered into by and between TXNM Energy, Inc., a New Mexico corporation (the “Company”), and Troy TopCo LP, a Delaware limited partnership (the “Purchaser”).

RECITALS

WHEREAS, the Company wishes to sell eight million (8,000,000) shares of its common stock, no par value (the “Company Common Stock” and the number of such shares of Company Common Stock, the “Shares”), to the Purchaser, and the Purchaser wishes to purchase the Shares.

NOW, THEREFORE, the parties hereto agree as follows:

ARTICLE I. DEFINITIONS

Section 1.1. Definitions. For purposes of this Agreement, the following terms shall have the following meanings:

“Affiliate” means, with respect to any Person, any other Person directly or indirectly, controlling, controlled by, or under common control with, such Person; provided, Blackstone Inc. and its Affiliates and its and their funds and investment vehicles and their respective portfolio companies (other than Persons managed or advised by Blackstone Infrastructure Advisors L.L.C., but, for the avoidance of doubt, including the portfolio companies and other investments of Sponsor) shall not be considered an Affiliate of the Purchaser.

“Agreement” has the meaning specified in the Introduction.

“Applicable Date” has the meaning specified in Section 3.14.

“Bankruptcy and Equity Exception” has the meaning specified in the Merger Agreement.

“Blackout Notice” has the meaning specified in Section 2(d) of Exhibit A.

“Blackout Period” has the meaning specified in Section 2(d) of Exhibit A.

“Business Day” means any day other than a Saturday or Sunday or a day on which banks are required or authorized to close in the United States in New York, New York.

“Closing” has the meaning specified in Section 2.3(a).

“Closing Date” has the meaning specified in Section 2.3(a).

“Company” has the meaning specified in the Introduction.

“Company Change of Recommendation” has the meaning specified in the Merger Agreement.

“Company Common Stock” has the meaning specified in the Recitals.

“Company Disclosure Schedule” means the Company Disclosure Schedule as defined in the Merger Agreement.

“Company Material Adverse Effect” means any event, development, change, circumstance, effect or occurrence that, individually or in the aggregate with all other events, developments, changes, circumstances, effects or occurrences, has a material adverse effect on or with respect to the business, properties, results of operations or condition of the Company and its subsidiaries (financial or otherwise), taken as a whole; provided, that no events, developments, changes, circumstances, effects or occurrences relating to, arising out of or in connection with or resulting from any of the following shall be deemed, either alone or in combination, to constitute or contribute to a Company Material Adverse Effect and no event, development, change, circumstance, effect or occurrence relating to, arising out of or in connection with or resulting from any of the following shall be taken into account when determining whether a Company Material Adverse Effect has occurred or may, would or could occur: (A) general changes or developments in the legislative or political condition, or in the economy or the financial, debt, capital, credit, commodities or securities markets, in each such case, in the United States or elsewhere in the world, including as a result of changes in geopolitical conditions, tariff policies, interest rates or inflation, (B) any change affecting any industry in which the Company and its subsidiaries operate, including electric and renewable power generating, transmission or distribution industries (including, in each case, any changes in operations thereof) or any change affecting retail markets for electric power, capacity or fuel or related products, (C) any changes in the national, regional, state, provincial or local electric generation, transmission or distribution systems or increases or decreases in planned spending with respect thereto, (D) the entry into this Agreement or the Merger Agreement or the public announcement of the Merger or other transactions contemplated hereby or thereby, including any impact thereof on relationships, contractual or otherwise, with customers, suppliers, regulators, lenders, partners or employees of the Company and its subsidiaries, (E) the identity of Purchaser or any of its Affiliates as the acquirer of the Company, (F) any action taken or omitted to be taken by the Company at the express written request of or with the express written consent of Parent, (G) any actions required to be undertaken by the Company in accordance with, subject to and consistent with Section 6.4 of the Merger Agreement to obtain any Consent or make any Filing required for the consummation of the Merger and the other transactions contemplated therein or, in connection therewith, any written proposal or commitment made by any Merger Agreement Party or its Affiliates to any Governmental Entity in accordance with, subject to and consistent with Section 6.4 of the Merger Agreement or imposed by any Governmental Entity, in each case, in order to obtain the Required Regulatory Approvals, (H) changes after the date hereof, in any applicable Laws or applicable binding accounting regulations or principles or interpretation or enforcement thereof by any Governmental Entity, (I) any hurricane, tornado, fire, wildfire, earthquake, flood, tsunami or other natural disaster or weather-related event, act of God, pandemic or epidemic, including the COVID-19 virus, outbreak or escalation of hostilities or war (whether or not declared), military actions or any act of sabotage, cyber attacks, ransomware attacks, terrorism, or national or international political or social conditions, (J) any change in the market price or trading volume of the shares of the Company or the credit rating of the Company or any of its subsidiaries, (K) any failure by the Company to meet any published analyst estimates or expectations of the Company’s revenue, earnings or other financial performance or results of operations for any period, in and of itself, or any failure by the Company to meet its internal or published projections, budgets, plans or forecasts of its revenues, earnings or other financial performance or results of operations, in and of itself, (L) any litigation or claim threatened or initiated by shareholders, ratepayers, customers or suppliers of the Company or subsidiaries thereof (each in their capacity as such) against the Company, any of its subsidiaries, or any of their respective officers or directors (in each case, in their capacity as such), in each case, arising out of the execution of the Merger Agreement or the transactions contemplated thereby and (M) any increase in interest rates payable arising from the refinancing of the TNMP Bonds, in each case, in accordance with the express terms of the Merger Agreement (it being understood that in the cases of clause (J) and clause (K) of this paragraph, the facts, events or circumstances giving rise to or contributing to such change or failure may be deemed to constitute, and may be taken into

account in determining whether there has been a Company Material Adverse Effect); except in the cases of clauses (A), (B), (C), (H), or (I) of this paragraph, to the extent that the Company and its subsidiaries, taken as a whole, are disproportionately affected thereby as compared with other participants in the industry in which the Company operates in the United States (in which case solely the incremental disproportionate impact or impacts may be taken into account in determining whether there has been a Company Material Adverse Effect); provided, however, that, notwithstanding anything herein or otherwise to the contrary, the effect of the failure to obtain the consent of the Existing Lenders (as defined in the Merger Agreement) to the execution of the Merger Agreement prior to the execution and delivery hereof may be considered, and taken into account, in determining whether a “Company Material Adverse Effect” has occurred or may, would or could occur (without giving effect to, and disregarding, any of the exceptions set forth in each of the preceding clauses (A) through (M)).

“Company Material Real Property” has the meaning specified in the Merger Agreement.

“Confidentiality Agreement” has the meaning specified in Section 5.8.

“Consent” has the meaning specified in the Merger Agreement.

“Control” means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities, by contract or otherwise.

“Demand Notice” has the meaning specified in Section 2(b) of Exhibit A.

“Effective Time” has the meaning specified in the Merger Agreement.

“Environmental Laws” has the meaning specified in Section 3.19.

“ERISA” has the meaning specified in Section 3.25.

“Exchange Act” means the Securities Exchange Act of 1934, as amended.

“Exchange Act Documents” means (i) the Form 10-K, (ii) the Company’s Quarterly Report on Form 10-Q for the quarter ended March 31, 2025, filed with the Commission on May 9, 2025, and (iii) the Company’s Current Reports on Form 8-K filed with the Commission on January 22, 2025, February 14, 2025, February 27, 2025, April 23, 2025, May 14, 2025 and May 15, 2025 (in each case, excluding those portions furnished pursuant to Item 2.02 and Item 7.01, if applicable).

“Filing” has the meaning specified in the Merger Agreement.

“Form 10-K” means the Company’s Annual Report on Form 10-K for the year ended December 31, 2024, as filed with the Securities and Exchange Commission on February 28, 2025.

“Fund” means any unit trust, investment trust, investment company, limited partnership, general partnership or other collective investment scheme, pension fund, insurance company or any body corporate or other entity, in each case, the business, operations or assets of which are managed professionally for investment purpose.

“Government Official” has the meaning specified in the Merger Agreement.

“Governmental Entity” has the meaning specified in the Merger Agreement.

“Guarantee” means that certain Limited Guarantee, dated the date hereof, in favor of the Company with respect to certain obligations of the Purchaser under this Agreement.

“Hazardous Substances” has the meaning specified in the Merger Agreement.

“Holder” has the meaning specified in Section 2 of Exhibit A.

“IT Systems and Data” has the meaning specified in Section 3.29.

“knowledge” has the meaning specified in the Merger Agreement.

“Law” has the meaning specified in the Merger Agreement.

“Lock-Up Period” has the meaning specified in Section 6.1.

“Losses” has the meaning specified in Section 8(a) of Exhibit A.

“Merger” has the meaning specified in the Merger Agreement.

“Merger Agreement” means the Agreement and Plan of Merger, dated as of the date hereof, by and among Parent, Merger Sub and the Company.

“Merger Agreement Party” means each of Parent, Merger Sub and the Company.

“Merger Sub” means Troy Merger Sub Inc., a Delaware corporation.

“Money Laundering Laws” has the meaning specified in Section 3.27.

“Parent” means Troy ParentCo LLC, a Delaware limited liability company.

“Parent Termination Fee” has the meaning specified in the Merger Agreement.

“Per Share Price” has the meaning specified in Section 2.1.

“Person” means an individual, corporation (including not-for-profit), general or limited partnership, limited liability company, joint venture, estate, trust, association, organization, unincorporated organization, other entity or group (as defined in Section 13(d)(3) of the Exchange Act).

“Plan” has the meaning specified in Section 3.25.

“Purchaser” has the meaning specified in the Introduction.

“Registrable Shares” means the Shares, and any Company Common Stock or other securities of the Company or any successor entity which may be issued or distributed in respect of the Registrable Shares by way of stock dividend or stock split or other distribution, recapitalization, merger, conversion or reclassification; provided, that a Share shall cease to be a Registrable Share at such time that its Holder beneficially owns less than 1% of the outstanding Company Common Stock; provided, further, that for purposes of the foregoing proviso, for any Holder that is a partnership, corporation, limited liability company or other entity, the affiliates and Related Funds of any such Holder shall be deemed to be a single “Holder”.

“Registration Rights” has the meaning specified in Section 2.2.

“Related Fund” means, with respect to any Fund, any other Person or Fund or subsidiary of a Fund which is advised by, or the business, operations or assets of which are managed (whether solely or jointly with others) from time to time by or whose parent is managed by, the manager or adviser of the Fund (or a Person that, directly or indirectly through one or more intermediaries, Controls, is Controlled by, or is under common Control with, that manager or adviser); provided, however, (i) the term “adviser” shall mean an entity which provides a Person with advice in relation to the management of investments of that Person; and (ii) the term “manager” with respect to any Fund shall mean any general partner, trustee, responsible entity, nominee, manager, adviser or other entity performing a similar function with respect to such Fund.

“Representative” has the meaning specified in the Merger Agreement.

“Required Regulatory Approvals” has the meaning specified in the Merger Agreement.

“Sanctions” has the meaning specified in Section 3.28.

“Sanctioned Person” means an individual or entity that is, or is owned or controlled by any individuals or entities that are, (a) the subject or target of any economic sanctions administered or enforced by the United States government (including, without limitation, those administered by the United States Department of the Treasury’s Office of Foreign Assets Control (“OFAC”)) or any other applicable sanctions authority; or (b) included on any list of persons subject to sanctions maintained by OFAC, including, without limitation, OFAC’s Specially Designated Nationals and Blocked Persons List.

“SEC” means the U.S. Securities and Exchange Commission.

“Securities Act” means the Securities Act of 1933, as amended.

“Shares” has the meaning specified in the Recitals.

“Shelf Registration Statement” has the meaning specified in Section 2(a) of Exhibit A.

“Significant Subsidiaries” has the meaning specified in Section 3.1.

“Sponsor” has the meaning specified in the Merger Agreement.

“Standstill Entity” has the meaning specified in Section 7.1(a).

“Standstill Period” means, the period commencing on the date hereof and ending twelve (12) months after the date of the termination of the Merger Agreement.

“subsidiary” or “subsidiaries” means, with respect to any Person (i) any corporation, association or other business entity (other than a partnership, joint venture or limited liability company) of which 50% or more of the total voting power of shares of stock or other equity interests of such Person entitled (without regard to the occurrence of any contingency) to vote in the election of directors, managers or trustees thereof is at the time of determination owned or controlled, directly or indirectly, by such Person or one or more of the other subsidiaries of that Person or a combination thereof and (ii) any partnership, joint venture or limited liability company of which (a) 50% or more of the capital accounts, distribution rights, total equity or voting interests or general and limited partnership interests, as applicable, are owned or controlled, directly or indirectly, by such Person or one or more of the other subsidiaries of that Person or a combination thereof, whether in the form of membership, general, special or limited partnership

interests or otherwise and (b) such Person or any subsidiary of such Person is a controlling general partner or otherwise controls such entity.

“TNMP Bonds” has the meaning specified in the Merger Agreement.

“Transfer” has the meaning specified in Section 6.1.

ARTICLE II.
PURCHASE AND SALE OF THE SECURITIES

Section 2.1. Issuance and Sale of Securities. Upon the terms and subject to the conditions of this Agreement, at the Closing, the Company agrees to issue, sell and deliver to the Purchaser, and the Purchaser agrees to purchase from the Company, the Shares for a purchase price of \$50.00 per Share (the “Per Share Price”).

Section 2.2. Registration Rights. The Purchaser shall have the rights to registration under the Securities Act of the Registrable Shares, on the terms and subject to the conditions set forth in Exhibit A (the “Registration Rights”); provided, however, that such Registration Rights may not be exercised prior to the termination of the Lock-Up Period.

Section 2.3. Closing and Delivery.

(a) The consummation of the purchase and sale of the Shares hereunder (the “Closing”) shall take place (i) upon the later of (A) the tenth Business Day following the execution of this Agreement and (B) the date on which the New York Stock Exchange has authorized the listing of the Shares, and (ii) at the offices of Kirkland & Ellis LLP, or such other date, time and place as the Company and the Purchaser shall mutually agree in writing (the date of the Closing being the “Closing Date”).

(b) At the Closing, the Company shall deliver to the Purchaser evidence reasonably satisfactory to Purchaser that the Company has made appropriate book entry notation reflecting the issuance of the Shares, in such denominations and registered in the Purchaser’s name as set forth on Schedule 1, representing the number of Shares which the Purchaser is purchasing from the Company, against delivery to the Company of a wire transfer of immediately available funds in US dollars to the order of the Company in the aggregate amount equal to the Per Share Price times the number of Shares to be purchased by the Purchaser in accordance with Section 2.1, and the Company shall register the Purchaser as the holder of the Shares in the register of holders of the Company Common Stock.

Section 2.4. Restrictive Legend. The Shares shall bear an appropriate notation of the following legend until such time as (i) such Shares are sold pursuant to an effective registration statement under the Securities Act, (ii) the Lock-Up Period has expired and such Shares are eligible for resale in reliance on Rule 144 under the Securities Act without restriction or limitation (including such restrictions or limitations under paragraph (c), (d), (e), (f), (g) and (h) of Rule 144), or (iii) the Lock-Up Period has expired and the Purchaser or any transferee thereof delivers an opinion of counsel reasonably acceptable to the Company to the effect that such legend is no longer required under the Securities Act:

THESE SECURITIES WERE SOLD IN A PRIVATE PLACEMENT, WITHOUT REGISTRATION UNDER THE SECURITIES ACT OF 1933, AND MAY BE OFFERED, SOLD OR TRANSFERRED ONLY IF REGISTERED UNDER THE SECURITIES ACT OF 1933 OR IF AN EXEMPTION FROM REGISTRATION IS AVAILABLE. THESE SECURITIES ARE SUBJECT TO THE PROVISIONS OF THE STOCK PURCHASE AGREEMENT, DATED AS OF MAY 18, 2025,

BY AND BETWEEN THE COMPANY AND THE PURCHASER NAMED
THEREIN AND MAY NOT BE SOLD OR TRANSFERRED EXCEPT IN
ACCORDANCE THEREWITH.

ARTICLE III.
REPRESENTATIONS AND WARRANTIES OF THE COMPANY

The Company hereby represents and warrants to the Purchaser that:

Section 3.1. Due Incorporation and Qualification. Each of the Company and the Company's significant subsidiaries (within the meaning of Rule 1-02(w) of Regulation S-X under the Exchange Act, the "Significant Subsidiaries") has been duly incorporated or organized, is validly existing as a corporation or other business entity in good standing under the Laws of the jurisdiction in which it is chartered or organized with full corporate power and authority to own, lease and operate its properties and assets, and conduct its business, as described in the Exchange Act Documents. Each of the Company and each Significant Subsidiary is duly qualified to do business as a foreign corporation or other business entity and is in good standing under the laws of each jurisdiction which requires such qualification, except where the failure to be so qualified or in good standing would not, in the aggregate, reasonably be expected to have a Company Material Adverse Effect. The Company does not own or control, directly or indirectly, any corporation, association or other entity other than the subsidiaries listed in Section 3.1 of the Company Disclosure Schedule. None of the subsidiaries of the Company is a "significant subsidiary" (within the meaning of Rule 1-02(w) of Regulation S-X under the Act), other than, Public Service Company of New Mexico, Texas-New Mexico Power Company and TNP Enterprises, Inc.

Section 3.2. Capitalization. The Company has an authorized capitalization as set forth in the Form 10-K.

Section 3.3. Shares. The Shares to be issued and sold by the Company pursuant to this Agreement have been duly and validly authorized; such Shares, when issued and delivered in accordance with the terms of this Agreement will be validly issued, fully paid, non-assessable, free and clear of all liens and encumbrances (other than the restrictions on transfer or other encumbrances provided for in this Agreement) and will conform in all material respects to the description of the Company Common Stock in Exhibit 4.1 to the Form 10-K. Shareholders of the Company have no preemptive rights with respect to the issuance of the Shares.

Section 3.4. Listing and Maintenance Requirements. The Company Common Stock has been registered pursuant to Section 12(b) of the Exchange Act, and the Company has not taken any action designed to, or which to its knowledge is likely to have the effect of, terminating the registration of the Company Common Stock under the Exchange Act (other than as a result of the consummation of the transactions contemplated by the Merger Agreement) nor has the Company received any notification that the SEC is contemplating terminating such registration. The Company has not, in the 12 months preceding the date hereof, received notice from the New York Stock Exchange to the effect that the Company is not in compliance with the listing or maintenance requirements of the New York Stock Exchange.

Section 3.5. WKSI Status. The Company is a "well-known seasoned issuer" and is not an "ineligible issuer" (as such terms are defined in Rule 405 under the Securities Act).

Section 3.6. Investment Company. The Company is not, and after giving effect to the offer and sale of the Shares and the application of the proceeds thereof, will not be, an "investment company" within the meaning of such term under the Investment Company Act of 1940, as amended.

Section 3.7. Authority. The Company has all requisite corporate power and authority, and has taken all corporate action necessary, to execute, deliver and perform its obligations under this Agreement. This Agreement has been duly and validly executed and delivered by the Company. Assuming the due authorization, execution and delivery hereof by the Purchaser, this Agreement constitutes a legal, valid and binding obligation of the Company enforceable against the Company in accordance with its terms, subject to the Bankruptcy and Equity Exception.

Section 3.8. No Conflicts. The execution, delivery and performance of this Agreement by the Company, the issue, sale and delivery of the Shares pursuant to this Agreement, the consummation of the transactions contemplated hereby, and the application of the proceeds thereof as described in Section 5.6, does not and will not (i) conflict with or result in a breach or violation of any of the terms or provisions of, or constitute a default or result in the loss of a benefit under, or give rise to any right of payment (other than payment of the Per Share Price on each Share pursuant to the terms, and subject to the conditions of, this Agreement), reimbursement, termination, revocation, cancellation, amendment, creation, modification or acceleration of, or impose any lien, charge or encumbrance upon any property or assets of the Company or any of its subsidiaries, or any indenture, mortgage, deed of trust, loan agreement, or other agreement or instrument to which the Company or any of its subsidiaries is a party or by which the Company or any of its subsidiaries is bound or to which any of the property or assets of the Company or any of its subsidiaries is subject; (ii) result in any breach or violation of the provisions of the charter, by-laws or other organizational documents of the Company or any of its subsidiaries; or (iii) result in any violation of any Law, except, in the case of clauses (i) and (iii), any such conflict, breach or violation which, if it did exist, has not had and would not, individually or in the aggregate, reasonably be expected to have a Company Material Adverse Effect. The Company has not adopted any shareholder rights plan or similar arrangement relating to accumulations of beneficial ownership of Company Common Stock. The Company and its board of directors have taken all necessary action, if any, in order to render inapplicable any control share acquisition, business combination, poison pill (including any distribution under a rights agreement), or other similar anti-takeover provision under the Company's organizational documents or the laws of the jurisdiction of its incorporation or otherwise which is or could become applicable to the Purchaser solely as a result of the transactions contemplated by this Agreement.

Section 3.9. Approvals. No clearances, expirations or terminations of waiting periods, non-actions, waivers, qualifications, consent, approval, authorization or order of, or filing or registration with, any court or governmental agency or body having jurisdiction over the Company or any of its subsidiaries or any of their properties is required (with or without notice or lapse of time, or both) to be obtained by the Company for the execution, delivery and performance of this Agreement, the consummation of the transactions contemplated hereby, or the application of the proceeds as described in Section 5.6, except those that the failure of which to obtain, individually or in the aggregate, would not reasonably be expected to result in a Company Material Adverse Effect.

Section 3.10. No Company Material Adverse Effect. Since December 31, 2024, there has not occurred any event, development, change, effect or occurrence that, has had, or would reasonably be expected to have, individually or in the aggregate, a Company Material Adverse Effect.

Section 3.11. Historical Financial Statements. The consolidated historical financial statements and schedules of the Company and its consolidated subsidiaries included in the Form 10-K comply as to form in all material respects with the requirements of Regulation S-X under the Exchange Act and present fairly in all material respects the consolidated financial condition of the Company and its consolidated subsidiaries as of the dates indicated therein and the consolidated results of their operations and cash flows for the periods specified therein. Except as stated therein, such financial statements have been prepared in conformity with generally accepted accounting principles in the United States applied on a consistent basis throughout the periods involved.

Section 3.12. Exchange Act Documents. The Exchange Act Documents conformed, and any further Exchange Act Documents filed with the SEC will conform, when filed with the SEC, in all material respects to the requirements of the Exchange Act. The Exchange Act Documents did not, and any further Exchange Act Documents filed with the SEC, when filed with the SEC will not, contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; provided that the foregoing representation and warranty is given on the basis that any statement contained in an Exchange Act Document shall be deemed not to be contained therein if the statement has been modified or superseded by any statement in a subsequently filed Exchange Act Document.

Section 3.13. Independent Public Accountants. KPMG LLP, which has certified certain financial statements of the Company and its subsidiaries and delivered its report with respect to the audited consolidated financial statements and schedules included in the Form 10-K, is an independent registered public accounting firm with respect to the Company within the meaning of the applicable rules and regulations adopted by the Public Company Accounting Oversight Board (United States) and as required by the Exchange Act.

Section 3.14. Compliance. Except as disclosed in the Exchange Act Documents, the Company and each of its Significant Subsidiaries (i) since January 1, 2023 (the “Applicable Date”), has conducted its business in compliance with all applicable federal, tribal, state and foreign laws, orders, judgments, decrees, rules, regulations, and applicable stock exchange requirements, (ii) owns or leases all such properties as are necessary to the conduct of its operations as presently conducted, (iii) is not in non-compliance with any term or condition of, nor has failed to obtain and maintain in effect, any license, certificate, permit or other governmental authorization required for the ownership or lease of its property or the conduct of its business and (iv) since the Applicable Date, has not received notice of any proceedings relating to the revocation or material modification of any such license, certificate, permit or other authorization, which non-compliance, failure or proceedings, individually or in the aggregate (in the case of clauses (i) through (iv) above), has not had and would not reasonably be expected to have a Company Material Adverse Effect.

Section 3.15. Litigation. Other than as set forth in the Exchange Act Documents, there are no civil, criminal, administrative, or other suits, claims, actions, proceedings, arbitrations, investigations, inquiries or audits pending to which the Company or any of its subsidiaries is a party or of which any property of the Company or any of its subsidiaries is the subject which, individually or in the aggregate, has had or would reasonably be expected to have a Company Material Adverse Effect. To the knowledge of the Company, no such proceedings are threatened by Governmental Entities or threatened by others.

Section 3.16. Labor Matters. There are no pending labor arbitrations, strikes, lockouts, work stoppages, slowdowns, unfair labor practice charges, or other material disputes against or involving the Company or any of its subsidiaries and, to the knowledge of the Company, none is threatened or is imminent, in each case, that would reasonably be expected to have a Company Material Adverse Effect. To the knowledge of the Company, there are no labor organizing activities with respect to the Company or any of its subsidiaries.

Section 3.17. No Defaults. The Company is not in violation of its charter, bylaws or other organizational documents, nor, except as would not reasonably be likely to have, individually or in the aggregate, a Company Material Adverse Effect, (i) is in breach or default in the performance or observance of any term, obligation, covenant or condition contained in any indenture, mortgage, deed of trust, loan agreement, lease or other agreement or instrument to which it is a party or by which it is bound or to which any of its properties is subject, (ii) is in default or violation of any statute or any order, rule

or regulation of any court or governmental agency or body having jurisdiction over it or its property nor (iii) has failed to obtain any license, permit, certificate, franchise or other governmental authorization or permit necessary to the ownership of its property or to the conduct of its business.

Section 3.18. Sarbanes-Oxley. The Company is in compliance in all material respects with the applicable provisions of the Sarbanes-Oxley Act of 2002 that are effective and the rules and regulations of the SEC that have been adopted and are effective thereunder.

Section 3.19. Environmental Matters. Except as set forth in or contemplated by the Exchange Act Documents, (i) each of the Company and each of its subsidiaries (A) is operating in compliance with any and all applicable federal, state and local laws and regulations relating to the protection of human health and safety, the environment or hazardous or toxic substances or wastes, pollutants or contaminants (“Environmental Laws”), (B) has received all permits, licenses or other approvals required of it under applicable Environmental Laws to conduct its business, and (C) is in compliance with all terms and conditions of any such permit, license or approval, and (ii) there has been no spill, release, disposal or discharge of any Hazardous Substances on, at, under, in, or from any Company Material Real Property that is currently subject to, or reasonably likely to result in, an investigation, remediation, funding, contribution or monitoring obligation or other liability to the Company or any of its subsidiaries under any applicable Environmental Law, except, in each case, where such non-compliance with Environmental Laws or failure to receive, or comply with the terms and conditions of required permits, licenses or approvals, or spill, release, disposal or discharge of Hazardous Substances, would not, individually or in the aggregate, reasonably be expected to have a Company Material Adverse Effect. In the ordinary course of its business, the Company periodically reviews the effect of Environmental Laws on the business, operations and properties of the Company and its subsidiaries, in the course of which it identifies and evaluates associated costs and liabilities (including, without limitation, any capital or operating expenditures required for clean-up, closure of properties or compliance with Environmental Laws, or any permit, license or approval, any related constraints on operating activities and any potential liabilities to third parties). On the basis of such review, the Company has reasonably concluded that such associated costs and liabilities would not, individually or in the aggregate, have a Company Material Adverse Effect, except as set forth in or contemplated in the Exchange Act Documents.

Section 3.20. Accounting Controls and Disclosure Controls. The Company and its subsidiaries maintain (x) systems of internal accounting controls sufficient to provide reasonable assurance that (i) transactions are executed in accordance with management’s general or specific authorizations; (ii) transactions are recorded as necessary to permit preparation of financial statements in conformity with generally accepted accounting principles and to maintain asset accountability; (iii) access to assets is permitted only in accordance with management’s general or specific authorization; (iv) the recorded accountability for assets is compared with the existing assets at reasonable intervals and appropriate action is taken with respect to any differences; and (v) any interactive data in the eXtensible Business Reporting Language included in the Exchange Act Documents is in compliance with the SEC’s published rules, regulations and guidelines applicable thereto in all material respects; and (y) disclosure controls and procedures (as defined in Rule 13a-15(e) under the Exchange Act).

Section 3.21. Anti-Manipulation. The Company has not taken, directly or indirectly, any action intended or which might reasonably be expected to cause or result in the stabilization or manipulation of the price of any security of the Company in a manner which would violate the Securities Act or the Exchange Act.

Section 3.22. Documents Described in or Filed as Exhibit to Exchange Act Documents. There is no franchise, contract or other document of a character required under the Exchange Act to be filed as an exhibit to the Exchange Act Documents, which is not described or filed as required.

Section 3.23. Taxes. The Company and each of its Significant Subsidiaries have filed all tax returns that are required to be filed or have requested extensions thereof, and have paid all taxes required to be paid by them and any other assessment, fine or penalty levied against them, to the extent that any of the foregoing is due and payable, except for any such tax, assessment, fine or penalty that is currently being contested in good faith and with respect to which adequate reserves are being maintained in conformity with generally accepted accounting principles or where the failure to file such returns or pay such taxes, assessments, fines or penalties (i) would not, individually or in the aggregate, reasonably be expected to have a Company Material Adverse Effect or (ii) is set forth in or contemplated in the Exchange Act Documents.

Section 3.24. Insurance. The Company and each of its subsidiaries are insured against such losses and risks and in such amounts as the Company reasonably believes are (i) prudent and customary in the businesses in which they are engaged and (ii) adequate to protect the Company and its subsidiaries and their respective businesses; neither the Company nor any such subsidiary has been refused any insurance coverage sought or applied for; and neither the Company nor any such subsidiary has any reason to believe that it will not be able to renew its existing insurance coverage as and when such coverage expires or to obtain similar coverage from similar insurers as may be necessary to continue its business at a cost that would not reasonably be expected to have a Company Material Adverse Effect.

Section 3.25. ERISA/Employee Matters. None of the following events has occurred or exists which has had or would, individually or in the aggregate, reasonably be expected to have a Company Material Adverse Effect: (i) a failure to fulfill the obligations, if any, under the minimum funding standards of Section 302 of the United States Employee Retirement Income Security Act of 1974, as amended (“ERISA”), and the regulations and published interpretations thereunder with respect to a Plan, determined without regard to any waiver of such obligations or extension of any amortization period; (ii) an audit or investigation by the Internal Revenue Service, the U.S. Department of Labor, the Pension Benefit Guaranty Corporation or any other federal or state governmental agency or any foreign regulatory agency with respect to the employment, benefits or compensation of current or former employees, officers, directors, or other service providers by any of the Company or any of its subsidiaries; or (iii) any breach of any contractual obligation, or any violation of law or applicable qualification standards, with respect to the employment, benefits or compensation of current or former employees officers, directors, or other service providers by the Company or any of its subsidiaries. None of the following events has occurred or is reasonably likely to occur which has had or would, individually or in the aggregate, reasonably be expected to have a Company Material Adverse Effect: (a) an increase in the aggregate amount of contributions required to be made to all Plans in the current fiscal year of the Company and its subsidiaries compared to the amount of such contributions made in the most recently completed fiscal year of the Company and its subsidiaries; (b) an increase in the “accumulated post-retirement benefit obligations” (within the meaning of Statement of Financial Accounting Standards 106) of the Company and its subsidiaries compared to the amount of such obligations in the most recently completed fiscal year of the Company and its subsidiaries; (c) any event or condition giving rise to a liability under Title IV of ERISA; or (d) the filing of a claim by one or more employees or former employees of the Company or any of its subsidiaries related to their employment. For purposes of this paragraph, the term “Plan” means a plan (within the meaning of Section 3(3) of ERISA) subject to Title IV of ERISA with respect to which the Company or any of its subsidiaries has or may have any liability or obligation.

Section 3.26. No Unlawful Payments. Neither the Company nor any of its subsidiaries nor, to the knowledge of the Company, any director, officer, agent, employee or other person associated with or acting on behalf of the Company or any of its subsidiaries has (i) used any corporate funds for any unlawful contribution, gift, entertainment or other unlawful expense relating to political activity; (ii) made, offered, authorized, or agreed to make any direct or indirect unlawful payment to any foreign or domestic Government Official from corporate funds; (iii) violated or is in violation of any provision of

the Foreign Corrupt Practices Act of 1977 or any other applicable anti-corruption or anti-bribery law; or (iv) made, offered, authorized, or agreed to make any bribe, rebate, payoff, influence payment, kickback or other unlawful payment.

Section 3.27. Compliance with Money Laundering Laws. The operations of the Company and its subsidiaries are and have been conducted at all times in compliance with applicable financial recordkeeping and reporting requirements of the Currency and Foreign Transactions Reporting Act of 1970, as amended, the money laundering statutes of all jurisdictions, the rules and regulations thereunder and any related or similar rules, regulations or guidelines, issued, administered or enforced by any governmental agency (collectively, the “Money Laundering Laws”) and no action, suit or proceeding by or before any court or governmental agency, authority or body or any arbitrator involving the Company or any of its subsidiaries with respect to the Money Laundering Laws is pending or, to the knowledge of the Company, threatened.

Section 3.28. Compliance with OFAC. The Company and its subsidiaries are in compliance with all applicable sanctions laws and regulations (“Sanctions”), including those administered by OFAC. None of the Company, any of its subsidiaries or, to the knowledge of the Company, any director, officer, agent, employee or affiliate of the Company or any of its subsidiaries (i) is a Sanctioned Person; or (ii) has engaged in, or is engaging in, any dealings or transactions with (a) any person that at the time of the dealing or transaction is a Sanctioned Person or (b) any person located, organized, or resident in, or the governments of, a country or territory that is, or whose government is, the subject of Sanctions. The Company will not, directly or indirectly, use the proceeds from the transactions contemplated by this Agreement to lend, contribute or otherwise make available such proceeds to any subsidiary, joint venture partner or other individual or entity in any manner that would result in a violation of any Sanctions by, or could result in any Sanctions against, any individual or entity (including any individual or entity participating in the transactions contemplated hereby, whether as an agent, forward purchaser, advisor, investor or otherwise).

Section 3.29. Cybersecurity. Except as disclosed in the Exchange Act Documents or as would not, individually or in the aggregate, result in a Company Material Adverse Effect: (A) there has been no security breach or incident, unauthorized access or disclosure, or other compromise of or relating to the Company’s or its subsidiaries’ information technology and computer systems, networks, hardware, software, data and databases (including the data and information of their respective customers, employees, suppliers, vendors and any third party data maintained, processed or stored by the Company and its subsidiaries, and any such data processed or stored by third parties on behalf of the Company and its subsidiaries), equipment or technology (collectively, “IT Systems and Data”); and (B) neither the Company nor its subsidiaries have been notified of, and have no knowledge of any event or condition that would result in, any security breach or incident, unauthorized access or disclosure or other compromise to their IT Systems and Data. The Company and its subsidiaries have implemented appropriate controls, policies, procedures, and technological safeguards to maintain and protect the integrity, continuous operation, redundancy and security of their IT Systems and Data reasonably consistent with industry standards and practices, or as required by applicable regulatory standards. The Company and its subsidiaries are presently in material compliance with all applicable laws or statutes and all judgments, orders, rules and regulations of any court or arbitrator or governmental or regulatory authority, internal policies and contractual obligations relating to the privacy and security of IT Systems and Data and to the protection of such IT Systems and Data from unauthorized use, access, misappropriation or modification.

Section 3.30. Brokers and Finders. Except for the Company Financial Advisor (as defined in the Merger Agreement) and any agent, broker, investment banker, financial advisor or other firm or Person set forth in Section 3.20 of the Company Disclosure Schedule, whose fees and expenses will be

paid by the Company in accordance with the Company's agreement with such firm, the Company has not entered into any agreement or arrangement entitling any agent, broker, investment banker, financial advisor or other firm or Person to any broker's or finder's fee or any other commission or similar fee in connection with any of the transactions contemplated by this Agreement.

Section 3.31. Private Placement. Assuming the accuracy of the Purchaser's representations and warranties set forth in Section 4.7 of this Agreement, no registration under the Securities Act is required for the offer and sale of the Shares by the Company to the Purchaser under this Agreement.

Section 3.32. No Other Representations of the Purchaser. Except for the representations and warranties contained in ARTICLE IV, the Company acknowledges that neither the Purchaser nor any other Person on behalf of the Purchaser makes, or has made, any other express or implied representation or warranty with respect to the Purchaser or its subsidiaries and businesses or with respect to the transactions contemplated by this Agreement or with respect to any other information provided to the Company. The Company hereby disclaims, and specifically acknowledges and agrees to the disclaimer of, any such other representations or warranties, whether made by the Purchaser or any of its Affiliates, or any of their respective shareholders, officers, directors, employees, agents or Representatives, and of all liability and responsibility for any such other representation, warranty, projection, forecast, statement, or information made, communicated or furnished (orally or in writing) to the Company or its Affiliates or Representatives (including any opinion, information, projection or advice that may have been or may be provided to any of them). The Purchaser nor any other Person will have or be subject to any liability or indemnification obligation to the Company or any other Person resulting from the distribution to the Company, or the Company's use of, any such information, including any information, documents, projections, forecasts or other material made available to the Company in certain "data rooms" or management presentations in expectation of the transactions contemplated by this Agreement.

ARTICLE IV. REPRESENTATIONS AND WARRANTIES OF THE PURCHASER

The Purchaser hereby represents and warrants to the Company as follows:

Section 4.1. Due Incorporation; Qualification. The Purchaser has been duly incorporated or organized, is validly existing as a corporation or other business entity in good standing under the laws of the jurisdiction in which it is chartered or organized.

Section 4.2. Authority. The Purchaser has all the requisite partnership power and authority to execute, deliver and perform its obligations under this Agreement. This Agreement has been duly authorized, executed and delivered by the Purchaser. Assuming the due authorization, execution and delivery hereof by the Company, this Agreement constitutes a legal, valid and binding obligation of the Purchaser enforceable against the Purchaser in accordance with its terms, subject to the Bankruptcy and Equity Exception.

Section 4.3. No Conflicts. The execution, delivery and performance of this Agreement by the Purchaser, and the consummation of the transactions contemplated hereby, will not (i) conflict with or result in a breach or violation of any of the terms or provisions of, impose any lien, charge or encumbrance upon any property or assets of the Purchaser, or constitute a default under, any indenture, mortgage, deed of trust, loan agreement, or other agreement or instrument to which the Purchaser is a party or by which the Purchaser is bound or to which any of the property or assets of the Purchaser is subject; (ii) result in any violation of the provisions of the charter, by-laws or other organizational documents of the Purchaser; or (iii) result in any violation of any Law having jurisdiction over the Purchaser or any of its properties, except, in the case of clauses (i) and (iii), any such conflict, breach or violation which, if it did exist,

would not, individually or in the aggregate, reasonably be expected to prevent, materially delay or materially impair the consummation of the transactions contemplated by this Agreement.

Section 4.4. Approvals. No consent, approval, authorization or order of, or filing or registration with, any court or governmental agency or body having jurisdiction over the Purchaser or any of its properties is required to be obtained by the Purchaser for the execution, delivery and performance of this Agreement or the consummation of the transactions contemplated hereby, except those that the failure of which to obtain, individually or in the aggregate, would not reasonably be expected to prevent, materially delay or materially impair the consummation of the transactions contemplated by this Agreement.

Section 4.5. Litigation. There are no legal or governmental proceedings pending to which the Purchaser is a party or of which any property of the Purchaser is the subject which individually or in the aggregate would reasonably be expected to have a material adverse effect on the performance of this Agreement or the consummation of the transactions contemplated hereby. To the Purchaser's knowledge, no such proceedings are threatened or contemplated by Governmental Entities or threatened by others.

Section 4.6. Ownership of Company Stock. As of the date hereof, neither the Purchaser nor any of its Affiliates (excluding for the purposes of this Section 4.6 officers and directors of the Purchaser) beneficially owns (as defined in Rule 13d-3 under the Exchange Act), directly or indirectly, shares of capital stock of the Company.

Section 4.7. Purchase for Investment. It acknowledges that the Shares have not been registered under the Securities Act or under any state securities laws. It (i) is acquiring the Shares pursuant to an exemption from registration under the Securities Act solely for investment with no present intention to distribute any of the Shares to any Person, (ii) will not sell or otherwise dispose of any of the Shares, except in compliance with the registration requirements or exemption provisions of the Securities Act and any other applicable securities laws and in accordance with the requirements of ARTICLE VI of this Agreement, (iii) has such knowledge and experience in financial and business matters and in investments of this type that it is capable of evaluating the merits and risks of its investment in the Shares and of making an informed investment decision and (iv) is an institutional "accredited investor" (as that term is defined in Rule 501 promulgated under the Securities Act).

Section 4.8. No Other Representations of the Company. Except for the representations and warranties contained in ARTICLE III, the Purchaser acknowledges that neither the Company nor any other Person on behalf of the Company makes, or has made, any other express or implied representation or warranty with respect to the Company or its subsidiaries and businesses or with respect to the transactions contemplated by this Agreement or the Merger Agreement or with respect to any other information provided to the Purchaser. The Purchaser hereby disclaims, and specifically acknowledges and agrees to the disclaimer of, any such other representations or warranties, whether made by the Company or any of its Affiliates, or any of their respective shareholders, officers, directors, employees, agents or Representatives, and of all liability and responsibility for any such other representation, warranty, projection, forecast, statement, or information made, communicated or furnished (orally or in writing) to the Purchaser or its Affiliates or Representatives (including any opinion, information, projection or advice that may have been or may be provided to any of them). Neither the Company nor any other Person will have or be subject to any liability or indemnification obligation to the Purchaser or any other Person resulting from the distribution to the Purchaser, or the Purchaser's use of, any such information, including any information, documents, projections, forecasts or other material made available to the Purchaser in certain "data rooms" or management presentations in expectation of the transactions contemplated by this Agreement.

Section 4.9. Guarantee. Concurrently with the execution and delivery of this Agreement, Sponsor has delivered to the Company a true, correct and complete copy of a duly executed Guarantee, and assuming the due authorization, execution and delivery by the Company of the Guarantee, the Guarantee constitutes a valid and binding obligation of Sponsor, enforceable against Sponsor in accordance with its terms, subject to the Bankruptcy and Equity Exception. No event has occurred that, with notice or lapse of time or both, would, or would reasonably be expected to, constitute a default on the part of Sponsor pursuant to the Guarantee.

ARTICLE V. COVENANTS

Section 5.1. Registration Rights. The Company and the Purchaser shall comply with the provisions contained in Exhibit A regarding the Registration Rights.

Section 5.2. Reservation of Company Stock. The Company shall have reserved and keep available out of its authorized but unissued shares of Company Common Stock the Shares to be purchased and sold at the Closing.

Section 5.3. Listing of Shares. The Company shall cause the Shares to be listed on the New York Stock Exchange prior to the Closing Date. The Company shall cooperate with the Purchaser and use commercially reasonable efforts to take, or cause to be taken, all actions, and do or cause to be done all things, reasonably necessary, proper or advisable on its part under the rules and policies of the New York Stock Exchange to enable the listing of the Shares with the New York Stock Exchange as promptly as practicable following the execution of this Agreement.

Section 5.4. Voting. Prior to the termination of the Merger Agreement and as long as there has not been a Company Change of Recommendation, the Purchaser agrees that it shall vote all shares of Company Common Stock beneficially owned by it (i) with respect to the Merger, for the approval of the Merger Agreement and the transactions contemplated thereby, including the Merger and (ii) for all other matters, (A) as recommended by the board of directors of the Company, if the board of directors has made a recommendation with respect to such matter, so long as such shares of Company Common Stock may be lawfully voted as so provided or (B) if the board of directors has not made a recommendation with respect to a matter or the shares may not be lawfully voted as provided in clause (ii)(A), pro rata in proportion to the votes cast by the holders of shares of Company Common Stock other than the Shares.

Section 5.5. WKSI Status. The Company shall use its reasonable best efforts to maintain its status as a “well-known seasoned issuer,” and shall not become an “ineligible issuer” (as such terms are defined in Rule 405 under the Securities Act).

Section 5.6. Use of Proceeds. The Company shall use the net proceeds from the sale of the Shares for general corporate purposes.

Section 5.7. Expenses. The Company and the Purchaser each shall bear its own expenses and legal fees with respect to this Agreement and the transactions contemplated hereby, except as set forth in Exhibit A hereto.

Section 5.8. Confidentiality. Each party hereto will comply with terms and conditions of the confidentiality agreement, dated January 9, 2025, between the Company and Blackstone Infrastructure Advisors L.L.C. (the “Confidentiality Agreement”), and will hold and treat, and will cause their respective officers, employees, auditors and other Representatives to hold and treat, in confidence all documents and information concerning, on the one hand, the Company and its subsidiaries furnished to

the Purchaser, and on the other hand, the Purchaser and its subsidiaries furnished to the Company, in each case in connection with the transactions contemplated by this Agreement in accordance with the Confidentiality Agreement, which Confidentiality Agreement shall remain in full force and effect in accordance with its terms.

Section 5.9. Public Announcement. The Company and the Purchaser shall (1) consult with each other prior to issuing any press releases or otherwise making public announcements with respect to this Agreement or the transactions contemplated by this Agreement, (2) provide to each other for review a copy of any such press release or public statement, (3) not issue any such press release or public statement prior to providing each other with reasonable period of time to review and comment on such press release or public statement, and (4) not issue any such press release or public statement or make any filings with any third party and/or any Governmental Entity (including any national securities exchange or interdealer quotation service) with respect thereto without the prior written consent of the other parties hereto (such consent not to be unreasonably withheld, conditioned or delayed), except as may be required, on the advice of counsel, by law or by obligations pursuant to any listing agreement with or rules of any national securities exchange or interdealer quotation service or by the request of any Governmental Entity (or, in the case of the Company, in accordance with Section 6.1(b)(i) of the Merger Agreement); provided, however, that in each such case, the party required to make such disclosure will, to the extent practicable and not prohibited by applicable law, promptly inform the other parties in writing in advance of such required disclosure and provide such other parties with a copy of the proposed disclosure and consult with such other parties and consider such other parties' comments in good faith prior to making such disclosure.

Section 5.10. Taxes. The Company shall pay any and all transfer, stamp or similar taxes that may be payable with respect to the issuance and delivery of any Shares to the Purchaser made under this Agreement.

Section 5.11. Cooperation. The Company and the Purchaser, including their respective Affiliates, shall use their reasonable best efforts to take, or cause to be taken, all appropriate action to do, or cause to be done, all things necessary, proper or advisable under applicable Law or otherwise to consummate and make effective the transaction contemplated by this Agreement as promptly as practicable. The Company and the Purchaser, including their respective Affiliates, also will coordinate and cooperate with each other in providing such information and assistance as the other party may reasonably request in connection with any notice, registration, update, application or filing due to or required by a Governmental Entity under applicable Law.

ARTICLE VI. TRANSFER RESTRICTIONS

Section 6.1. Lock-Up Period. Except as permitted by Section 6.2, the Purchaser shall not (i) sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, lend, or otherwise transfer or dispose of, directly or indirectly, any Shares (each, a "Transfer") or (ii) enter into any swap or other arrangement that transfers to another the economic consequences of ownership of the Shares prior to the earlier of (A) the consummation of the transactions contemplated by the Merger Agreement; or (B) the termination of the Merger Agreement (the "Lock-Up Period").

Section 6.2. Permitted Transfers. The restrictions on transfer in Section 6.1 shall not apply to the following Transfers of Shares (each of which exceptions shall be separate and not reduce the scope or availability of any other exception): (i) to the Company, (ii) in connection with the grant and maintenance of a bona fide lien, security interest, pledge, hypothecation or other similar encumbrance of

Shares by the Purchaser to a recognized financial institution in connection with a loan to the Purchaser as collateral or security for any loan, advance, extension of credit or similar financing activity (provided that any transferee that acquires Shares from such institution agrees in writing to the restrictions on further transfers provided in Section 6.1 until the expiration of the Lock-Up Period); and (iii) to any Affiliate or to any Related Fund of the Purchaser; provided, in the case of clause (iii), that the transferee agrees in writing to the covenants applicable to the Purchaser in ARTICLE V, the standstill provisions applicable to the Purchaser in ARTICLE VII and the restrictions on further transfers of such securities to the extent provided in this ARTICLE VI.

ARTICLE VII.
STANDSTILL

Section 7.1. Standstill.

(a) During the Standstill Period, except as provided in Section 7.1(b), and except in respect of the transactions contemplated by this Agreement and by the Merger Agreement, the Purchaser individually or as part of a “group” (as defined in the Exchange Act) (collectively, the “Standstill Entity”) agrees that such Standstill Entity will not, directly or indirectly, nor will it authorize or direct any of its officers, employees, agents and other representatives to, in each case, unless specifically consented to by the Board of Directors of the Company:

(i) form, join, or in any way participate as a member of a “group” (as defined in the Exchange Act) with any other Person (other than its Affiliates or any other member of the Standstill Entity) with respect to any of the actions described in clauses (ii) through (vi) of this Section 7.1(a);

(ii) other than with respect to the Shares and as permitted under ARTICLE VI, acquire or agree, offer, seek or propose to acquire, or cause to be acquired, beneficial ownership of, any equity securities or property of the Company or any of its subsidiaries, or any options, warrants or other rights (including, without limitation, any convertible or exchangeable securities) to acquire any such securities (except pursuant to a stock dividend, stock split, reclassification, recapitalization or other similar event by the Company that does not increase the percentage ownership of the outstanding shares of Company Common Stock held by such Standstill Entity);

(iii) seek to propose or propose, whether alone or in concert with others, any tender offer, exchange offer, merger, business combination, restructuring, liquidation, dissolution, recapitalization or similar transaction involving the Company;

(iv) make, or in any way participate in, any “solicitation” of “proxies” (as such terms are used in the proxy rules of the SEC) with respect to the voting of any securities of the Company or seek to advise or influence any Person with respect to the voting of any securities of the Company;

(v) nominate any Person as a director of the Company’s Board of Directors, propose any matter to be voted upon by the shareholders of the Company or seek to call a meeting of the shareholders of the Company that is inconsistent with the terms of this Section 7.1, or otherwise seek to control the management or Board of Directors of the Company; or

(vi) take any action with respect to or publicly announce or disclose any intention, plan or arrangement inconsistent with the foregoing.

(b) Nothing contained in Section 7.1(a) shall be deemed in any way to prohibit or limit any transactions in the ordinary course of business and on arm's length terms between the Company and any of its subsidiaries, on the one hand, and the Purchaser and its Affiliates, on the other hand, or in any way limit the full voting rights or free transferability of the Shares. The restrictions set forth in this Section 7.1 shall terminate and be of no further force and effect if (i) the Merger Agreement is terminated pursuant to Section 8.1(e)(i) [*Company Material Breach*], Section 8.1(e)(ii) [*Company Change in Recommendation*] or Section 8.1(d)(ii) [*Superior Proposal*] of the Merger Agreement, (ii) the Company receives the Parent Termination Fee, (iii) the Company enters into, or publicly announces that it plans to enter into, a definitive agreement with respect to a transaction involving more than 50% of the Company's equity securities or all or substantially all of the Company's assets (whether by merger, consolidation, business combination, tender or exchange offer, recapitalization, restructuring, sale, equity issuance, or otherwise), (iv) the Company files for bankruptcy protection, liquidation or other insolvency proceedings or (v) any third party commences a bona fide takeover bid or tender or exchange offer for not less than a majority of the outstanding voting equity of the Company and the Company, in a formal filing under applicable securities legislation, recommended acceptance, of or, after consideration of the takeover bid or tender or exchange offers, states that it remains neutral with respect to, such takeover bid or tender or exchange offer.

ARTICLE VIII.
SPECIFIC PERFORMANCE; LIMITATION ON LIABILITY

Section 8.1. Specific Performance.

(a) The parties to this Agreement agree that irreparable damage for which monetary damages, even if available, may not be an adequate remedy, would occur in the event that the parties hereto do not perform the provisions of this Agreement (including failing to take such actions as are required of it hereunder in order to consummate this Agreement) in accordance with its specified terms or otherwise breach such provisions. The parties to this Agreement acknowledge and agree that the parties hereto shall be entitled to an injunction, specific performance and other equitable relief to prevent breaches of this Agreement and to enforce specifically the terms and provisions hereof (including the issuance, sale and delivery to the Purchaser, and the Purchaser's purchase from the Company, of the Shares, and payment by the Purchaser to the Company of the Per Share Price for each Share purchased), without any requirement for obtaining, furnishing or posting any bond or other security, this being in addition to any other remedy to which they are entitled at law or in equity. The parties to this Agreement hereby further acknowledge and agree that prior to the Closing, the Company shall be entitled to seek specific performance to enforce specifically the terms and provisions of, and to prevent or cure breaches of the terms of this Agreement by the Purchaser and to cause the Purchaser to consummate the transactions contemplated hereby, including to effect the Closing in accordance with ARTICLE II, on the terms and subject to the conditions in this Agreement.

(b) Each of the parties hereto agrees that it will not raise any objections to the availability of the equitable remedy of specific performance or other equitable relief as provided herein, including objections on the basis that (i) a party has an adequate remedy at law or equity or (ii) an award of specific performance is not an appropriate remedy for any reason at law or equity. The remedies available to the Company pursuant to this Section 8.1 shall be in addition to any other remedy to which it is entitled at law or in equity.

Section 8.2. Limitation on Liability. No payment of monetary damages shall be due or payable by the Company as a result of any actions or proceedings in respect of any claim arising out of, related to, or in connection with, this Agreement or the transactions contemplated by this Agreement, whether in tort or contract or at law or in equity, (i) if the Merger is consummated, or (ii) unless and until the Merger Agreement has been terminated in accordance with the terms thereof.

ARTICLE IX.
TERMINATION

This Agreement may be terminated by the Company if the Purchaser has failed to consummate the Closing within five (5) Business Days after the date on which it is required to be completed pursuant to Section 2.3(a); provided, that any such termination shall not relieve any party of any liabilities or damages resulting from a breach of this Agreement; and provided, further, that the agreements contained in Section 5.8 and Section 5.9 and ARTICLE X shall survive any such termination.

ARTICLE X.
GENERAL PROVISIONS

Section 10.1. Survival of Representations and Warranties. The representations and warranties of the parties in this Agreement shall survive the Closing and the payment for and delivery of the Shares, but shall not survive the Effective Time under the Merger Agreement, if the Merger shall be consummated; provided, that, the Company shall not be liable to the Purchaser for any breach of any representation or warranty unless and until the Merger Agreement has been terminated in accordance with its terms.

Section 10.2. Notices. All notices, requests, claims, demands and other communications hereunder shall be in writing and shall be given (and shall be deemed to have been duly given upon receipt) by delivery in person, by e-mail or by registered or certified mail (postage prepaid, return receipt requested) to the respective parties at the following addresses (or at such other address for a party as shall be specified by like notice); *provided, however*, that delivery by e-mail shall be deemed to have been duly given upon receipt only if confirmed by e-mail or telephone:

- (a) if to the Purchaser, to the addresses set forth on Schedule 1 hereto:

with an additional copy (which shall not constitute notice) to:

Kirkland & Ellis LLP
609 Main Street
Houston, TX 77002
Attn: Rhett A. Van Syoc, P.C.
Robert P. Goodin, P.C.
Debbie P. Yee, P.C.
Email: rhett.vansyoc@kirkland.com
robert.goodin@kirkland.com
debbie.yee@kirkland.com

- (b) if to the Company:

TXNM Energy, Inc.
414 Silver Ave. SW
Albuquerque, NM 87102-3289
Attn: Brian G. Iverson, Esq.
Senior Vice President, General Counsel & Secretary
Email: brian.iverson@txnmenergy.com

with an additional copy (which shall not constitute notice) to:

Troutman Pepper Locke LLP
1001 Haxall Point
15th Floor
Richmond, VA 23219
Attn: R. Mason Bayler, Jr.
Coburn R. Beck
Heather M. Ducat
Email: mason.bayler@troutman.com
coby.beck@troutman.com
heather.ducat@troutman.com

Section 10.3. Entire Agreement. This Agreement and the Merger Agreement are being entered into simultaneously but are separate transactions. Except as expressly set forth in this Agreement, the provisions of the Merger Agreement are not intended to, and in no way, modify or supplement the terms of this Agreement. This Agreement (including the Exhibits hereto), the Guarantee and the Confidentiality Agreement constitute the entire agreement among the parties with respect to the subject matter hereof and supersede all prior agreements and undertakings, both written and oral, among the parties, or any of them, with respect to the subject matter hereof and thereof.

Section 10.4. Severability. If any term or other provision of this Agreement is found by a court of competent jurisdiction to be invalid, illegal or incapable of being enforced by any rule of law or public policy, all other conditions and provisions of this Agreement shall nevertheless remain in full force and effect so long as the economic or legal substance of the transactions contemplated hereby is not affected in any manner adverse to any party. Upon such determination that any term or other provision is invalid, illegal or incapable of being enforced, this Agreement shall be interpreted as to effect the original intent of the parties as closely as possible to the end that the transactions contemplated hereby are fulfilled to the fullest extent possible.

Section 10.5. Interpretation. When a reference is made in this Agreement to Sections, Schedules or Exhibits, such reference shall be to a Section, Schedule or Exhibit of this Agreement, respectively, unless otherwise indicated. The table of contents and headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement. Whenever the words “include,” “includes” or “including” are used in this Agreement, they shall be deemed to be followed by the words “without limitation,” if they are not already followed by such words.

Section 10.6. Counterparts; Effect. This Agreement may be executed and delivered (including by facsimile transmission, “.pdf,” or other electronic transmission) in one or more counterparts, and by the different parties in separate counterparts, each of which when executed shall be deemed to be an original but all of which taken together shall constitute one and the same agreement.

Section 10.7. No Third-Party Beneficiaries. This Agreement shall be binding upon and inure solely to the benefit of each party hereto and their successors and permitted assigns, and nothing in this Agreement, express or implied, is intended to or shall confer upon any other Person any rights, benefits or remedies of any nature whatsoever under or by reason of this Agreement.

Section 10.8. Governing Law. This Agreement, and all claims or causes of action (whether at Law, in contract or in tort) that may be based upon, arise out of or relate to this Agreement or the negotiation, execution or performance hereof, shall be governed by, and construed in accordance with, the Laws of the State of Delaware (without giving effect to choice of law principles thereof or of any

other jurisdiction that would mandate or permit the application of the Laws of any jurisdiction other than the State of Delaware).

Section 10.9. Venue. Each of the parties irrevocably (a) agrees that it shall bring any and all actions or proceedings in respect of any claim arising out of, related to, or in connection with, this Agreement or the transactions contemplated by this Agreement, whether in tort or contract or at law or in equity, exclusively in Delaware Court of Chancery and any state appellate court therefrom within the State of Delaware or, if such court shall not have or declines to accept jurisdiction over a particular matter, then any federal court within the State of Delaware, (b) submits with regard to any such action or proceeding, generally and unconditionally, to the personal jurisdiction of such courts and agrees that it will not attempt to deny or defeat such personal jurisdiction by motion or other request for leave from any such court, (c) agrees that it will not bring any action relating to this Agreement or any of the transactions contemplated by this Agreement in any court other than the courts described above, and (d) consents to service being made through the notice procedures set forth in Section 10.2. The Company hereby agrees that service of any process, summons, notice or document by U.S. registered mail to the respective addresses set forth in Section 10.2 shall be effective service of process for any suit or proceeding in connection with this Agreement or the transactions contemplated hereby. Each party hereto hereby irrevocably waives, and agrees not to assert, by way of motion, as a defense, counterclaim or otherwise, in any action or proceeding with respect to this Agreement, any claim that it is not personally subject to the jurisdiction of the above-named courts for any reason other than the failure to serve process in accordance with this Section 10.9, that it or its property is exempt or immune from jurisdiction of any such court or from any legal process commenced in such courts (whether through service of notice, attachment prior to judgment, attachment in aid of execution of judgment, execution of judgment or otherwise), and to the fullest extent permitted by applicable Law, that the suit, action or proceeding in any such court is brought in an inconvenient forum, that the venue of such suit, action or proceeding is improper, or that this Agreement, or the subject matter hereof or thereof, may not be enforced in or by such courts and further irrevocably waives, to the fullest extent permitted by applicable Law, the benefit of any defense that would hinder, fetter or delay the levy, execution or collection of any amount to which the party is entitled pursuant to the final judgment of any court having jurisdiction. Each party expressly acknowledges that the foregoing waiver is intended to be irrevocable under the Laws of the State of Delaware and of the United States of America; provided, that each such party's consent to jurisdiction and service contained in this Section 10.9 is solely for the purpose referred to in this Section 10.9 and shall not be deemed to be a general submission to said courts or in the State of Delaware other than for such purpose.


Section 10.10. Waiver of Jury Trial and Certain Damages. EACH PARTY TO THIS AGREEMENT HEREBY IRREVOCABLY WAIVES ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM (WHETHER BASED ON CONTRACT, TORT OR OTHERWISE) ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THE ACTIONS OF THE PURCHASER OR THE COMPANY IN THE NEGOTIATION, ADMINISTRATION, PERFORMANCE AND ENFORCEMENT HEREOF OR THEREOF.

Section 10.11. Assignment. Except as provided in Section 6.2, neither this Agreement nor any of the rights, interests or obligations hereunder shall be assigned by any party hereto (whether by operation of law or otherwise) without the prior written consent of the other party; provided, however, that the Purchaser may, without the consent of the Company, assign its Registration Rights to any permitted transferee of its Shares or as provided in Annex A.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, this Agreement has been duly executed and delivered by a duly authorized officers of each of the parties hereto as of the date first written above.

TXNM ENERGY, INC.

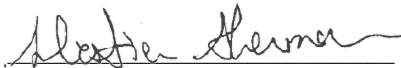
By: 

Name: Patricia K. Collawn
Title: Chief Executive Officer

TROY TOPCO LP

By: Troy GP LLC
Its: General Partner

By: BIP Holdings Manager L.L.C.
Its: Manager

By: 
Name: Sebastien Sherman
Title: Senior Managing Director

SCHEDULE 1
PURCHASER AND PURCHASED SHARES;
NAMES AND ADDRESSES OF PURCHASER

| Name and Address of Purchaser | Number of Shares of Company Common Stock Purchased | Total Purchase Price |
|--|--|----------------------|
| Troy TopCo LP c/o Blackstone Infrastructure Partners L.P. 345 Park Avenue, New York, NY 10154 Attn: Sebastien Sherman Heidi Boyd Max Wade Email: Sebastien.Sherman@Blackstone.com Heidi.Boyd@Blackstone.com Max.Wade@Blackstone.com BIP-LegalandCompliance@Blackstone.com | 8,000,000 | \$400,000,000 |

EXHIBIT A
REGISTRATION RIGHTS

Section 1. Effectiveness of Registration Rights. The registration rights pursuant to Sections 2 and 3 hereof shall become effective on the Closing Date. Terms which are used but not defined in this Exhibit A have the meanings ascribed to them in Article I of the Stock Purchase Agreement, dated as of May 18, 2025, by and among the Company and the Purchaser named therein.

Section 2. Registration Rights Generally.

(a) Shelf Registration. Subject to Section 2(d), the Company shall cause to be filed, no later than 15 days after the termination of the Merger Agreement, a registration statement on Form S-3 (or any successor form) for an offering to be made on a delayed or continuous basis pursuant to Rule 415 under the Securities Act (the "Shelf Registration Statement") with respect to resales of Registrable Shares by any holder of Registrable Shares ("Holders"); provided, that if the Company is a "well-known seasoned issuer" on the date of the termination of the Merger Agreement, such Shelf Registration Statement shall be an "automatic" Shelf Registration Statement. Unless such Shelf Registration Statement shall become automatically effective, the Company shall use commercially reasonable efforts to cause the Shelf Registration Statement to become or be declared effective by the SEC for all of the Registrable Shares covered thereby as promptly as practicable following such filing. The Company shall use commercially reasonable efforts to maintain the Shelf Registration Statement (or a successor registration statement filed with respect to the Registrable Shares) effective (including by filing a new Shelf Registration Statement if the initial Shelf Registration Statement expires) in order to permit the prospectus forming a part thereof to be lawfully delivered and the Shelf Registration Statement to be usable for the resale of the Registrable Shares all Registrable Shares are sold pursuant to such registration statement. The Company shall supplement and amend the Shelf Registration Statement if required by the rules, regulations or instructions applicable to the registration form used for such Shelf Registration Statement or if required by the Securities Act.

(b) Demand Registration. Subject to Section 2(d), one or more Holders shall have the right to make a written demand upon the Company (a "Demand Notice") to have the Company register under the Securities Act for offer and sale an amount of Registrable Shares which are reasonably expected to have aggregate gross proceeds of at least \$25 million. To the extent that the Company is a "well-known seasoned issuer" at the time that a registration statement pursuant to this Section 2(b) is to be filed, the Company shall cause to be filed an automatically effective registration statement. Upon receipt of a Demand Notice, the Company will use commercially reasonable efforts to file with the SEC as promptly as practicable after receiving the Demand Notice, but in no event more than 30 days after receiving the Demand Notice, a registration statement covering all requested Registrable Shares and will use commercially reasonable efforts to cause such registration statement to be declared effective by the SEC as soon as reasonably practicable following the filing thereof. The Company agrees to use commercially reasonable efforts to keep such registration statement continuously effective until all Registrable Shares registered on such registration statement have been disposed of by their Holders. If a Demand Notice has been made on the Company, no subsequent Demand Notice may be made on the Company for 90 days unless the Company has failed to comply with its obligations with respect to the Demand Notice. The Holders shall have the right to exercise registration rights pursuant to this Section 2(b) up to 3 times per calendar year. A registration shall not be counted as "effected" for purposes of this Section 2(b) until such time as the applicable registration statement has been declared effective by the SEC.

(c) Piggyback Registration. If the Company proposes to register (including for this purpose a registration effected by the Company for stockholders other than the Holders) any Company Common Stock under the Securities Act in connection with the public offering of such securities solely for cash (other

than in (i) a registration relating to the sale or grant of securities to employees of the Company or a subsidiary pursuant to a stock option, stock purchase, equity incentive, or similar plan; (ii) a registration relating to a transaction under Rule 145 of the Securities Act; (iii) a registration on any form that does not include substantially the same information as would be required to be included in a registration statement covering the sale of the Registrable Shares; (iv) a registration in which the only Company Common Stock being registered is Company Common Stock issuable upon conversion of debt securities that are also being registered), or (v) any registration in which the Company Common Stock will be sold in at-the-market offerings under an agreement substantially similar to the Distribution Agreement, dated May 6, 2024, among the Company and the sales agents and forward purchasers named therein, the Company shall, at such time, promptly give each Holder notice of such registration. Upon the request of each Holder given within 10 business days after such notice is given by the Company, the Company shall, subject to the provisions of Section 3, cause to be registered all of the Registrable Shares that each such Holder has requested to be included in such registration. The Company shall have the right to terminate or withdraw any registration initiated by it under this Section 2(c) before the effective date of such registration, whether or not any Holder has elected to include Registrable Shares in such registration. The expenses of such withdrawn registration shall be borne by the Company.

(d) Blackout Period. Notwithstanding Section 2(a) and Section 2(b) above, if the Company shall furnish to the Holders a certificate signed by the Chief Executive Officer or the Chief Financial Officer of the Company (each, a “Blackout Notice”) stating that (i) there is a reasonable likelihood that such disclosure, such registration statement or related prospectus to be filed, amended or supplemented, or any other action to be taken in connection with the prospectus, would materially and adversely affect or interfere with any financing, acquisition, merger, disposition of assets (outside the ordinary course of business), corporate reorganization or other similar transaction involving the Company, or (ii) the Company otherwise is in possession of material non-public information, the Company shall be entitled to suspend the use of the registration statement or delay the delivery or filing, but not the preparation, of any registration statement or any amendment or supplement to the registration statement or otherwise delay the completion of any sale of Registrable Shares pursuant to the registration statement for a reasonable period of time, but not to exceed 60 consecutive days or exceed 105 total days in a year (the “Blackout Period”); provided, however, that any Blackout Period shall only be effective when and for so long as other holders, if any, of registration rights with respect to the Company’s securities are restricted from exercising their registration rights to the same or greater extent as the Holders. Upon receipt of a Blackout Notice, the Holders shall not effect sales of Registrable Shares pursuant to the registration statement. The Company shall promptly deliver written notice to the Holders of the expiration or earlier termination of any Blackout Period.

Section 3. Underwriting and Broad Distribution.

(a) If, in connection with a registration under Section 2(a) or Section 2(b), a Holder or group of Holders intend to distribute the Registrable Shares covered by their request by means of an underwritten offering (including by way of an “overnight” transaction or a “bought deal”), they shall so advise the Company in writing. In connection with any such requested underwritten offering, the Company and such Holder(s) shall enter into an underwriting, agency, placement, subscription or other agreement, in usual and customary form and substance (including but not limited to usual and customary indemnities, the provision by independent counsel to the Company of customary opinions and the provision of customary certificates by officers of the Company and the provision by the Company’s independent accountants of customary comfort letters as reasonably requested by such Holder and the managing underwriters of such offering) with managing underwriters to be selected by such Holder(s) and not disapproved by the Company acting reasonably, and the Company shall perform its obligations in connection therewith; provided, however, that no Holder (or any of their assignees) shall be required to make any representations, warranties, or indemnities except as they relate to such Holder’s ownership of shares and authority to enter into the underwriting agreement and to such Holder’s intended method of distribution.

(b) Notwithstanding any other provision of this Section 3 to the contrary, if the managing underwriter(s) advise(s) the Holders in writing that, in the reasonable opinion of the managing underwriter(s), the total number of Company Common Stock, including Registrable Shares, requested by the Holders and any other holders to be included in the offering exceeds the number of Company Common Stock which can be sold without materially and adversely affecting the price or marketability of the offering, then the number of Company Common Stock that shall be included in the underwriting shall be allocated (i) first, to the Holder or group of Holders requesting such offering, *pro rata* based on the number of Registrable Shares held by them, (ii) second, to any other Holders who have requested participation in such offering, *pro rata* based on the number of Registrable Shares held by them, (iii) third, to other holders of Company Common Stock with registration rights entitling them to participate in such offering, allocated among such other holders *pro rata* on the basis of the number of shares of Company Common Stock held by each applicable other holder or in such manner as they may agree and (iv) fourth, to the Company.

(c) If the total number of Company Common Stock, including Registrable Shares, requested by a Holder or group of Holders to be included in an offering pursuant to Section 2(c) exceeds the number of Company Common Stock which, in the reasonable opinion of the managing underwriter(s), can be sold without materially and adversely affecting the price or marketability of the offering, then the Company shall be required to include in the offering only that number of such Company Common Stock, including Registrable Shares, which the underwriters in their sole discretion determine will not jeopardize the success of the offering. If the managing underwriter(s) determine that less than all of the Registrable Shares requested to be registered can be included in a primary offering, then the number of Company Common Stock that may be included in the underwriting shall be allocated (i) first, to the Company, (ii) second, to the Holder or group of Holders requesting participation, *pro rata* based on the number of Registrable Shares held by them and (iii) third, to other holders of Company Common Stock with registration rights entitling them to participate in such offering, allocated among such other holders *pro rata* on the basis of the number of shares of Company Common Stock held by each applicable other holder or in such manner as they may agree. If the underwriters determine that less than all of the Registrable Shares requested to be registered can be included in a secondary offering on behalf of holders of Company Common Stock which are not Registrable Shares, then the securities that are included in such offering shall be allocated (i) first, to such other holders, allocated among such other holders *pro rata* on the basis of the number of shares of Company Common Stock held by each applicable other holder or in such manner as they may agree, (ii) second, to the Holder or group of Holders requesting participation, *pro rata* based on the number of Registrable Shares held by them, (iii) third, to other holders of Company Common Stock with registration rights entitling them to participate in such offering, allocated among such other holders *pro rata* on the basis of the number of shares of Company Common Stock held by each applicable other holder or in such manner as they may agree and (iv) fourth, to the Company.

Section 4. Registration Mechanics.

(a) Company Obligations. In connection with any registration of Registrable Shares pursuant to Section 2, the Company shall:

(i) Notify the Holders (i) of the filing of a registration statement, (ii) promptly after the Company receives notice thereof, of the time when such registration statement has been declared effective or an amendment or supplement to the registration statement or any prospectus forming a part of such registration statement has been filed (other than any amendment or supplement resulting from the filing of a document incorporated by reference therein) and (iii) the receipt of any transmittal letters, written comments from or other correspondence with the SEC with respect to any filing referred to in clause (i) and any written request by the SEC for amendments or supplements to such registration statement or any prospectus or prospectus supplement thereto;

(ii) prepare and file with the SEC such amendments and supplements to such registration statement and the prospectus used in connection with such registration statement as may be necessary to comply with the provisions of the Securities Act and the rules promulgated thereunder with respect to the sale or other disposition of all of the securities proposed to be registered by such registration statement;

(iii) furnish to the Holders as far in advance as reasonably practicable before filing such number of copies of any prospectus (including preliminary, amended and supplemental prospectuses and any “issuer free writing prospectuses” (as such term is defined in Rule 433 under the Securities Act)) and conformed copies of the registration statement (including amendments or supplements thereto and, in each case, all exhibits) and such other documents as it may reasonably request, but only while the Company shall be required under the provisions hereof to cause the registration statement to remain effective, and provide such Holders the opportunity to comment on any information pertaining to such Holders and its plan of distribution that is contained therein and make corrections reasonably requested by such Holders with respect to such information;

(iv) after such registration statement becomes effective, notify each selling Holder of any written comments received from the SEC or any request by the SEC that the Company amend or supplement such registration statement or prospectus;

(v) (A) use its best efforts to register or qualify the Registrable Shares covered by such registration statement under such other securities or blue sky laws of such jurisdictions as the Holders or any underwriter shall reasonably request, and do any and all other acts and things which may be necessary or advisable to enable such Holders or any underwriter to consummate the disposition of Registrable Shares in such jurisdictions and (B) keep such registration or qualification in effect for so long as the registration statement remains in effect; provided, however, that the Company shall not be obligated to qualify to do business as a foreign corporation under the laws of any jurisdiction in which it shall not then be qualified or to file any general consent to service of process in any jurisdiction in which such a consent has not been previously filed;

(vi) use commercially reasonable efforts to furnish, or cause to be furnished, to the Holders, addressed to them, (A) an opinion of counsel for the Company, dated the date of the closing under the underwriting agreement relating to any underwritten offering, and (B) a “cold comfort” letter signed by the independent public accountants who have certified the Company’s financial statements included in such registration statement, covering substantially the same matters with respect to such registration statement (and the prospectus included therein) and, in the case of such accountants’ letter, with respect to events subsequent to the date of such financial statements, as are customarily covered in opinions of issuer’s counsel and in accountants’ letters delivered to underwriters in underwritten public offerings of securities and such other matters as such Holders may reasonably request;

(vii) use its reasonable best efforts to cause all Registrable Shares proposed to be registered by such registration statement to be registered with or approved by such other federal or state government agencies or authorities as may be necessary in the opinion of counsel to the Company to enable the Holders to consummate the disposition of such Registrable Shares;

(viii) make available to the Holders, any underwriter participating in any disposition pursuant to a registration statement, and any attorney, accountant or other agent or representative retained by any selling Holder or underwriter, upon request, all financial and other records, pertinent corporate documents and properties of the Company and any of its subsidiaries, including access to due diligence meetings involving the senior executives of the Company, as shall

be reasonably necessary to enable the Holders, representatives of the Holders and the underwriters to conduct reasonable due diligence and cause the Company's officers, directors and employees to supply all information reasonably requested by any such person in connection with such registration statement subject, in each case, to such confidentiality agreements as the Company shall reasonably request;

(ix) cooperate and assist in any filings required to be made with the Financial Industry Regulatory Authority, Inc. and in the performance of any due diligence investigation by any underwriter in an underwritten offering;

(x) in the case of an offering that includes a provider of advisory services, enter into and perform its obligations under customary agreements (including an advisory services agreement and an indemnification agreement in customary form);

(xi) enter into customary agreements and take such other actions as are reasonably requested by the Holders or the underwriter(s), if any, in order to expedite or facilitate the disposition of Registrable Shares;

(xii) make available executive officers and other members of senior management of the Company (including the principal executive and financial officers of the Company) at "road shows" or other investor presentations conducted in connection with offerings of Registrable Shares;

(xiii) notify the Holders any time (i) a prospectus relating to the offering of Registrable Shares is required to be delivered or filed under the Securities Act upon discovery that, or upon the occurrence of any event as a result of which, the prospectus included in such registration statement, as then in effect, includes an untrue statement of a material fact or omits to state any material facts required to be stated therein or necessary to make the statements therein not misleading, in light of the circumstances under which they were made, and (subject to the good faith determination of the board of directors of the Company as to whether to cease all sales under such registration statement); (ii) the issuance or threat of issuance by the SEC of any stop order suspending the effectiveness of such registration statement or the initiation of any proceedings for that purpose; or (iii) the receipt by the Company of any notification with respect to the suspension of the qualification of any Registrable Shares for sale under the applicable securities or blue sky laws of any jurisdiction. Following the provision of such notice, the Company shall prepare and furnish to the Holders as promptly as practicable a reasonable number of copies of a supplement to or an amendment of such prospectus or take other appropriate action as may be necessary so that, as thereafter delivered to the purchasers of such securities, such prospectus shall not include an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading, in the light of the circumstances under which they were made;

(xiv) if reasonably required by the Company's transfer agent, use reasonable best efforts to promptly deliver any authorizations, certificates and directions required by the transfer agent which authorize and direct the transfer agent to transfer Registrable Shares without legend, in accordance with applicable law, upon sale by Holders of such Registrable Shares;

(xv) if requested by Holders in connection with any transaction involving any Registrable Shares (including any sale or other transfer of such Registrable Shares without registration under the Securities Act, pledges pursuant to margin loans, hedges or other transactions or arrangements (including, without limitation, any put or call option, or combination thereof,

forward, swap or any other derivative transaction or instrument, however described or defined)), provide such Holders with customary and reasonable assistance to facilitate such transaction, including, without limitation such action as such Holders may reasonably request from time to time to enable such Holder to sell Registrable Shares without registration under the Securities Act;

(xvi) if a Holder seeks to effectuate an in-kind distribution of all or part of its Registrable Shares to its direct or indirect equityholders, reasonably cooperate with and assist such Holder, such equityholders and the Company's transfer agent to facilitate such in-kind distribution in the manner reasonably requested by such Holder (including the delivery of instruction letters by the Company or its counsel to the Company's transfer agent, the delivery of customary legal opinions by counsel to the Company following receipt by the Company and such counsel of any certifications and other documentation reasonably requested by each of them, and the delivery of Registrable Shares without restrictive legends to the extent no longer applicable);

(xvii) in connection with any Block Trade (as defined below), use its reasonable best efforts to timely furnish any information or take any actions reasonably requested by the Block Trade Requesting Holders (as defined below) in connection with such a Block Trade, including the delivery of customary comfort letters, customary legal opinions and customary underwriter due diligence, in each case subject to receipt by the Company, its auditors and legal counsel of reasonable representations and documentation by such persons to permit the delivery of such comfort letter and legal opinions;

(xviii) cooperate with and assist any Holder to facilitate the transfer of such Holder's Registrable Shares to a DTC brokerage account as reasonably requested by such Holder (including the delivery of instruction letters by the Company or its counsel to the Company's transfer agent, the delivery of customary legal opinions by counsel to the Company and the delivery of such Registrable Shares without restrictive legends), provided, that the Holder shall (i) deliver such documents and undertakings reasonably requested by the Company, its counsel or its transfer agent in connection with such request and (ii) agree not to sell such shares unless an effective registration statement is on file with the SEC or there is an applicable exemption from registration for such sale under the Securities Act or the rules promulgated thereunder;

(xix) use reasonable efforts to comply with all applicable rules and regulations of the SEC; and

(xx) cause the Registrable Shares covered by such registration statement to be listed on the New York Stock Exchange and on any other principal securities exchange on which Company securities of the same class as the Registrable Shares are then listed.

(b) Holder Obligations. Each Holder agrees that:

(i) it shall be a condition precedent to the obligations of the Company to complete the registration pursuant hereto with respect to any Holder's Registrable Shares that the Holder shall furnish to the Company such information regarding Holder, the Registrable Shares held by Holder and the intended method of disposition of the Registrable Shares held by the Holder as shall be reasonably required to effect the registration of such Registrable Shares and shall execute such documents in connection with such registration as the Company may reasonably request. At least 10 business days prior to the first anticipated filing date of the registration statement, the Company shall notify the Holders of the information the Company requires from each Holder (the "Requested Information") if any of such Holder's Registrable Shares are eligible for inclusion in the registration statement. If at least 2 business days prior to the filing date the Company has not

received the Requested Information from any such Holder (at such time Holder becoming a “Non-Responsive Holder”), then the Company may file the registration statement without including the Non-Responsive Holder’s Shares but shall not be relieved of its obligation to file a registration statement with the SEC relating to the Shares of Non-Responsive Holder promptly after Non-Responsive Holder provides the Requested Information;

(ii) it shall not prepare or use any “free writing prospectus” (as such term is defined in Rule 405 under the Securities Act) unless any and all issuer information included therein has been approved by the Company (such approval not to be unreasonably withheld);

(iii) as promptly as practicable after becoming aware of such event, it shall notify the Company of the occurrence of any event, as a result of which the prospectus included in a registration statement, as then in effect, includes an untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading; and

(iv) upon receipt of any notice from the Company of the occurrence of any event of the kind described in Section 4(a)(xiii), it will forthwith discontinue its disposition of Registrable Shares pursuant to the registration statement relating to such Registrable Shares until it receives copies of the supplemented or amended prospectus contemplated by Section 4(a)(xiii) and, if so directed by the Company, it will deliver to the Company all copies then in their possession of the prospectus relating to such Registrable Shares, current at the time of receipt of such notice. If a Holder’s disposition of Registrable Shares in connection with a Demand Notice is discontinued pursuant to the foregoing sentence, unless the Company thereafter extends the effectiveness of the registration statement to permit dispositions of Registrable Shares by any selling Holders at least 60 consecutive days and for an aggregate of 180 days, whether or not consecutive, the registration statement shall not be counted for purposes of determining whether the Holders have exercised a Demand Notice pursuant to Section 2(b).

Section 5. Expenses. The Company shall pay or cause to be paid (i) all of the Company’s fees and expenses in connection with any registration and sale of Registrable Shares pursuant to the Registration Rights (including, without limitation, all registration and filing fees, all printing costs, all fees and expenses of counsel and independent accountants for the Company, all fees and expenses of complying with securities or blue sky laws) and (ii) fees and disbursements for each registration or offering, filing or qualification, of one counsel for the Holders, to be selected by Holders of a majority of the Registrable Shares.

Section 6. Block Trades. If a Holder wishes to engage in an underwritten or other coordinated registered or unregistered offering not involving a “roadshow,” an offer commonly known as a “block trade” (a “Block Trade”), then such Holder (in such capacity, a “Block Trade Requesting Holder”) may notify the Company of the Block Trade not less than three business days prior to the day such offering is first anticipated to commence and the Company shall as expeditiously as possible use its reasonable best efforts to facilitate such Block Trade; provided, that the Block Trade Requesting Holders representing a majority of the Registrable Shares wishing to engage in the Block Trade shall use reasonable best efforts to work with the Company and any underwriters prior to making such request in order to facilitate preparation of the prospectus supplement (as applicable and if required) and other offering documentation related to the Block Trade; provided, further, that if, in connection with a Block Trade, the Company is not required to take any actions to facilitate such Block Trade (other than customary coordination with the Company’s transfer agent to remove any restrictive legends from the Registrable Shares disposed of in such Block Trade but not procuring the delivery of an opinion by the Company’s counsel), then a Block Trade Requesting Holder shall not be required to notify the Company prior to such Block Trade. Prior to the filing

of an applicable “red herring” prospectus supplement used in connection with a Block Trade, the Block Trade Requesting Holder initiating such Block Trade shall have the right to elect to withdraw therefrom by notice to the Company and the managing underwriter(s) thereof. The Block Trade Requesting Holder(s) initiating a Block Trade pursuant to this Section 6 shall have the right to select underwriter(s) for such Block Trade.

Section 7. Opt-Out Notices. Any Holder may deliver written notice (an “Opt-Out Notice”) to the Company requesting that such Holder not receive notice from the Company as provided in this Exhibit A; provided, that such Holder may later revoke any such Opt-Out Notice in writing. Following receipt of an Opt-Out Notice from a Holder (unless subsequently revoked), the Company shall not deliver any notice to such Holder pursuant to this Exhibit A, and such Holder shall no longer be entitled to the rights associated with any such notice.

Section 8. Indemnification and Contribution.

(a) Indemnification by the Company. With respect to any offering and sale registered pursuant to these Registration Rights, the Company agrees to indemnify and hold any selling Holder, each underwriter, if any, of the Registrable Shares under such registration, and each Person who controls any of the foregoing within the meaning of Section 15 of the Securities Act, and any directors and officers of the foregoing, harmless against any and all losses, claims, damages, or liabilities (including reasonable legal fees and other reasonable expenses incurred in the investigation and defense thereof) to which they or any of them may become subject under the Securities Act or otherwise (collectively “Losses”), insofar as any such Losses shall arise out of or shall be based upon (i) any untrue statement or alleged untrue statement of a material fact contained in the registration statement relating to the sale of such Registrable Shares, or the omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, or (ii) any untrue statement or alleged untrue statement of a material fact contained in the prospectus relating to the sale of such Registrable Shares, or the omission or alleged omission to state therein a material fact necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading; provided, however, that the indemnification contained in this Section 8 shall not apply to such Losses which shall arise out of or shall be based upon any such untrue statement, or any such omission or alleged omission, which shall have been made in reliance upon and in conformity with information furnished in writing to the Company by any selling Holder or any underwriter, as the case may be, specifically for use in connection with the preparation of the registration statement or prospectus contained in the registration statement or any such amendment thereof or supplement therein.

(b) Indemnification by the Holders. In the case of each offering and sale registered pursuant to these Registration Rights, any selling Holder and each underwriter, if any, participating therein shall severally indemnify and hold harmless the Company and each Person, if any, who controls the Company within the meaning of Section 15 of the Securities Act, and the directors and officers of the Company, with respect to any statement in or omission from such registration statement or prospectus contained in such registration statement (as amended or as supplemented, if amended or supplemented as aforesaid) if such statement or omission shall have been made in reliance upon and in conformity with information furnished in writing to the Company by any selling Holder or such underwriter, as the case may be, specifically for use in connection with the preparation of such registration statement or prospectus contained in the registration statement or any such amendment thereof or supplement thereto.

(c) Notice. Each party indemnified under this Section 8 shall promptly after receipt of notice of the commencement of any claim against such indemnified party in respect of which indemnity may be sought hereunder, notify the indemnified party in writing of the commencement thereof. The failure of any indemnified party to notify an indemnifying party shall not relieve the indemnifying party from any liability

in respect of such action which it may have to such indemnified party on account of the indemnity contained in this Section 8, unless (and only to the extent) the indemnifying party was prejudiced by such failure, and in no event shall such failure relieve the indemnifying party from any other liability which it may have to such indemnified party. In case any action in respect of which indemnification may be sought hereunder shall be brought against any indemnified party and it shall notify an indemnifying party of the commencement thereof, the indemnifying party shall be entitled to participate therein and, to the extent that it may desire, jointly with any other indemnifying party similarly notified, to assume the defense thereof through counsel reasonably satisfactory to the indemnified party, and after notice from the indemnifying party to such indemnified party of its election to assume the defense thereof, the indemnifying party shall not be liable to such indemnified party under this Section 8 for any legal or other expenses subsequently incurred by such indemnified party in connection with the defense thereof, other than reasonable costs of investigation (unless such indemnified party reasonably objects to such assumption on the grounds that there may be defenses available to it which are different from or in addition to those available to such indemnifying party in which event the indemnifying party shall not be entitled to assume the defense thereof with respect to such defenses). No indemnifying party shall, without the prior written consent of the indemnified party, effect any settlement of any claim or pending or threatened proceeding in respect of which the indemnified party is or could have been a party and indemnity could have been sought hereunder by such indemnified party, unless such settlement includes an unconditional release of such indemnified party from all liability arising out of such claim or proceeding.

(d) Contribution. If the indemnification provided for in this Section 8 is unavailable to an indemnified party or is insufficient to hold such indemnified party harmless from any Losses in respect of which this Section 8 would otherwise apply by its terms (other than by reason of exceptions provided herein), then each applicable indemnifying party, in lieu of indemnifying such indemnified party, shall contribute to the amount paid or payable by such indemnified party as a result of such Losses, in such proportion as is appropriate to reflect the relative benefits received by the indemnifying party, on the one hand, and such indemnified party, on the other hand, in connection with the offering to which such contribution relates; provided, however, that the maximum amount of liability in respect of such contribution shall be limited in the case of a Holder to the net proceeds (after deducting underwriters' discounts and commissions) received by such Holder in connection with such offering. If, however, the allocation provided by the immediately preceding sentence is not permitted by applicable law, then each applicable indemnifying party, in lieu of indemnifying such indemnified party, shall contribute to the amount paid or payable by such indemnified party as a result of such Losses, in such proportion as is appropriate to reflect the relative fault of the indemnifying party, on the one hand, and such indemnified party, on the other hand, in connection with the offering to which such contributions relates as well as any other relevant equitable considerations. The relative fault shall be determined by reference to, among other things, each party's relative knowledge and access to information concerning the matter with respect to which the claim was asserted, and the opportunity to correct and prevent any statement or omission. The amount paid or payable by a party as a result of any Losses shall be deemed to include any legal or other fees or expenses incurred by such party in connection with any investigation or proceeding to the extent such party would have been indemnified for such expenses if the indemnification provided for in this Section 8 was available to such party. The parties hereto agree that it would not be just and equitable if contribution pursuant to this Section 8(d) were determined by pro rata allocation or by any other method of allocation that does not take account of the equitable considerations referred to in the preceding paragraph. No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation.

Section 9. Exchange Act Reports. With a view to making available to the Holders the benefits of Rule 144 and any other rule or regulation of the SEC that may at any time permit a Holder to sell securities of the Company to the public without registration, the Company agrees, subject to the final

paragraph of this Section 9, to use its reasonable best efforts to take such action as any Holder may reasonably request to sell Registrable Shares without registration and to:

(a) make and keep public information available, as those terms are understood and defined in Rule 144, at all times, and take all action as may be required as a condition to the availability of Rule 144;

(b) so long as a Holder owns any Registrable Shares, furnish to any Holder upon its reasonable written request a written statement certifying the Company's compliance with the reporting requirements of Rule 144 or any similar rule, and a copy of the most recent annual, periodic or current report of the Company filed pursuant to the Exchange Act and such other reports and documents as reasonably requested by such Holder in availing itself of any rule or regulation of the SEC allowing the sale of the Registrable Shares without registration; and

(c) facilitate and expedite transfers of Registrable Shares sold pursuant to SEC Rule 144, including providing timely notice to its transfer agent to expedite such transfers.

The obligations described in this Section 9 shall not apply during the Lock-Up Period.

Section 10. Other Agreements.

(a) The Company shall not grant, and has not granted, any other Person rights to register securities of the Company on terms that are superior to or would conflict with the Registration Rights or would be reasonably likely to restrict the ability of the Company fully to perform its obligations to the Holders in connection with the Registration Rights.

(b) The Company shall not amend any registration rights agreement with any other Person nor shall the Company waive any provision under any registration rights agreement that it would be entitled to waive thereunder if such waiver would be reasonably likely to adversely affect any Holder's Registration Rights.

Section 11. Assignment. Neither the Company nor any Holder shall assign all or any part of the Registration Rights without the prior written consent of the other party; provided, however, that without the prior written consent of the Company, the Holders may assign their Registration Rights in whole or in part to (x) any of their Affiliates and/or (y) any Person who becomes a Holder upon a distribution by any Holder of Registrable Shares to their members, limited partners or stockholders. Except as otherwise provided herein, this Exhibit A will inure to the benefit of and be binding on the parties hereto and their respective successors and permitted assigns.

Stock Purchase Agreement entered into between TXNM and
Zimmer Partners, LP

JA Exhibit JDT-2

Is contained in the following 27 pages.

Execution Version

STOCK PURCHASE AGREEMENT

by and between

TXNM ENERGY, INC.

and

ZIMMER PARTNERS, LP
ZP MASTER UTILITY FUND LTD.
ZIMMER MASTER INFRASTRUCTURE FUND, LP
ZP MASTER MIDCAP FUND, LTD.
COMPASS OFFSHORE SAV II PCC LIMITED
COMPASS SAV II L.L.C.

Dated as of June 24, 2025

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STOCK PURCHASE AGREEMENT

This STOCK PURCHASE AGREEMENT, dated as of June 24, 2025 (this “Agreement”), is entered into by and between TXNM Energy, Inc., a New Mexico corporation (the “Company”), Zimmer Partners, LP (“Zimmer Partners”) and each purchaser (each, a “Purchaser” and together with Zimmer Partners, the “Zimmer Parties”) listed on Schedule I hereto.

RECITALS

WHEREAS, the Company wishes to sell an aggregate of 3,615,003 shares of its common stock, no par value (the “Company Common Stock” and the shares of Company Common Stock purchased hereunder, the “Shares”), to the Purchasers as set forth on Schedule I, and each Purchaser wishes to purchase the Shares as set forth on Schedule I.

NOW, THEREFORE, the parties hereto agree as follows:

ARTICLE I. DEFINITIONS

Section 1.1. Definitions. For purposes of this Agreement, the following terms shall have the following meanings:

“Acquisition Proposal” has the meaning specified in the Merger Agreement.

“Affiliate” means, with respect to any Person, any other Person directly or indirectly, controlling, controlled by, or under common control with, such Person.

“Agreement” has the meaning specified in the Introduction.

“Bankruptcy and Equity Exception” has the meaning specified in the Merger Agreement.

“Blackout Notice” has the meaning specified in Section 2(b) of Exhibit A.

“Blackout Period” has the meaning specified in Section 2(b) of Exhibit A.

“Business Day” means any day other than a Saturday or Sunday or a day on which banks are required or authorized to close in the United States in New York, New York.

“Closing” has the meaning specified in Section 2.3(a).

“Closing Date” has the meaning specified in Section 2.3(a).

“Company” has the meaning specified in the Introduction.

“Company Change of Recommendation” has the meaning specified in the Merger Agreement.

“Company Common Stock” has the meaning specified in the Recitals.

“control” means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities, by contract or otherwise.

“Exchange Act” means the Securities Exchange Act of 1934, as amended.

“Exchange Act Documents” means (i) the Form 10-K, (ii) the Company’s Quarterly Report on Form 10-Q for the quarter ended March 31, 2025, filed with the Commission on May 9, 2025, (iii) the Company’s Additional Definitive Proxy Soliciting Materials on Schedule 14A filed with the Commission on May 20, 2025 and (iv) the Company’s Current Reports on Form 8-K filed with the Commission on January 22, 2025, February 14, 2025, February 27, 2025, April 23, 2025, May 14, 2025, May 15, 2025, May 19, 2025 (as amended by the Form 8-K/A filed on May 22, 2025), May 27, 2025 and June 20, 2025 (in each case, excluding those portions furnished pursuant to Item 2.02 and Item 7.01, if applicable).

“Excluded Information” means additional information relating to the Company and the Merger that may be included in the Proxy Statement, including, without limitation, information regarding the background of the Merger, information regarding executive compensation matters relating to the Merger, and financial projections provided to the prospective purchaser in connection with the Merger.

“Excluded Securities” has the meaning specified in Section 4.5.

“Form 10-K” means the Company’s Annual Report on Form 10-K for the year ended December 31, 2024, as filed with the Securities and Exchange Commission on February 28, 2025.

“Governmental Entity” has the meaning specified in the Merger Agreement.

“Holder” has the meaning specified in Section 2 of Exhibit A.

“Law” has the meaning specified in the Merger Agreement.

“Lock-Up Period” has the meaning specified in Section 6.1.

“Losses” has the meaning specified in Section 5(a) of Exhibit A.

“Merger” has the meaning specified in the Merger Agreement.

“Merger Agreement” means the Agreement and Plan of Merger, dated as of May 18, 2025, by and among Parent, Merger Sub and the Company.

“Merger Sub” means Troy Merger Sub Inc., a Delaware corporation.

“Parent” means Troy ParentCo LLC, a Delaware limited liability company.

“Per Share Price” has the meaning specified in Section 2.1.

“Person” means an individual, corporation (including not-for-profit), general or limited partnership, limited liability company, joint venture, estate, trust, association, organization, unincorporated organization, other entity or group (as defined in Section 13(d)(3) of the Exchange Act).

“Proxy Statement” has the meaning specified in the Merger Agreement.

“Purchaser” has the meaning specified in the Introduction.

“Registrable Shares” means the Shares, and any Company Common Stock or other securities of the Company or any successor entity which may be issued or distributed in respect of the

Registrable Shares by way of stock dividend or stock split or other distribution, recapitalization, merger, conversion or reclassification.

“Registration Rights” has the meaning specified in Section 2.2.

“Representative” has the meaning specified in the Merger Agreement.

“SEC” means the U.S. Securities and Exchange Commission.

“Securities Act” means the Securities Act of 1933, as amended.

“Shares” has the meaning specified in the Recitals.

“Shelf Registration Statement” has the meaning specified in Section 2(a) of Exhibit A.

“subsidiary” or “subsidiaries” means, with respect to any Person (i) any corporation, association or other business entity (other than a partnership, joint venture or limited liability company) of which 50% or more of the total voting power of shares of stock or other equity interests of such Person entitled (without regard to the occurrence of any contingency) to vote in the election of directors, managers or trustees thereof is at the time of determination owned or controlled, directly or indirectly, by such Person or one or more of the other subsidiaries of that Person or a combination thereof and (ii) any partnership, joint venture or limited liability company of which (a) 50% or more of the capital accounts, distribution rights, total equity or voting interests or general and limited partnership interests, as applicable, are owned or controlled, directly or indirectly, by such Person or one or more of the other subsidiaries of that Person or a combination thereof, whether in the form of membership, general, special or limited partnership interests or otherwise and (b) such Person or any subsidiary of such Person is a controlling general partner or otherwise controls such entity.

“Transfer” has the meaning specified in Section 6.1.

“Zimmer Parties” has the meaning specified in the Introduction.

“Zimmer Partners” has the meaning specified in the Introduction.

ARTICLE II. PURCHASE AND SALE OF THE SECURITIES

Section 2.1. Issuance and Sale of Securities. Upon the terms and subject to the conditions of this Agreement, at the Closing, the Company agrees to issue, sell and deliver to each Purchaser, and each Purchaser agrees to purchase from the Company, for a purchase price of \$55.325 per Share (the “Per Share Price”) the number of Shares indicated for such Purchaser by such Purchaser’s name on Schedule I.

Section 2.2. Registration Rights. Each Purchaser shall have the rights to registration under the Securities Act of the Registrable Shares, on the terms and subject to the conditions set forth in Exhibit A (the “Registration Rights”).

Section 2.3. Closing and Delivery.

(a) The consummation of the purchase and sale of the Shares hereunder (the “Closing”) shall take place (i) upon three (3) Business Day following the date on which the New York

Stock Exchange has authorized the listing of the Shares, and (ii) at the offices of Troutman Pepper Locke LLP, or such other date, time and place as the Company and the Purchasers shall mutually agree in writing (the date of the Closing being the “Closing Date”).

(b) At the Closing, the Company shall deliver to each Purchaser evidence reasonably satisfactory to such Purchaser that the Company has made appropriate book entry notation reflecting the issuance of the Shares, representing the number of Shares which such Purchaser is purchasing from the Company, against delivery to the Company of a wire transfer of immediately available funds in US dollars to the order of the Company in the aggregate amount equal to the Per Share Price times the number of Shares to be purchased by such Purchaser in accordance with Section 2.1, and the Company shall register such Purchaser as the holder of such Shares in the register of holders of the Company Common Stock.

Section 2.4. Restrictive Legend. The Shares shall bear an appropriate notation of the following legend until such time as (i) such Shares are sold pursuant to an effective registration statement under the Securities Act, (ii) the Lock-Up Period has expired and such Shares are eligible for resale in reliance on Rule 144 under the Securities Act without restriction or limitation (including such restrictions or limitations under paragraph (c), (d), (e), (f), (g) and (h) of Rule 144), or (iii) the Lock-Up Period has expired and the applicable Purchaser or any transferee thereof delivers an opinion of counsel reasonably acceptable to the Company to the effect that such legend is no longer required under the Securities Act:

THESE SECURITIES WERE SOLD IN A PRIVATE PLACEMENT, WITHOUT REGISTRATION UNDER THE SECURITIES ACT OF 1933, AND MAY BE OFFERED, SOLD OR TRANSFERRED ONLY IF REGISTERED UNDER THE SECURITIES ACT OF 1933 OR IF AN EXEMPTION FROM REGISTRATION IS AVAILABLE. THESE SECURITIES ARE SUBJECT TO THE PROVISIONS OF THE STOCK PURCHASE AGREEMENT, DATED AS OF JUNE 24, 2025, BY AND BETWEEN THE COMPANY AND THE PURCHASER NAMED THEREIN AND MAY NOT BE SOLD OR TRANSFERRED EXCEPT IN ACCORDANCE THEREWITH.

ARTICLE III. REPRESENTATIONS AND WARRANTIES OF THE COMPANY

The Company hereby represents and warrants to each Purchaser that:

Section 3.1. Due Incorporation and Qualification. Each of the Company and the Company’s significant subsidiaries (within the meaning of Rule 1-02(w) of Regulation S-X under the Exchange Act) has been duly incorporated or organized, is validly existing as a corporation or other business entity in good standing under the Laws of the jurisdiction in which it is chartered or organized with full corporate power and authority to own, lease and operate its properties and assets, and conduct its business, as described in the Exchange Act Documents.

Section 3.2. Capitalization. The Company has an authorized capitalization as set forth in the Form 10-K.

Section 3.3. Shares. The Shares to be issued and sold by the Company pursuant to this Agreement have been duly and validly authorized; such Shares, when issued and delivered in accordance with the terms of this Agreement will be validly issued, fully paid, non-assessable, free and clear of all liens and encumbrances (other than the restrictions on transfer or other encumbrances provided for in this Agreement) and will conform in all material respects to the description of the Company Common Stock

in Exhibit 4.1 to the Form 10-K. Shareholders of the Company have no preemptive rights with respect to the issuance of the Shares.

Section 3.4. Company Disclosures. The Exchange Act Documents, taken together as a whole, do not as of the date hereof contain any untrue statement of a material fact or omit to state any material fact necessary to make the statements therein not misleading in light of the circumstances under which they were made (it being understood and agreed by the Purchaser that the omission of any Excluded Information shall not be deemed to be an omission of information for purposes of this representation).

Section 3.5. Listing and Maintenance Requirements. The Company Common Stock has been registered pursuant to Section 12(b) of the Exchange Act, and the Company has not taken any action designed to, or which to its knowledge is likely to have the effect of, terminating the registration of the Company Common Stock under the Exchange Act (other than as a result of the consummation of the transactions contemplated by the Merger Agreement) nor has the Company received any notification that the SEC is contemplating terminating such registration. The Company has not, in the 12 months preceding the date hereof, received notice from the New York Stock Exchange to the effect that the Company is not in compliance with the listing or maintenance requirements of the New York Stock Exchange.

Section 3.6. WKSI Status. The Company is a “well-known seasoned issuer” and is not an “ineligible issuer” (as such terms are defined in Rule 405 under the Securities Act).

Section 3.7. Investment Company. The Company is not, and after giving effect to the offer and sale of the Shares and the application of the proceeds thereof, will not be, an “investment company” within the meaning of such term under the Investment Company Act of 1940, as amended.

Section 3.8. Authority. The Company has all requisite corporate power and authority, and has taken all corporate action necessary, to execute, deliver and perform its obligations under this Agreement. This Agreement has been duly and validly executed and delivered by the Company. Assuming the due authorization, execution and delivery hereof by the Purchaser, this Agreement constitutes a legal, valid and binding obligation of the Company enforceable against the Company in accordance with its terms, subject to the Bankruptcy and Equity Exception.

Section 3.9. No Conflicts. The execution, delivery and performance of this Agreement by the Company, the issue, sale and delivery of the Shares pursuant to this Agreement, and the consummation of the transactions contemplated hereby, does not and will not (i) conflict with or result in a breach or violation of any of the terms or provisions of, or constitute a default or result in the loss of a benefit under, or give rise to any right of payment (other than payment of the Per Share Price on each Share pursuant to the terms, and subject to the conditions of, this Agreement), reimbursement, termination, revocation, cancellation, amendment, creation, modification or acceleration of, or impose any lien, charge or encumbrance upon any property or assets of the Company or any of its subsidiaries, or any indenture, mortgage, deed of trust, loan agreement, or other agreement or instrument to which the Company or any of its subsidiaries is a party or by which the Company or any of its subsidiaries is bound or to which any of the property or assets of the Company or any of its subsidiaries is subject; (ii) result in any breach or violation of the provisions of the charter, by-laws or other organizational documents of the Company or any of its subsidiaries; or (iii) result in any violation of any Law, except, in the case of clauses (i) and (iii), any such conflict, breach or violation which, if it did exist, has not had and would not, individually or in the aggregate, reasonably be expected to prevent, materially delay or materially impair the consummation of the transactions contemplated by this Agreement.

Section 3.10. Approvals. Assuming the accuracy of Purchasers’ representations and warranties in ARTICLE IV, no clearances, expirations or terminations of waiting periods, non-actions,

waivers, qualifications, consent, approval, authorization or order of, or filing or registration with, any court or governmental agency or body having jurisdiction over the Company or any of its subsidiaries or any of their properties is required (with or without notice or lapse of time, or both) to be obtained by the Company for the execution, delivery and performance of this Agreement or the consummation of the transactions contemplated hereby, except those that the failure of which to obtain, individually or in the aggregate, would not reasonably be expected to prevent, materially delay or materially impair the consummation of the transactions contemplated by this Agreement.

Section 3.11. Private Placement. Assuming the accuracy of the Purchasers' representations and warranties set forth in Section 4.6 of this Agreement, no registration under the Securities Act is required for the offer and sale of the Shares by the Company to the Purchasers under this Agreement.

Section 3.12. No Other Representations of the Zimmer Parties. Except for the representations and warranties contained in ARTICLE IV, the Company acknowledges that neither Zimmer Partners, the Purchasers nor any other Person on behalf of the Purchasers makes, or has made, any other express or implied representation or warranty with respect to the Purchasers or their subsidiaries and businesses or with respect to the transactions contemplated by this Agreement or with respect to any other information provided to the Company. The Company hereby disclaims, and specifically acknowledges and agrees to the disclaimer of, any such other representations or warranties, whether made by Zimmer Partners, the Purchasers or any of their Affiliates, or any of their respective shareholders, officers, directors, employees, agents or representatives, and of all liability and responsibility for any such other representation, warranty, projection, forecast, statement, or information made, communicated or furnished (orally or in writing) to the Company or its Affiliates or Representatives (including any opinion, information, projection or advice that may have been or may be provided to any of them).

ARTICLE IV. REPRESENTATIONS AND WARRANTIES OF THE PURCHASER

The Zimmer Parties severally (and not jointly) hereby represent and warrant to the Company as follows:

Section 4.1. Due Incorporation; Qualification. Each Zimmer Party has been duly incorporated or organized, is validly existing as a corporation or other business entity in good standing under the laws of the jurisdiction in which it is chartered or organized.

Section 4.2. Authority. Each Zimmer Party has all the requisite power and authority to execute, deliver and perform its obligations under this Agreement. This Agreement has been duly authorized, executed and delivered by each Zimmer Party. Assuming the due authorization, execution and delivery hereof by the Company, this Agreement constitutes a legal, valid and binding obligation of each Zimmer Party enforceable against each Zimmer Party in accordance with its terms, subject to the Bankruptcy and Equity Exception.

Section 4.3. No Conflicts. The execution, delivery and performance of this Agreement by each Zimmer Party, and the consummation of the transactions contemplated hereby, will not (i) conflict with or result in a breach or violation of any of the terms or provisions of, impose any lien, charge or encumbrance upon any property or assets of any Zimmer Party, or constitute a default under, any indenture, mortgage, deed of trust, loan agreement, or other agreement or instrument to which any Zimmer Party is a party or by which any Zimmer Party is bound or to which any of the property or assets of any Zimmer Party is subject; (ii) result in any violation of the provisions of the charter, by-laws or other organizational documents of any Zimmer Party; or (iii) result in any violation of any Law having jurisdiction over any Zimmer Party or any of its properties, except, in the case of clauses (i) and (iii), any

such conflict, breach or violation which, if it did exist, would not, individually or in the aggregate, reasonably be expected to prevent, materially delay or materially impair the consummation of the transactions contemplated by this Agreement.

Section 4.4. Approvals. No consent, approval, authorization or order of, or filing or registration with, any court or governmental agency or body having jurisdiction over any Zimmer Party or any of its properties is required to be obtained by any Zimmer Party for the execution, delivery and performance of this Agreement or the consummation of the transactions contemplated hereby, except those that the failure of which to obtain, individually or in the aggregate, would not reasonably be expected to prevent, materially delay or materially impair the consummation of the transactions contemplated by this Agreement.

Section 4.5. Ownership of Company Stock. Each Purchaser directly beneficially owns (as defined in Rule 13d-3 under the Exchange Act) the shares of capital stock of the Company set forth opposite such Purchaser's name on Schedule II hereto, and Zimmer Partners indirectly beneficially owns all such shares of capital stock of the Company. Except as set forth on Schedule II hereto, as of the date hereof, none of the Zimmer Parties beneficially owns (as defined in Rule 13d-3 under the Exchange Act), directly or indirectly, shares of capital stock of the Company or contracts, options or other rights to acquire capital stock of the Company; provided, however, that funds that were not sponsored by Zimmer Partners or its affiliates but are advisory clients of Zimmer Partners may own capital stock of the Company or contracts, options or other rights to acquire capital stock of the Company that is not disclosed on Schedule II outside of such advisory relationship (such securities held outside of the advisory relationship, the "Excluded Securities"), and Zimmer Partners makes no representation as to such Excluded Securities. None of such advisory clients is an Affiliate of Zimmer Partners.

Section 4.6. Purchase for Investment. Each Zimmer Party acknowledges that the Shares have not been registered under the Securities Act or under any state securities laws. Each Purchaser (including Zimmer Partners acting on its behalf) (i) is acquiring the Shares pursuant to an exemption from registration under the Securities Act solely for investment with no present intention to distribute any of the Shares to any Person, (ii) will not sell or otherwise dispose of any of the Shares, except in compliance with the registration requirements or exemption provisions of the Securities Act and any other applicable securities laws and in accordance with the requirements of ARTICLE VI of this Agreement, (iii) has such knowledge and experience in financial and business matters and in investments of this type that it is capable of evaluating the merits and risks of its investment in the Shares and of making an informed investment decision and (iv) is an institutional "accredited investor" (as that term is defined in Rule 501 promulgated under the Securities Act).

Section 4.7. No Other Representations of the Company. Except for the representations and warranties contained in ARTICLE III, each Zimmer Party acknowledges that neither the Company nor any other Person on behalf of the Company makes, or has made, any other express or implied representation or warranty with respect to the Company or its subsidiaries and businesses or with respect to the transactions contemplated by this Agreement or with respect to any other information provided to the Purchaser. Each Zimmer Party hereby disclaims, and specifically acknowledges and agrees to the disclaimer of, any such other representations or warranties, whether made by the Company or any of its Affiliates, or any of their respective shareholders, officers, directors, employees, agents or Representatives, and of all liability and responsibility for any such other representation, warranty, projection, forecast, statement, or information made, communicated or furnished (orally or in writing) to the Zimmer Parties or their Affiliates or representatives (including any opinion, information, projection or advice that may have been or may be provided to any of them).

Section 4.8. Further Acknowledgements. Each Zimmer Party further represents, warrants and acknowledges that: (a) each Purchaser is a “qualified institutional buyer” as defined in Rule 144A under the Securities Act, (b) it has such knowledge and expertise in financial and business matter that it is capable of evaluating the risk and merits involved in an investment in the Shares, (c) it has conducted, to the extent it deemed necessary, an independent investigation of such matters as, in its judgment, is necessary for it to make an informed investment decision with respect to the Shares, the Company and the transactions contemplated hereby, (d) it has reviewed the Exchange Act Documents and has had an opportunity to ask questions of, and receive additional information from, the Company, with respect to its purchase of the Shares, (e) it acknowledges that (i) the Company will be filing the Proxy Statement that will include Excluded Information, (ii) the Company has not provided the purchaser with any of the Excluded Information and has made no representations with respect to such Excluded Information, and (iii) it has determined to proceed with the purchase of the Shares without the receipt of any Excluded Information, (f) it has determined that it has adequate information concerning the business and financial condition of the Company and any affiliates of the Company, and (g) except with respect to the express representations of the Company set forth in ARTICLE III of this Agreement, it has not relied upon the Company for any investigation into, assessment of, or evaluation with respect to the Shares, the Company and/or the transactions contemplated hereby.

ARTICLE V. COVENANTS

Section 5.1. Registration Rights. The Company and each Zimmer Party shall comply with the provisions contained in Exhibit A regarding the Registration Rights.

Section 5.2. Listing of Shares. The Company shall cause the Shares to be listed on the New York Stock Exchange prior to the Closing Date. The Company shall cooperate with the Zimmer Parties and use commercially reasonable efforts to take, or cause to be taken, all actions, and do or cause to be done all things, reasonably necessary, proper or advisable on its part under the rules and policies of the New York Stock Exchange to enable the listing of the Shares with the New York Stock Exchange as promptly as practicable following the execution of this Agreement.

Section 5.3. Voting. Each Zimmer Party agrees that prior to the termination of the Merger Agreement and as long as there has not been a Company Change of Recommendation, each Purchaser (or Zimmer Partners on behalf of the Purchasers) shall vote the Shares beneficially owned by it (i) with respect to the Merger, as promptly as reasonably practicable after the Proxy Statement has been mailed, for the approval of the Merger Agreement and the transactions contemplated thereby, including the Merger and (ii) for all other matters, as recommended by the board of directors of the Company, if the board of directors has made a recommendation with respect to such matter, so long as such Shares may be lawfully voted as so provided. For clarity, the Excluded Securities are not subject to the obligations in this Section 5.3.

Section 5.4. Acquisition Proposals. Prior to the consummation of the Merger, Zimmer Partners shall not, on its behalf or on behalf of the Purchasers, make, initiate, solicit, participate in, support, encourage or facilitate any Acquisition Proposal.

Section 5.5. Publicity. Prior to the consummation of the Merger, Zimmer Partners shall not, on its behalf or on behalf of the Purchasers, make any public comment regarding the Merger or the Company without the prior written consent of the Company (other than as required by applicable Law) and shall not engage in written or oral communications nor participate in any meetings or discussions with any intervenors in connection with any regulatory proceeding, or any regulatory authority or rating agencies with respect to the Company or the Merger.

Section 5.6. WKSI Status. The Company shall use its reasonable best efforts to maintain its status as a “well-known seasoned issuer,” and shall not become an “ineligible issuer” (as such terms are defined in Rule 405 under the Securities Act).

Section 5.7. Expenses. The Company and each Zimmer Party each shall bear their own expenses and legal fees with respect to this Agreement and the transactions contemplated hereby.

Section 5.8. Cooperation. The Company and the Zimmer Partners shall use their reasonable best efforts to take, or cause to be taken, all appropriate action to do, or cause to be done, all things necessary, proper or advisable under applicable Law or otherwise to consummate and make effective the transaction contemplated by this Agreement as promptly as practicable. The Company and Zimmer Partners, on its behalf and on behalf of the Purchasers, also will coordinate and cooperate with each other in providing such information and assistance as the other party may reasonably request in connection with any notice, registration, update, application or filing due to or required by a Governmental Entity under applicable Law.

Section 5.9. Public Announcement. The Company and Zimmer Partners shall (1) consult with each other prior to issuing any press releases or otherwise making public announcements with respect to this Agreement or the transactions contemplated by this Agreement, (2) provide to each other for review a copy of any such press release or public statement, (3) not issue any such press release or public statement prior to providing each other with reasonable period of time to review and comment on such press release or public statement, and (4) not issue any such press release or public statement or make any filings with any third party and/or any Governmental Entity (including any national securities exchange or interdealer quotation service) with respect thereto without the prior written consent of the other parties hereto (such consent not to be unreasonably withheld, conditioned or delayed), except as may be required, on the advice of counsel, by law or by obligations pursuant to any listing agreement with or rules of any national securities exchange or interdealer quotation service or by the request of any Governmental Entity; provided, however, that in each such case, the party required to make such disclosure will, to the extent practicable and not prohibited by applicable law, promptly inform the other parties in writing in advance of such required disclosure and provide such other parties with a copy of the proposed disclosure and consult with such other parties and consider such other parties’ comments in good faith prior to making such disclosure.

Section 5.10. Taxes. The Company shall pay any and all transfer, stamp or similar taxes that may be payable with respect to the issuance and delivery of any Shares to the Purchasers made under this Agreement.

ARTICLE VI. TRANSFER RESTRICTIONS

Section 6.1. Lock-Up Period. From June 24, 2025 to, but excluding, August 15, 2025 (the “Lock-Up Period”), no Purchaser shall (i) sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, lend, or otherwise transfer or dispose of, directly or indirectly, any Shares (each, a “Transfer”) or (ii) enter into any swap or other arrangement that transfers to another the economic consequences of ownership of the Shares. During the Lock-Up Period, the Company will not sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, or otherwise transfer or dispose of, directly or indirectly, any capital stock, voting securities or securities convertible into, exercisable for, or exchangeable for, any capital stock or voting securities of the Company other than (i) the issuance of the Shares to the Purchasers pursuant to this Agreement, or (ii) the issuance and/or sale of Company Common Stock pursuant to the terms of any employee stock option

plan, stock ownership plan, dividend reinvestment plan, long-term incentive plan, or any other similar plan of the Company in effect as of the date hereof, or the issuance of Company Common Stock issuable upon the conversion of securities or the exercise of warrants outstanding as of the date hereto.

ARTICLE VII.
SPECIFIC PERFORMANCE

Section 7.1. Specific Performance.

(a) The parties to this Agreement agree that irreparable damage for which monetary damages, even if available, may not be an adequate remedy, would occur in the event that the parties hereto do not perform the provisions of this Agreement (including failing to take such actions as are required of it hereunder in order to consummate this Agreement) in accordance with its specified terms or otherwise breach such provisions. The parties to this Agreement acknowledge and agree that the parties hereto shall be entitled to an injunction, specific performance and other equitable relief to prevent breaches of this Agreement and to enforce specifically the terms and provisions hereof (including the issuance, sale and delivery to each Purchaser, and each Purchaser's purchase from the Company, of the Shares as set forth on Schedule I, and payment by such Purchaser to the Company of the Per Share Price for each Share purchased by such Purchaser), without any requirement for obtaining, furnishing or posting any bond or other security, this being in addition to any other remedy to which they are entitled at law or in equity. The parties to this Agreement hereby further acknowledge and agree that prior to the Closing, the Company shall be entitled to seek specific performance to enforce specifically the terms and provisions of, and to prevent or cure breaches of the terms of this Agreement by the Purchasers and to cause the Purchasers to consummate the transactions contemplated hereby, including its obligations pursuant to Section 5.3, Section 5.4, and Section 5.5 and ARTICLE VI and its obligation to effect the Closing in accordance with ARTICLE II, on the terms and subject to the conditions in this Agreement.

(b) Each of the parties hereto agrees that it will not raise any objections to the availability of the equitable remedy of specific performance or other equitable relief as provided herein, including objections on the basis that (i) a party has an adequate remedy at law or equity or (ii) an award of specific performance is not an appropriate remedy for any reason at law or equity. The remedies available to the Company pursuant to this Section 7.1 shall be in addition to any other remedy to which it is entitled at law or in equity.

ARTICLE VIII.
GENERAL PROVISIONS

Section 8.1. Notices. All notices, requests, claims, demands and other communications hereunder shall be in writing and shall be given (and shall be deemed to have been duly given upon receipt) by delivery in person, by e-mail or by registered or certified mail (postage prepaid, return receipt requested) to the respective parties at the following addresses (or at such other address for a party as shall be specified by like notice); *provided, however*, that delivery by e-mail shall be deemed to have been duly given upon receipt only if confirmed by e-mail or telephone:

(a) if to any Zimmer Party:

c/o Zimmer Partners, LP
9 West 57th St, 33rd Floor
New York, NY 10019
Attention: Jelena Napolitano

Email: jnapolitano@zimmerpartners.com

(b) if to the Company:

TXNM Energy, Inc.
414 Silver Ave. SW
Albuquerque, NM 87102-3289
Attn: Brian G. Iverson, Esq.
Senior Vice President, General Counsel & Secretary
Email: brian.iverson@txnmenergy.com

with an additional copy (which shall not constitute notice) to:

Troutman Pepper Locke LLP
1001 Haxall Point
15th Floor
Richmond, VA 23219
Attn: R. Mason Bayler, Jr.
Coburn R. Beck
Heather M. Ducat
Email: mason.bayler@troutman.com
coby.beck@troutman.com
heather.ducat@troutman.com

Section 8.2. Entire Agreement. This Agreement constitutes the entire agreement among the parties hereto with respect to the subject matter hereof and supersedes all prior agreements and undertakings, both written and oral, among the parties, or any of them, with respect to the subject matter hereof and thereof.

Section 8.3. Severability. If any term or other provision of this Agreement is found by a court of competent jurisdiction to be invalid, illegal or incapable of being enforced by any rule of law or public policy, all other conditions and provisions of this Agreement shall nevertheless remain in full force and effect so long as the economic or legal substance of the transactions contemplated hereby is not affected in any manner adverse to any party. Upon such determination that any term or other provision is invalid, illegal or incapable of being enforced, this Agreement shall be interpreted as to effect the original intent of the parties as closely as possible to the end that the transactions contemplated hereby are fulfilled to the fullest extent possible.

Section 8.4. Interpretation. When a reference is made in this Agreement to Sections, Schedules or Exhibits, such reference shall be to a Section, Schedule or Exhibit of this Agreement, respectively, unless otherwise indicated. The table of contents and headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement. Whenever the words “include,” “includes” or “including” are used in this Agreement, they shall be deemed to be followed by the words “without limitation,” if they are not already followed by such words.

Section 8.5. Counterparts; Effect. This Agreement may be executed and delivered (including by facsimile transmission, “.pdf,” or other electronic transmission) in one or more counterparts, and by the different parties in separate counterparts, each of which when executed shall be deemed to be an original but all of which taken together shall constitute one and the same agreement.

Section 8.6. No Third-Party Beneficiaries. This Agreement shall be binding upon and inure solely to the benefit of each party hereto and their successors and permitted assigns, and nothing in this Agreement, express or implied, is intended to or shall confer upon any other Person any rights, benefits or remedies of any nature whatsoever under or by reason of this Agreement.

Section 8.7. Governing Law. This Agreement, and all claims or causes of action (whether at Law, in contract or in tort) that may be based upon, arise out of or relate to this Agreement or the negotiation, execution or performance hereof, shall be governed by, and construed in accordance with, the Laws of the State of Delaware (without giving effect to choice of law principles thereof or of any other jurisdiction that would mandate or permit the application of the Laws of any jurisdiction other than the State of Delaware).

Section 8.8. Venue. Each of the parties irrevocably (a) agrees that it shall bring any and all actions or proceedings in respect of any claim arising out of, related to, or in connection with, this Agreement or the transactions contemplated by this Agreement, whether in tort or contract or at law or in equity, exclusively in Delaware Court of Chancery and any state appellate court therefrom within the State of Delaware or, if such court shall not have or declines to accept jurisdiction over a particular matter, then any federal court within the State of Delaware, (b) submits with regard to any such action or proceeding, generally and unconditionally, to the personal jurisdiction of such courts and agrees that it will not attempt to deny or defeat such personal jurisdiction by motion or other request for leave from any such court, (c) agrees that it will not bring any action relating to this Agreement or any of the transactions contemplated by this Agreement in any court other than the courts described above, and (d) consents to service being made through the notice procedures set forth in Section 8.1. The Company hereby agrees that service of any process, summons, notice or document by U.S. registered mail to the respective addresses set forth in Section 8.1 shall be effective service of process for any suit or proceeding in connection with this Agreement or the transactions contemplated hereby. Each party hereto hereby irrevocably waives, and agrees not to assert, by way of motion, as a defense, counterclaim or otherwise, in any action or proceeding with respect to this Agreement, any claim that it is not personally subject to the jurisdiction of the above-named courts for any reason other than the failure to serve process in accordance with this Section 8.8, that it or its property is exempt or immune from jurisdiction of any such court or from any legal process commenced in such courts (whether through service of notice, attachment prior to judgment, attachment in aid of execution of judgment, execution of judgment or otherwise), and to the fullest extent permitted by applicable Law, that the suit, action or proceeding in any such court is brought in an inconvenient forum, that the venue of such suit, action or proceeding is improper, or that this Agreement, or the subject matter hereof or thereof, may not be enforced in or by such courts and further irrevocably waives, to the fullest extent permitted by applicable Law, the benefit of any defense that would hinder, fetter or delay the levy, execution or collection of any amount to which the party is entitled pursuant to the final judgment of any court having jurisdiction. Each party expressly acknowledges that the foregoing waiver is intended to be irrevocable under the Laws of the State of Delaware and of the United States of America; provided, that each such party's consent to jurisdiction and service contained in this Section 8.8 is solely for the purpose referred to in this Section 8.8 and shall not be deemed to be a general submission to said courts or in the State of Delaware other than for such purpose.

Section 8.9. Waiver of Jury Trial and Certain Damages. EACH PARTY TO THIS AGREEMENT HEREBY IRREVOCABLY WAIVES ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM (WHETHER BASED ON CONTRACT, TORT OR OTHERWISE) ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THE ACTIONS OF THE PURCHASER OR THE COMPANY IN THE NEGOTIATION, ADMINISTRATION, PERFORMANCE AND ENFORCEMENT HEREOF OR THEREOF.

Section 8.10. Assignment. Neither this Agreement nor any of the rights, interests or obligations hereunder shall be assigned by any party hereto (whether by operation of law or otherwise) without the prior written consent of the other party.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, this Agreement has been duly executed and delivered by a duly authorized officers of each of the parties hereto as of the date first written above.

TXNM ENERGY, INC.



By: _____
Name: Joseph D. Tarry
Title: President and Chief Operating Officer

ZIMMER PARTNERS, LP

By: _____

Name: Stuart J. Zimmer
Title: Authorized Signatory

ZP MASTER UTILITY FUND, LTD.

By: Zimmer Partners, LP, as Investment Manager

By: _____

Name: Stuart J. Zimmer
Title: Authorized Signatory

ZIMMER MASTER INFRASTRUCTURE FUND, LP

By: Zimmer Partners, LP, as Investment Manager

By: _____

Name: Stuart J. Zimmer
Title: Authorized Signatory

ZP MASTER MIDCAP FUND, LTD.

By: Zimmer Partners, LP, as Investment Manager

By: _____

Name: Stuart J. Zimmer
Title: Authorized Signatory

COMPASS OFFSHORE SAV II PCC LIMITED

By: Zimmer Partners, LP, as Sub-Adviser

By: _____

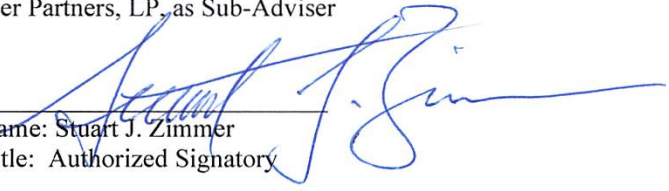
Name: Stuart J. Zimmer
Title: Authorized Signatory

COMPASS SAV II L.L.C.

By: Zimmer Partners, LP, as Sub-Adviser

By: _____

Name: Stuart J. Zimmer
Title: Authorized Signatory

A handwritten signature in blue ink, appearing to read "Stuart J. Zimmer", is written over a horizontal line. The signature is fluid and cursive.

SCHEDULE I
PURCHASERS AND PURCHASED SHARES

| Name | Number of Shares of Company Common Stock Purchased | Total Purchase Price |
|--|--|----------------------|
| ZP Master Utility Fund Ltd. | 2,529,101 | 139,922,513 |
| Zimmer Master Infrastructure Fund, LP | 444,263 | 24,578,850 |
| ZP Master MidCap Fund, Ltd. | 290,712 | 16,083,641 |
| Compass Offshore SAV II PCC Limited | 140,371 | 7,766,026 |
| Compass SAV II L.L.C. | 210,556 | 11,649,011 |
| TOTAL | 3,615,003 | 200,000,041 |

SCHEDULE II
OWNERSHIP OF COMPANY STOCK

| Name | Number of the Company's 5.75% junior subordinated convertible notes due 2054 |
|---------------------------------------|---|
| ZP Master Utility Fund Ltd. | 65,350 |
| Zimmer Master Infrastructure Fund, LP | 10,920 |
| ZP Master MidCap Fund, Ltd. | 9,300 |
| Compass Offshore SAV II PCC Limited | 3,779 |
| Compass SAV II L.L.C. | 5,673 |
| Total | 95,022 |

EXHIBIT A
REGISTRATION RIGHTS

Section 1. Effectiveness of Registration Rights. The registration rights pursuant to Section 2(a) hereof shall become effective on the Closing Date. Terms which are used but not defined in this Exhibit A have the meanings ascribed to them in Article I of the Stock Purchase Agreement, dated as of June 24, 2025, by and among the Company, Zimmer Partners and each Purchaser named therein.

Section 2. Registration Rights Generally.

(a) Shelf Registration. Subject to Section 2(b), the Company shall cause to be filed, no later than five (5) Business Days after the Company files its Quarterly Report on Form 10-Q for the quarterly period ending June 30, 2025 with the Securities and Exchange Commission, a registration statement on Form S-3 (or any successor form) for an offering to be made on a delayed or continuous basis pursuant to Rule 415 under the Securities Act (the “Shelf Registration Statement”) with respect to resales of Registrable Shares by any holder of Registrable Shares (“Holders”); provided, that if the Company is a “well-known seasoned issuer” on the date the Shelf Registration Statement is filed pursuant to this Section 2(a), such Shelf Registration Statement shall be an “automatic” Shelf Registration Statement. Unless such Shelf Registration Statement shall become automatically effective, the Company shall use commercially reasonable efforts to cause the Shelf Registration Statement to become or be declared effective by the SEC for all of the Registrable Shares covered thereby as promptly as practicable following such filing. The Company shall use commercially reasonable efforts to maintain the Shelf Registration Statement (or a successor registration statement filed with respect to the Registrable Shares) effective (including by filing a new Shelf Registration Statement if the initial Shelf Registration Statement expires) in order to permit the prospectus forming a part thereof to be lawfully delivered and the Shelf Registration Statement to be usable for the resale of the Registrable Shares all Registrable Shares are sold pursuant to such registration statement. The Company shall supplement and amend the Shelf Registration Statement if required by the rules, regulations or instructions applicable to the registration form used for such Shelf Registration Statement or if required by the Securities Act.

(b) (c) Blackout Period. Notwithstanding Section 2(a) above, if the Company shall furnish to the Holders a certificate signed by the Chief Executive Officer or the Chief Financial Officer of the Company (each, a “Blackout Notice”) stating that the Company is in possession of material non-public information, the Company shall be entitled to suspend the use of the registration statement or delay the delivery or filing, but not the preparation, of any registration statement or any amendment or supplement to the registration statement or otherwise delay the completion of any sale of Registrable Shares pursuant to the registration statement for a reasonable period of time, but not to exceed 60 consecutive days or exceed 105 total days in a year (the “Blackout Period”); provided, however, that any Blackout Period shall only be effective when and for so long as other holders, if any, of registration rights with respect to the Company’s securities are restricted from exercising their registration rights to the same or greater extent as the Holders. Upon receipt of a Blackout Notice, the Holders shall not effect sales of Registrable Shares pursuant to the registration statement. The Company shall promptly deliver written notice to the Holders of the expiration or earlier termination of any Blackout Period and shall take such other reasonable actions to permit registered sales of Registrable Shares as contemplated in this Agreement.

Section 3. Registration Mechanics.

(a) Company Obligations. In connection with any registration of Registrable Shares pursuant to Section 2, the Company shall:

(i) Notify the Holders (i) of the filing of a registration statement, (ii) promptly after the Company receives notice thereof, of the time when such registration statement has been declared effective or an amendment or supplement to the registration statement or any prospectus forming a part of such registration statement has been filed (other than any amendment or supplement resulting from the filing of a document incorporated by reference therein) and (iii) the receipt of any transmittal letters, written comments from or other correspondence with the SEC with respect to any filing referred to in clause (i) and any written request by the SEC for amendments or supplements to such registration statement or any prospectus or prospectus supplement thereto;

(ii) prepare and file with the SEC such amendments and supplements to such registration statement and the prospectus used in connection with such registration statement as may be necessary to comply with the provisions of the Securities Act and the rules promulgated thereunder with respect to the sale or other disposition of all of the securities proposed to be registered by such registration statement;

(iii) furnish to the Holders as far in advance as reasonably practicable before filing such number of copies of any prospectus (including preliminary, amended and supplemental prospectuses and any "issuer free writing prospectuses" (as such term is defined in Rule 433 under the Securities Act)) and conformed copies of the registration statement (including amendments or supplements thereto and, in each case, all exhibits) and such other documents as it may reasonably request, but only while the Company shall be required under the provisions hereof to cause the registration statement to remain effective, and provide such Holders the opportunity to comment on any information pertaining to such Holders and its plan of distribution that is contained therein and make corrections reasonably requested by such Holders with respect to such information;

(iv) after such registration statement becomes effective, notify each selling Holder of any written comments received from the SEC or any request by the SEC that the Company amend or supplement such registration statement or prospectus;

(v) (A) use its best efforts to register or qualify the Registrable Shares covered by such registration statement under such other securities or blue sky laws of such jurisdictions as the Holders shall reasonably request, and do any and all other acts and things which may be necessary or advisable to enable such Holders to consummate the disposition of Registrable Shares in such jurisdictions and (B) keep such registration or qualification in effect for so long as the registration statement remains in effect; provided, however, that the Company shall not be obligated to qualify to do business as a foreign corporation under the laws of any jurisdiction in which it shall not then be qualified or to file any general consent to service of process in any jurisdiction in which such a consent has not been previously filed;

(vi) use its reasonable best efforts to cause all Registrable Shares proposed to be registered by such registration statement to be registered with or approved by such other federal or state government agencies or authorities as may be necessary in the opinion of counsel to the Company to enable the Holders to consummate the disposition of such Registrable Shares;

(vii) notify the Holders any time (i) a prospectus relating to the offering of Registrable Shares is required to be delivered or filed under the Securities Act upon discovery that, or upon the occurrence of any event as a result of which, the prospectus included in such registration statement, as then in effect, includes an untrue statement of a material fact or omits to state any material facts required to be stated therein or necessary to make the statements therein not misleading, in light of the circumstances under which they were made, and (subject to the good faith determination of the board of directors of the Company as to whether to cease all sales under such registration statement); (ii) the issuance or threat of issuance by the SEC of any stop order suspending the effectiveness of such registration statement or the initiation of any proceedings for that purpose; or (iii) the receipt by the Company of any notification with respect to the suspension of the qualification of any Registrable Shares for sale under the applicable securities or blue sky laws of any jurisdiction. Following the provision of such notice, the Company shall prepare and furnish to the Holders as promptly as practicable a reasonable number of copies of a supplement to or an amendment of such prospectus or take other appropriate action as may be necessary so that, as thereafter delivered to the purchasers of such securities, such prospectus shall not include an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading, in the light of the circumstances under which they were made;

(viii) if reasonably required by the Company's transfer agent, use reasonable best efforts to promptly deliver any authorizations, certificates and directions required by the transfer agent which authorize and direct the transfer agent to transfer Registrable Shares without legend, in accordance with applicable law, upon sale by Holders of such Registrable Shares;

(ix) if requested by Holders in connection with any transaction involving any Registrable Shares (including any sale or other transfer of such Registrable Shares without registration under the Securities Act, pledges pursuant to margin loans, hedges or other transactions or arrangements (including, without limitation, any put or call option, or combination thereof, forward, swap or any other derivative transaction or instrument, however described or defined)), provide such Holders with customary and reasonable assistance to facilitate such transaction, including, without limitation such action as such Holders may reasonably request from time to time to enable such Holder to sell Registrable Shares without registration under the Securities Act;

(x) cooperate with and assist any Holder to facilitate the transfer of such Holder's Registrable Shares to a DTC brokerage account as reasonably requested by such Holder (including the delivery of instruction letters by the Company or its counsel to the Company's transfer agent, the delivery of customary legal opinions by counsel to the Company and the delivery of such Registrable Shares without restrictive legends), provided, that the Holder shall (i) deliver such documents and undertakings reasonably requested by the Company, its counsel or its transfer agent in connection with such request and (ii) agree not to sell such shares unless an effective registration statement is on file with the SEC or there is an applicable exemption from registration for such sale under the Securities Act or the rules promulgated thereunder;

(xi) use reasonable efforts to comply with all applicable rules and regulations of the SEC; and

(xii) cause the Registrable Shares covered by such registration statement to be listed on the New York Stock Exchange and on any other principal securities exchange on which Company securities of the same class as the Registrable Shares are then listed.

(b) Holder Obligations. Each Holder agrees that:

(i) it shall be a condition precedent to the obligations of the Company to complete the registration pursuant hereto with respect to any Holder's Registrable Shares that the Holder shall furnish to the Company such information regarding Holder, the Registrable Shares held by Holder and the intended method of disposition of the Registrable Shares held by the Holder as shall be reasonably required to effect the registration of such Registrable Shares and shall execute such documents in connection with such registration as the Company may reasonably request. At least 10 Business Days prior to the first anticipated filing date of the registration statement, the Company shall notify the Holders of the information the Company requires from each Holder (the "Requested Information") if any of such Holder's Registrable Shares are eligible for inclusion in the registration statement. If at least 2 Business Days prior to the filing date the Company has not received the Requested Information from any such Holder (at such time Holder becoming a "Non-Responsive Holder"), then the Company may file the registration statement without including the Non-Responsive Holder's Shares but shall not be relieved of its obligation to file a registration statement with the SEC relating to the Shares of Non-Responsive Holder promptly after Non-Responsive Holder provides the Requested Information;

(ii) it shall not prepare or use any "free writing prospectus" (as such term is defined in Rule 405 under the Securities Act) unless any and all issuer information included therein has been approved by the Company (such approval not to be unreasonably withheld);

(iii) as promptly as practicable after becoming aware of such event, it shall notify the Company of the occurrence of any event, as a result of which the prospectus included in a registration statement, as then in effect, includes an untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading; and

(iv) upon receipt of any notice from the Company of the occurrence of any event of the kind described in Section 3(a)(vii), it will forthwith discontinue its disposition of Registrable Shares pursuant to the registration statement relating to such Registrable Shares until it receives copies of the supplemented or amended prospectus contemplated by Section 3(a)(vii) and, if so directed by the Company, it will deliver to the Company all copies then in their possession of the prospectus relating to such Registrable Shares, current at the time of receipt of such notice.

Section 4. Expenses. The Company shall pay or cause to be paid all of the Company's fees and expenses in connection with any registration of Registrable Shares pursuant to the Registration Rights (including, without limitation, all registration and filing fees, all printing costs, all fees and expenses of counsel and independent accountants for the Company and all fees and expenses of complying with securities or blue sky laws). The Company shall have no responsibility for any fees or expenses of any Holder (including, without limitation, any fees of counsel for any Holders and any sales commissions) in connection with any sale by any Holder of the Registrable Shares.

Section 5. Indemnification and Contribution.

(a) Indemnification by the Company. With respect to any offering and sale registered pursuant to these Registration Rights, the Company agrees to indemnify and hold any selling Holder of the Registrable Shares under such registration, and each Person who controls any of the foregoing within the meaning of Section 15 of the Securities Act, and any directors and officers of the foregoing, harmless against any and all losses, claims, damages, or liabilities (including reasonable legal fees and other reasonable expenses incurred in the investigation and defense thereof) to which they or any of them may become subject under the Securities Act or otherwise (collectively "Losses"), insofar as any such Losses shall arise out of or shall be based upon (i) any untrue statement or alleged untrue statement of a material

fact contained in the registration statement relating to the sale of such Registrable Shares, or the omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, or (ii) any untrue statement or alleged untrue statement of a material fact contained in the prospectus relating to the sale of such Registrable Shares, or the omission or alleged omission to state therein a material fact necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading; provided, however, that the indemnification contained in this Section 5 shall not apply to such Losses which shall arise out of or shall be based upon any such untrue statement, or any such omission or alleged omission, which shall have been made in reliance upon and in conformity with information furnished in writing to the Company by any selling Holder specifically for use in connection with the preparation of the registration statement or prospectus contained in the registration statement or any such amendment thereof or supplement therein.

(b) Indemnification by the Holders. In the case of each offering and sale registered pursuant to these Registration Rights, any selling Holder participating therein shall severally and not jointly indemnify and hold harmless the Company and each Person, if any, who controls the Company within the meaning of Section 15 of the Securities Act, and the directors and officers of the Company, with respect to any statement in or omission from such registration statement or prospectus contained in such registration statement (as amended or as supplemented, if amended or supplemented as aforesaid) if such statement or omission shall have been made in reliance upon and in conformity with information furnished in writing to the Company by any selling Holder specifically for use in connection with the preparation of such registration statement or prospectus contained in the registration statement or any such amendment thereof or supplement thereto.

(c) Notice. Each party indemnified under this Section 5 shall promptly after receipt of notice of the commencement of any claim against such indemnified party in respect of which indemnity may be sought hereunder, notify the indemnifying party in writing of the commencement thereof. The failure of any indemnified party to notify an indemnifying party shall not relieve the indemnifying party from any liability in respect of such action which it may have to such indemnified party on account of the indemnity contained in this Section 5, unless (and only to the extent) the indemnifying party was prejudiced by such failure, and in no event shall such failure relieve the indemnifying party from any other liability which it may have to such indemnified party. In case any action in respect of which indemnification may be sought hereunder shall be brought against any indemnified party and it shall notify an indemnifying party of the commencement thereof, the indemnifying party shall be entitled to participate therein and, to the extent that it may desire, jointly with any other indemnifying party similarly notified, to assume the defense thereof through counsel reasonably satisfactory to the indemnified party, and after notice from the indemnifying party to such indemnified party of its election to assume the defense thereof, the indemnifying party shall not be liable to such indemnified party under this Section 5 for any legal or other expenses subsequently incurred by such indemnified party in connection with the defense thereof, other than reasonable costs of investigation (unless such indemnified party reasonably objects to such assumption on the grounds that there may be defenses available to it which are different from or in addition to those available to such indemnifying party in which event the indemnifying party shall not be entitled to assume the defense thereof with respect to such defenses). No indemnifying party shall, without the prior written consent of the indemnified party, effect any settlement of any claim or pending or threatened proceeding in respect of which the indemnified party is or could have been a party and indemnity could have been sought hereunder by such indemnified party, unless such settlement includes an unconditional release of such indemnified party from all liability arising out of such claim or proceeding.

(d) Contribution. If the indemnification provided for in this Section 5 is unavailable to an indemnified party or is insufficient to hold such indemnified party harmless from any Losses in respect of which this Section 5 would otherwise apply by its terms (other than by reason of exceptions provided herein), then each applicable indemnifying party, in lieu of indemnifying such indemnified party, shall

contribute to the amount paid or payable by such indemnified party as a result of such Losses, in such proportion as is appropriate to reflect the relative benefits received by the indemnifying party, on the one hand, and such indemnified party, on the other hand, in connection with the offering to which such contribution relates; provided, however, that the maximum amount of liability in respect of such contribution shall be limited in the case of a Holder to the net proceeds (after deducting selling discounts and commissions) received by such Holder in connection with such offering. If, however, the allocation provided by the immediately preceding sentence is not permitted by applicable law, then each applicable indemnifying party, in lieu of indemnifying such indemnified party, shall contribute to the amount paid or payable by such indemnified party as a result of such Losses, in such proportion as is appropriate to reflect the relative fault of the indemnifying party, on the one hand, and such indemnified party, on the other hand, in connection with the offering to which such contributions relates as well as any other relevant equitable considerations. The relative fault shall be determined by reference to, among other things, each party's relative knowledge and access to information concerning the matter with respect to which the claim was asserted, and the opportunity to correct and prevent any statement or omission. The amount paid or payable by a party as a result of any Losses shall be deemed to include any legal or other fees or expenses incurred by such party in connection with any investigation or proceeding to the extent such party would have been indemnified for such expenses if the indemnification provided for in this Section 5 was available to such party. The parties hereto agree that it would not be just and equitable if contribution pursuant to this Section 5(d) were determined by pro rata allocation or by any other method of allocation that does not take account of the equitable considerations referred to in the preceding paragraph. No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation.

Section 6. Exchange Act Reports. With a view to making available to the Holders the benefits of Rule 144 and any other rule or regulation of the SEC that may at any time permit a Holder to sell securities of the Company to the public without registration, the Company agrees, subject to the final paragraph of this Section 6, to use its reasonable best efforts to take such action as any Holder may reasonably request to sell Registrable Shares without registration and to:

(a) make and keep public information available, as those terms are understood and defined in Rule 144, at all times, and take all action as may be required as a condition to the availability of Rule 144;

(b) so long as a Holder owns any Registrable Shares, furnish to any Holder upon its reasonable written request a written statement certifying the Company's compliance with the reporting requirements of Rule 144 or any similar rule, and a copy of the most recent annual, periodic or current report of the Company filed pursuant to the Exchange Act and such other reports and documents as reasonably requested by such Holder in availing itself of any rule or regulation of the SEC allowing the sale of the Registrable Shares without registration; and

(c) facilitate and expedite transfers of Registrable Shares sold pursuant to SEC Rule 144, including providing timely notice to its transfer agent to expedite such transfers.

The obligations described in this Section 6 shall not apply during the Lock-Up Period.

Section 7. Assignment. Neither the Company nor any Holder shall assign all or any part of the Registration Rights without the prior written consent of the other party.

Exchange Agreement and Option Agreement (“Option Agreement”)

JA Exhibit JDT-3

Is contained in the following 13 pages.

EXCHANGE AGREEMENT

This Exchange Agreement (this “Agreement”), dated as of [●], 2026, is by and between Troy TopCo LP, a Delaware limited partnership (“Holder”), and TXNM Energy, Inc., a New Mexico corporation (the “Company”). Capitalized terms used but not otherwise defined in this Agreement shall have the meanings ascribed to such terms in that certain Stock Purchase Agreement, dated as of May 18, 2025, by and between Holder and the Company (the “Stock Purchase Agreement”), which terms shall apply as defined therein regardless of the validity of such agreement.

WHEREAS, pursuant to the Stock Purchase Agreement, Holder purchased 8,000,000 shares of Company Common Stock (the “Exchanged Stock”);

WHEREAS, Holder desires to exchange the Exchanged Stock with the Company for an option to purchase 8,000,000 shares of Company Common Stock (the “Option”) pursuant to the terms of the Option Agreement attached hereto as Exhibit A (such agreement, the “Option Agreement”); and

WHEREAS, the Company desires to exchange the Option contemplated by the Option Agreement for the Exchanged Stock on the terms and conditions set forth herein.

NOW, THEREFORE, in consideration of the premises and the agreements set forth below, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties to this Agreement agree as follows:

AGREEMENT

1. Exchange. Notwithstanding anything to the contrary in the Stock Purchase Agreement, Holder hereby assigns, transfers and delivers to the Company the Exchanged Stock, and the Company hereby accepts such Exchanged Stock, in each case, as full consideration for and in exchange for, the Option contemplated by the Option Agreement. For the avoidance of doubt, the parties hereto hereby expressly acknowledge and agree that the Option contemplated by the Option Agreement is not intended to constitute “stock” under any New Mexico Laws.

2. SPA Validity. Notwithstanding anything to the contrary in this Agreement or the Stock Purchase Agreement, in the event that the Stock Purchase Agreement and the purchase of the Exchanged Stock contemplated thereby are void *ab initio* because it was in violation of applicable Law, (a) the effective date of this Agreement shall be deemed to be the date of the consummation of the purchase of the Exchanged Stock contemplated by the Stock Purchase Agreement (that was determined to be void), (b) references herein to the exchange of the Exchanged Stock for the Option contemplated by the Option Agreement shall instead be deemed to refer to payment of the \$400,000,000.00 of cash consideration previously contemplated by the Stock Purchase Agreement to have been paid as the aggregate Per Share Price for the purchase of the Exchanged Stock as payment for the purchase of the Option contemplated by the Option Agreement such that instead of paying the aggregate Per Share Price for the purchase of the Exchanged Stock under the Stock Purchase Agreement, Holder shall instead be deemed to have paid the \$400,000,000.00 of cash consideration for the purchase of the Option contemplated by the Option Agreement under this Agreement, subject to substantially the same representations and

warranties as contemplated by the Purchase Agreement, (c) Holder shall be entitled to retain all cash dividend payments received in respect of the Exchanged Stock prior to the date that such determination is made as payments from the Company to Holder under the Option Agreement and (d) this Agreement and the Option Agreement shall be deemed to be reformed, in all respects, to reflect the intent of the foregoing, *mutatis mutandis*.

3. Holder's Representations and Warranties. Holder represents and warrants to the Company as of the date of this Agreement and as of the date of any exercise of the Option that:

(a) Holder is a limited partnership duly organized, validly existing and in good standing under the laws of the State of Delaware;

(b) Holder has the requisite corporate power and authority to (i) execute, issue and deliver this Agreement and the Option Agreement and (ii) perform any other obligations under this Agreement and the Option Agreement;

(c) each of this Agreement and the Option Agreement has been duly authorized, validly issued and is a valid and binding obligation of the Holder, enforceable against the Holder in accordance with the terms hereof;

(d) the execution, delivery and performance of this Agreement and the Option Agreement will not, conflict with (i) the Holder's organizational documents, (ii) any other agreement, contract or similar instrument to which the Holder is a party or (iii) any Laws having jurisdiction over the Holder or its properties; provided, that the representation in this clause (iii) as to any conflicts with New Mexico Law of the issuance of the Option Stock shall be solely in the circumstance in which the Option is exercisable pursuant to Section 1 of the Option Agreement except in the case of clauses (i) and (iii), any such conflict which, if it did exist, has not had and would not, individually or in the aggregate, reasonably be expected to prevent, materially delay or materially impair the consummation of the transactions contemplated by this Agreement or the Option Agreement;

4. Company's Representations and Warranties. The Company represents and warrants to Holder as of the date of this Agreement and as of the date of any exercise of the Option that:

(a) the Company is a corporation duly incorporated, validly existing and in good standing under the laws of the State of New Mexico;

(b) the Company has the requisite corporate power and authority to (i) execute, issue and deliver this Agreement and the Option Agreement, (ii) issue and deliver the Option Stock issuable upon exercise of the Option and (iii) perform any other obligations under this Agreement and the Option Agreement;

(c) each of this Agreement and the Option Agreement has been duly authorized, validly issued and is a valid and binding obligation of the Company, enforceable against the Company in accordance with the terms hereof;

(d) the Option Stock issuable upon exercise of the Option have been duly authorized and, when and if issued upon such exercise in accordance with this Option

Agreement, will be validly issued, fully paid, non-assessable, and will be free of any and all encumbrances and restrictions on transfer other than restrictions under applicable State and federal securities Laws;

(e) the execution, delivery and performance of this Agreement and the Option Agreement and the issuance of the Option does not, and the issuance of the Option Stock upon exercise of the Option will not, conflict with (i) the Company's certificate of incorporation, (ii) the Company's bylaws, (iii) any other agreement, contract or similar instrument to which the Company is a party or (iv) any applicable Laws; provided, that the representation in this clause (iv) as to any conflicts with New Mexico Law of the issuance of the Option Stock shall be solely in the circumstance in which the Option is exercisable pursuant to Section 1 of the Option Agreement; except in the case of clauses (iii) and (iv), any such conflict which, if it did exist, has not had and would not, individually or in the aggregate, reasonably be expected to have a Company Material Adverse Effect (as defined in the Stock Purchase Agreement);

5. Governing Law. This Agreement, and all claims or causes of action (whether at Law, in contract or in tort) that may be based upon, arise out of or relate to this Agreement or the negotiation, execution or performance hereof, shall be governed by, and construed in accordance with, the Laws of the State of Delaware (without giving effect to choice of law principles thereof or of any other jurisdiction that would mandate or permit the application of the Laws of any jurisdiction other than the State of Delaware).

6. Venue. Each of the parties to this Agreement irrevocably (a) agrees that it shall bring any and all actions or proceedings in respect of any claim arising out of, related to, or in connection with, this Agreement or the transactions contemplated by this Agreement, whether in tort or contract or at law or in equity, exclusively in the Delaware Court of Chancery and any state appellate court therefrom within the State of Delaware or, if such court shall not have or declines to accept jurisdiction over a particular matter, then any federal court within the State of Delaware, (b) submits with regard to any such action or proceeding, generally and unconditionally, to the personal jurisdiction of such courts and agrees that it will not attempt to deny or defeat such personal jurisdiction by motion or other request for leave from any such court, (c) agrees that it will not bring any action relating to this Agreement or any of the transactions contemplated by this Agreement in any court other than the courts described above, and (d) consents to service being made through the notice procedures set forth in Section 10.2 of the Stock Purchase Agreement. The Company hereby agrees that service of any process, summons, notice or document by U.S. registered mail to the respective addresses set forth in Section 10.2 of the Stock Purchase Agreement shall be effective service of process for any suit or proceeding in connection with this Agreement or the transactions contemplated hereby. Each party hereto hereby irrevocably waives, and agrees not to assert, by way of motion, as a defense, counterclaim or otherwise, in any action or proceeding with respect to this Agreement, any claim that it is not personally subject to the jurisdiction of the above-named courts for any reason other than the failure to serve process in accordance with this Section 6, that it or its property is exempt or immune from jurisdiction of any such court or from any legal process commenced in such courts (whether through service of notice, attachment prior to judgment, attachment in aid of execution of judgment, execution of judgment or otherwise), and to the fullest extent permitted by applicable Law, that the suit, action or proceeding in any such court is brought in an inconvenient forum, that the venue of such suit,

action or proceeding is improper, or that this Agreement, or the subject matter hereof or thereof, may not be enforced in or by such courts and further irrevocably waives, to the fullest extent permitted by applicable Law, the benefit of any defense that would hinder, fetter or delay the levy, execution or collection of any amount to which such party is entitled pursuant to the final judgment of any court having jurisdiction. Each party expressly acknowledges that the foregoing waiver is intended to be irrevocable under the Laws of the State of Delaware and of the United States of America; provided, that each such party's consent to jurisdiction and service contained in this Section 6 is solely for the purpose referred to in this Section 6 and shall not be deemed to be a general submission to said courts or in the State of Delaware other than for such purpose.

7. Waiver of Jury Trial and Certain Damages. EACH PARTY TO THIS AGREEMENT HEREBY IRREVOCABLY WAIVES ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM (WHETHER BASED ON CONTRACT, TORT OR OTHERWISE) ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THE ACTIONS OF THE PURCHASER OR THE COMPANY IN THE NEGOTIATION, ADMINISTRATION, PERFORMANCE AND ENFORCEMENT HEREOF OR THEREOF.

8. Incorporation. Sections 10.2 through 10.7 and Section 10.11 of the Stock Purchase Agreement shall be deemed to apply to this Agreement, *mutatis mutandis*.

[Signature Pages Follow]

IN WITNESS WHEREOF, each of the undersigned parties has caused this Agreement to be executed as of the date first above written.

TROY TOPCO LP

By: _____
Name: Sebastien Sherman
Title: Vice President

TXNM ENERGY, INC.

By: _____
Name: Don Tarry
Title: Chief Executive Officer

Exhibit A

Form of Option Agreement

(See attached.)

Execution Version

THIS OPTION AGREEMENT AND THE SECURITIES ISSUABLE UPON THE EXERCISE HEREOF HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR QUALIFIED UNDER THE SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION AND MAY NOT BE TRANSFERRED IN VIOLATION OF SUCH ACT AND LAWS OR THE PROVISIONS OF THIS OPTION AGREEMENT.

THIS OPTION AGREEMENT SHALL CONSTITUTE AN OPTION CONTRACT AND NOT “STOCK” UNDER ANY APPLICABLE LAW.

OPTION AGREEMENT

[●], 2026

TXNM Energy, Inc., a New Mexico corporation (the “Company”), hereby grants to Troy TopCo LP, a Delaware limited partnership (“Holder”), the right to purchase 8,000,000 shares of the Company’s common stock, no par value (the “Company Common Stock” and, such 8,000,000 shares thereof, the “Option Stock”), at a purchase price of \$0.0001 per share of Company Common Stock (the “Exercise Price”) on the terms and conditions set forth in this Option Agreement (the “Option,” and, this Option Agreement, the “Option Agreement”). All capitalized terms not otherwise defined in this Option Agreement shall have the meanings ascribed to such terms in that certain Stock Purchase Agreement, dated as of May 18, 2025 (the “Stock Purchase Agreement”), by and between Holder and the Company, which terms shall apply as defined therein regardless of the validity of such agreement.

1. The Option may be exercised at any time following the earlier to occur of: (a) the time at which no further approval of the New Mexico Public Regulation Commission (the “Commission”) is required for Holder to consummate the exercise of the Option and purchase of the Option Stock contemplated by this Option Agreement (whether because the Commission has approved the purchase of the Option Stock pursuant to NM Stat § 62-6-12(A)(3), the Commission has determined that its approval is not required or otherwise); and (b) valid termination of that certain Merger Agreement, dated as of May 18, 2025, by and among Troy ParentCo LLC, a Delaware limited liability company, Troy Merger Sub Inc., a New Mexico corporation, and the Company prior to consummation of the Closing.

2. Subject to Section 1, Holder may exercise the Option on any Business Day for all (but not less than all) of the Option Stock by delivering to the Company: (a) a written notice of Holder’s election to exercise the Option (an “Election Notice”) and (b) payment of the aggregate Exercise Price. Upon receipt of an Election Notice, the Company shall promptly, and in any event within three Business Days deliver to Holder evidence reasonably satisfactory to Holder of (i) the issuance of the Company Common Stock and (ii) listing of the Company Common Stock on the New York Stock Exchange (it being understood that upon, exercise, the Company shall cooperate with Holder and use reasonable best efforts to take, or cause to be taken, all actions, and do or cause to be done all things, reasonably necessary, proper or advisable on its part under the rules and policies of the New York Stock Exchange to enable the listing of the Company Common Stock with the New York Stock Exchange as promptly as practicable following exercise of the Option). Payment of the Exercise Price shall be made by wire transfer of immediately available funds to the account(s) designated by the Company in writing (such account to be designated by the

Company within one Business Day of the Holder's request for such account information).

3. The Company shall, at all times, reserve and keep available out of its authorized but unissued Company Common Stock, solely for the purpose of issuance upon the exercise of the Option, the maximum number of Option Stock that are issuable upon the exercise of the Option. The Company shall take all such actions as may be necessary or appropriate in order that the Company may validly and legally issue fully paid and non-assessable Option Stock upon the exercise of the Option. The Company shall not, directly or indirectly, by any intentional action, avoid or seek to avoid the observance or performance of any of the terms of the Option but will, at all times, in good faith assist in carrying out all such actions as may be reasonably necessary or appropriate to protect the rights of Holder against impairment. The Company will not at any time, except upon dissolution, liquidation or winding up of the Company, close its transfer books so as to result in preventing or delaying the exercise or transfer of the Option.

4. In the event that the Company pays any cash dividend with respect to the Company Common Stock at a time that the Option remains outstanding and has not been exercised, the Company shall deposit and hold in an interest bearing escrow account insured by the Federal Deposit Insurance Corporation established solely for the purposes of this Option Agreement (the "Dividend Holdback Account"), an amount of immediately available funds equal to the amount of the dividend that would have been paid to the holder of the Option Stock if the Option Stock were issued and outstanding on the record date and payment date of such dividend. Other than pursuant to the following sentence, in no event shall the Company withdraw, distribute or make any payment of any funds held in the Dividend Holdback Account without the prior written consent of the Holder. In the event that the Option is exercised, contemporaneously with the issuance of the Option Stock, the Company shall pay to the Holder, by wire transfer of immediately available funds to the account(s) designated by the Holder in writing, all amounts held in the Dividend Holdback Account.

5. In the event that the number of Company Common Stock issued and outstanding after the date hereof and prior to the Holder's exercise of the Option or the number of securities convertible or exchangeable into or exercisable for Company Common Stock shall have been changed into a different number of Company Common Stock or securities convertible or exchangeable into or exercisable for Company Common Stock, as applicable, or securities of a different class as a result, in either case, of a reclassification, stock split (including a reverse stock split), stock dividend, recapitalization, merger, issuer tender or exchange offer or other similar transaction, then, in each case, the number of Option Stock purchasable hereunder as result of Holder's exercise of the Option shall be equitably adjusted to provide to Holder the same economic effect as contemplated by this Option Agreement prior to such event.

6. Holder represents and warrants to the Company as of the date of this Option Agreement and as of the date of any exercise of the Option that:

(a) it is acquiring the Option and, upon exercise hereof, the Option Stock, for its own account without a view to the distribution thereof;

(b) it is an "accredited investor" within the meaning of Regulation D under the Securities Act;

(c) it has been advised and understands that the Option and the Option Stock have not been registered under the Securities Act or any state securities Laws and, unless so registered, cannot be offered, sold, transferred or otherwise disposed of except pursuant to an exemption from or in a transaction not subject to the registration requirements of the Securities Act and all applicable state securities Laws;

(d) it can bear the economic and financial risk of its investment for an indefinite period of time, and has such knowledge and experience in financial or business matters that it is capable of evaluating the risks and merits of the investment in the Option and the Option Stock that may be issued upon the exercise of such Option; and

(e) the Company has made available to Holder, at a reasonable time prior to Holder's acquisition of the Option, the opportunity to ask questions and receive answers concerning the terms and conditions of such acquisition and to obtain any additional information which the Company possesses or can acquire without unreasonable effort or expense that is necessary to verify the accuracy of the information furnished by the Company in connection with such acquisition, and Holder has reviewed or had the opportunity to review all such documents or information referred to above.

7. The Company represents and warrants to Holder as of this Option Agreement and as of the date of any exercise of the Option that:

(a) assuming the truth and accuracy of Holder's representations and warranties contained in Section 6, the issuance of the Option and the issuance of Option Stock pursuant to this Option Agreement are exempt from the registration and prospectus delivery requirements of the Securities Act; and

(b) the Company agrees that neither it nor any Person acting on its behalf has offered or will offer the Option or the Option Stock or any part thereof or any similar securities for issue or sale to, or has solicited or will solicit any offer to acquire any of the same from, any Person so as to bring the issuance and sale of the Option or the Option Stock hereunder within the provisions of the registration and prospectus delivery requirements of the Securities Act.

8. This Option Agreement, and all claims or causes of action (whether at Law, in contract or in tort) that may be based upon, arise out of or relate to this Option Agreement or the negotiation, execution or performance hereof, shall be governed by, and construed in accordance with, the Laws of the State of Delaware (without giving effect to choice of law principles thereof or of any other jurisdiction that would mandate or permit the application of the Laws of any jurisdiction other than the State of Delaware).

9. Each of the parties to this Option Agreement irrevocably (a) agrees that it shall bring any and all actions or proceedings in respect of any claim arising out of, related to, or in connection with, this Option Agreement or the transactions contemplated by this Option Agreement, whether in tort or contract or at law or in equity, exclusively in the Delaware Court of Chancery and any state appellate court therefrom within the State of Delaware or, if such court shall not have or declines to accept jurisdiction over a particular matter, then any federal court

within the State of Delaware, (b) submits with regard to any such action or proceeding, generally and unconditionally, to the personal jurisdiction of such courts and agrees that it will not attempt to deny or defeat such personal jurisdiction by motion or other request for leave from any such court, (c) agrees that it will not bring any action relating to this Option Agreement or any of the transactions contemplated by this Option Agreement in any court other than the courts described above, and (d) consents to service being made through the notice procedures set forth in Section 10.2 of the Stock Purchase Agreement. The Company hereby agrees that service of any process, summons, notice or document by U.S. registered mail to the respective addresses set forth in Section 10.2 of the Stock Purchase Agreement shall be effective service of process for any suit or proceeding in connection with this Option Agreement or the transactions contemplated hereby. Each party hereto hereby irrevocably waives, and agrees not to assert, by way of motion, as a defense, counterclaim or otherwise, in any action or proceeding with respect to this Option Agreement, any claim that it is not personally subject to the jurisdiction of the above-named courts for any reason other than the failure to serve process in accordance with this Section 9, that it or its property is exempt or immune from jurisdiction of any such court or from any legal process commenced in such courts (whether through service of notice, attachment prior to judgment, attachment in aid of execution of judgment, execution of judgment or otherwise), and to the fullest extent permitted by applicable Law, that the suit, action or proceeding in any such court is brought in an inconvenient forum, that the venue of such suit, action or proceeding is improper, or that this Option Agreement, or the subject matter hereof or thereof, may not be enforced in or by such courts and further irrevocably waives, to the fullest extent permitted by applicable Law, the benefit of any defense that would hinder, fetter or delay the levy, execution or collection of any amount to which the party is entitled pursuant to the final judgment of any court having jurisdiction. Each party expressly acknowledges that the foregoing waiver is intended to be irrevocable under the Laws of the State of Delaware and of the United States of America; provided, that each such party's consent to jurisdiction and service contained in this Section 9 is solely for the purpose referred to in this Section 9 and shall not be deemed to be a general submission to said courts or in the State of Delaware other than for such purpose.

10. EACH PARTY TO THIS OPTION AGREEMENT HEREBY IRREVOCABLY WAIVES ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM (WHETHER BASED ON CONTRACT, TORT OR OTHERWISE) ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THE ACTIONS OF THE PURCHASER OR THE COMPANY IN THE NEGOTIATION, ADMINISTRATION, PERFORMANCE AND ENFORCEMENT HEREOF OR THEREOF.

11. Article VI, Article VII, Article VIII, and Sections 5.1, 5.5, 5.6, 10.2 through 10.7 and Section 10.10 of the Stock Purchase Agreement shall be deemed to apply to this Agreement, *mutatis mutandis*. Neither this Agreement nor any of the rights, interests or obligations hereunder shall be assigned by any party hereto (whether by operation of law or otherwise) without the prior written consent of the other party; provided, that, each party hereto may assign to any Affiliate thereof following valid termination of the Merger Agreement in accordance therewith.

[Signature Pages Follow]

IN WITNESS WHEREOF, the Company and Holder have caused this Option Agreement to be duly executed as of the date first above written.

TROY TOPCO LP

By: Troy GP LLC
Its: General Partner

By: BIP Holdings Manager L.L.C.
Its: Manager

By: _____
Name: Sebastien Sherman
Title: Senior Managing Director

TXNM ENERGY, INC.

By: _____
Name: Don Tarry
Title: Chief Executive Officer

BEFORE THE NEW MEXICO PUBLIC REGULATION COMMISSION

IN THE MATTER OF THE JOINT APPLICATION OF)
PUBLIC SERVICE COMPANY OF NEW MEXICO,)
TXNM ENERGY, INC. AND TROY PARENTCO LLC FOR)
APPROVAL OF AN ACQUISITION AND MERGER OF) Case No. 25-00060-UT
TROY MERGER SUB INC. WITH TXNM ENERGY, INC.;)
APPROVAL OF A GENERAL DIVERSIFICATION PLAN;)
AND ALL OTHER AUTHORIZATIONS AND)
APPROVALS REQUIRED TO CONSUMMATE AND)
IMPLEMENT THIS TRANSACTION)
)
PUBLIC SERVICE COMPANY OF NEW MEXICO,)
TXNM ENERGY, INC. AND TROY PARENTCO LLC,)
)
JOINT APPLICANTS.)

SELF AFFIRMATION

In accordance with 1.2.2.35(A)(3) NMAC and Rule 1-011(B) NMRA, **JOSEPH D. TARRY, President and Chief Executive Officer, Public Service Company of New Mexico**, upon penalty of perjury under the laws of the State of New Mexico, affirms and states: I have read the foregoing **Direct Testimony In Response to Show Cause Order and Exhibit of Joseph D. Tarry** which are true and correct based on my personal knowledge and belief.

DATED this 6th day of April, 2026.

/s/ Joseph D. Tarry
JOSEPH D. TARRY

BEFORE THE NEW MEXICO PUBLIC REGULATION COMMISSION

**IN THE MATTER OF THE JOINT APPLICATION OF)
PUBLIC SERVICE COMPANY OF NEW MEXICO,)
TXNM ENERGY, INC. AND TROY PARENTCO LLC FOR)
APPROVAL OF AN ACQUISITION AND MERGER OF)
TROY MERGER SUB INC. WITH TXNM ENERGY, INC.;)
APPROVAL OF A GENERAL DIVERSIFICATION PLAN;)
AND ALL OTHER AUTHORIZATIONS AND)
APPROVALS REQUIRED TO CONSUMMATE AND)
IMPLEMENT THIS TRANSACTION)
)
)
**PUBLIC SERVICE COMPANY OF NEW MEXICO,)
TXNM ENERGY, INC. AND TROY PARENTCO LLC,)
)
)
JOINT APPLICANTS.)****

Case No. 25-00060-UT

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the **Direct Testimony in Response to Show Cause Order and Exhibit of Joseph D. Tarry** was emailed to parties listed below on April 6, 2026:

| | |
|----------------------------------|--------------------------------|
| Hearing Examiner Division | |
| Ana Kippenbrock, Paralegal | Ana.kippenbrock@prc.nm.gov; |
| Jocelyn Barrett | Jocelyn.barrett@prc.nm.gov; |
| Patrick Schaefer | Patrick.schaefer@prc.nm.gov; |
| PRC General Counsel | |
| Alejandro Rettig y Martinez | Alejandro.martinez@prc.nm.gov; |
| Erin Lecocq | Erin.Lecocq@prc.nm.gov; |
| Scott Cameron | Scott.cameron@prc.nm.gov; |
| ABCWUA | |
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| Mark Garrett | MGarrett@garrettgroupllc.com; |
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Dated this 6th day of April, 2026.

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