

**TXNM ENERGY, INC.**  
**414 Silver Ave. SW**  
**Albuquerque, New Mexico 87102**

To: Holders of TXNM Energy, Inc.'s 5.75% Junior Subordinated Convertible Notes due 2054 (CUSIP: 69349H AF4) (the "Convertible Notes")

Computershare Trust Company, N.A., as Trustee  
1505 Energy Park Drive  
St. Paul, Minnesota 55108  
Attention: CTSO Mail Operations

**Re: Notice of Adjustment to Conversion Rate**

Ladies and Gentlemen:

Reference is made to that certain Indenture, dated as of June 10, 2024 (the "**Indenture**"), between TXNM Energy, Inc. (formerly known as PNM Resources, Inc.), a New Mexico corporation (the "**Company**"), and Computershare Trust Company, N.A., as trustee (the "**Trustee**"), pursuant to which the Company issued its 5.75% Junior Subordinated Convertible Notes due June 1, 2054 (the "**Convertible Notes**"). Capitalized terms used in this notice which are defined in the Indenture and are not otherwise defined herein have the meanings specified for those terms in the Indenture.

Notice is hereby provided pursuant to Section 14.04(l) of the Indenture that an adjustment to the Conversion Rate for the Convertible Notes has been made pursuant to Sections 14.04(d) and 14.04(k) of the Indenture.

**Background**

Section 14.04(d) of the Indenture provides that the Conversion Rate for the Convertible Notes shall be adjusted on the Ex-Dividend Date for any cash dividend or distribution made to all or substantially all holders of the Common Stock, other than a regular, quarterly cash dividend that does not exceed \$0.3875 (the "**Initial Dividend Threshold**").

Under Section 14.04(k) of the Indenture, if an adjustment to the Conversion Rate otherwise required by this Section 14.04 would result in a change of less than one percent to the Conversion Rate, then, notwithstanding the foregoing, the Company may, at its election, defer and carry forward such adjustment, except that all such deferred adjustments must be given effect immediately upon the occurrence of certain events as provided in Section 14.04(k).

Since the issuance of the Convertible Notes, the Company has declared four regular quarterly cash dividends in excess of the Initial Dividend Threshold. In the case of each such dividend payment, no adjustment was made to the Conversion Rate as the adjustment for such dividend (in each case taking into account all previously deferred adjustments pursuant to Section

14.04(k) of the Indenture) would have required an increase in the Conversion Rate of less than one percent. As a result of the Convertible Notes becoming subject to conversion at the option of any holder of the Convertible Notes for the period of January 1, 2026 through March 31, 2026, the Company is giving effect to all such deferred adjustments effective as of January 1, 2026.

Adjustments

Effective as of January 1, 2026, the Conversion Rate set forth in Section 14.01(a) of the Indenture is adjusted to 22.5248 shares of the Common Stock (subject to future adjustment as provided in the Indenture) per \$1,000 principal amount of the Convertible Notes.

The adjustment to the Conversion Rate was calculated using the formula in Section 14.04(d) of the Indenture.

**TXNM ENERGY, INC.**

Dated: January 2, 2026