PNM RESOURCES, INC

PROCEDURES FOR THE SUBMISSION OF COMPLAINTS OR CONCERNS REGARDING FINANCIAL STATEMENT DISCLOSURES, ACCOUNTING, INTERNAL ACCOUNTING CONTROLS OR AUDITING MATTERS AND OTHER MATTERS INVOLVING VIOLATIONS OF LAW

As Approved by the Audit and Ethics Committee
December 16, 2003
(Amended February 27, 2013)

1. The Company shall forward to the Audit and Ethics Committee ("Committee") of the Board any complaints that it receives regarding financial statement disclosures, accounting, internal accounting controls or auditing matters. When the Company receives any such complaint, the Director of Audit Services, the Director of Ethics and Governance and the General Counsel shall make an initial determination regarding the "materiality" of the issue. For this purpose, "materiality" shall be assessed both on a quantitative basis (such as whether a significant dollar amount is involved) and on a qualitative basis (such as whether an officer is involved, or whether reputational risk to the Company is involved). If the issue is determined not to be material, the General Counsel and the Director of Audit Services shall cause an investigation of the complaint to commence. The Director of Audit Services shall report the complaint to the Committee at its next meeting. The report shall include the substance of the complaint, the reason why it was determined not to be material, the status of the investigation and any action taken to date. The Committee shall continue to receive reports until the matter is closed. If the issue is determined to be material, the Director of Audit Services and the General Counsel shall promptly notify the Committee Chair who shall then determine how to proceed to investigate the matter. The Chair shall report to the full Committee at its next meeting.

2. The Company shall report to the Committee at its next meeting any complaints or reports received regarding non-compliance with laws and regulations applicable to the Company. The report shall describe the investigations undertaken, results of the investigations and any remedial and preventive actions taken.

3. Any employee of the Company may submit, on a confidential, anonymous basis if the employee so desires, any concerns regarding financial statement disclosures, accounting, internal accounting controls or auditing matters and other matters involving violation of law or regulations applicable to the Company. These concerns may be reported using the confidential PNM Resources, Inc. Integrity Line or by submitting them in writing. Confidential, anonymous concerns submitted through the PNM Resources, Inc Integrity Line shall be reported directly to the Director of Ethics and Governance and shall thereafter be handled in the manner described in paragraph 1, above. If the employee desires to communicate the concern directly with the Committee without initial review by

management, the concern should be submitted in writing, in a sealed envelope addressed to the Committee Chair, in care of the Company's Secretary, with a notation indicating that it is to be opened only by the Committee. The Secretary shall promptly forward the unopened envelope to the Committee Chair.

4. If an employee would like to discuss any matter with the Committee, the employee should indicate that desire in the submission and include a contact telephone number for use by the Committee if it deems contact to be appropriate.

5. At each of its meetings, including any special meeting called by the Committee Chair following receipt of any information covered by this Policy, the Committee shall review and consider any complaints or concerns that it has received and take any action that it deems appropriate to respond to the complaint or concern.

6. The Committee shall retain any information covered by this Policy for a period of seven years, unless a longer time is deemed appropriate under the circumstances.

7. The Company shall not permit retaliation of any kind against employees for good faith complaints submitted under this Policy or for helping to resolve any such concerns.

8. This Policy is intended to complement the compliance and review processes contained in "Do the Right Thing", the Company's Principles of Business Conduct.

9. The Committee shall review the complaint procedures set forth in this Policy at least annually.