



## FINANCE COMMITTEE CHARTER

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### Objectives

The Finance Committee is a committee of the Board of Directors (the “Board”) of El Paso Corporation (the “Company”). Its primary function is (A) to assist the Board in fulfilling its oversight responsibilities by reviewing and recommending to the Board appropriate action with respect to the Company’s financial plans, including a review of the Company’s capital structure, source of funds, payment of dividends, liquidity and financial position and (B) to act on behalf of the Board for the issuance of any debt or equity, capital expenditures, acquisitions or dispositions that are delegated by the Board for appropriate action by the Finance Committee.

### Membership and Policies

- The Board, based upon a recommendation by the Governance Committee of the Board, shall appoint the Chairperson and members of the Committee annually. The Committee shall consist of a minimum of three members of the Board. Members of the Committee may be removed from the Committee only by action of the full Board.
- The Committee shall meet a minimum of one time per calendar year or more frequently as circumstances require. The Finance Committee may also meet by telephone conference call or other means permitted by law or the Company’s By-laws.
- A Secretary, who need not be a member of the Committee, shall be appointed by the Committee to keep minutes of all meetings of the Committee and such other records as the Chairperson deems necessary or appropriate.
- The Committee may designate a subcommittee consisting of at least one member to address specific issues on behalf of the Committee.
- The Committee shall report periodically to the Board on its activities.

### Powers

- To the extent delegated by the Board, the Finance Committee may exercise the powers and authority of the Board with respect to authorizing any material financing plans of the Company, including the issuance, amendment, conversion or termination of any debt or equity instruments.
- To the extent delegated by the Board, the Finance Committee may exercise the powers and authority of the Board with respect to authorizing any capital expenditures, acquisitions or divestitures.
- The Committee may request that any officer or employee of the Company attend and participate in any meeting of the Committee. The Committee may meet with the Company’s investment bankers and financial advisors.
- The Committee has the sole authority and responsibility to select, retain, evaluate and, where appropriate, terminate independent advisors as it determines necessary in carrying out its duties. Such engagement shall not require the approval of the Board. The Company shall provide



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appropriate funding, as determined by the Committee for compensation for such advisors and ordinary administrative expenses of the Committee that are necessary or appropriate in carrying out its duties.

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| <b>Functions</b> |
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- The Finance Committee shall review and recommend to the Board the long-range financial plan of the Company as reflected in the annual strategic plan and capital budget.
- The Finance Committee shall recommend to the Board financial policies that maintain or improve the financial strength of the Company.
- The Finance Committee shall review terms and conditions of financing plans, including the issuance of securities, corporate borrowings, off-balance sheet structures and investments, and shall make recommendations to the full Board on such financings.
- The Finance Committee shall review and recommend appropriate delegations of authority to management on expenditures and other financial commitments.
- The Finance Committee shall develop and recommend dividend policies and recommend to the Board of Directors specific dividend payments.
- The Finance Committee shall review and make recommendations to the full Board concerning the adoption, implementation and continuation of any stock repurchase program.
- The Finance Committee shall review with management and report to the Board, on an annual basis, the interest rate and foreign currency risk management strategies and positions of the Company.
- The Finance Committee shall review with management and report to the Board, on an annual basis, the investment performance and other similar performance measures of the defined benefit and defined contribution plans of the Company.
- The Finance Committee shall review and assess the adequacy of the Committee charter periodically.
- The Finance Committee shall conduct an annual performance evaluation of the Finance Committee, which may be done in conjunction with the annual evaluations of the Board and committees thereof conducted by the Governance Committee.
- The Finance Committee shall perform such other functions as assigned by applicable law, the rules of the New York Stock Exchange, the Company's restated certificate of incorporation or By-laws, or the Board.

The function of the Finance Committee is one of oversight. While the Committee has the responsibilities set forth in the Committee charter, members of the Finance Committee are not employees of the Company and are entitled to rely on the integrity of the Company's management and appropriate third-party advisors, including the Company's independent auditor. Therefore, it is not the duty of the



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Committee to (1) determine that the Company's financial statements are complete and accurate and are in accordance with generally accepted accounting principles; (2) ensure that the Company complies with laws, regulations, financial covenants or other obligations; (3) address issues related to the Company's welfare or benefit plans, including, without limitation, any such plans subject to the Employee Retirement Income Security Act of 1974, as amended from time to time; or (4) take any action or assume any responsibility delegated to another committee of the Board. Rather, the Company's management is responsible for such matters.

Effective: February 18, 2005