



COMPENSATION COMMITTEE CHARTER

Objectives

The Compensation Committee (the “Committee”) is a committee of the Board of Directors (the “Board”) of El Paso Corporation (the “Company”). The Board has delegated to the Committee its responsibilities relating to compensation of the Company’s Chief Executive Officer and other senior officers who are subject to Section 16(a) of the Securities Exchange Act of 1934 (“executives” or “executive officers”). The purpose of the Committee is to discharge the Board’s responsibilities relating to compensation of the Company’s executives and to produce a transparent and comprehensive compensation discussion and analysis (“CD&A”) and a Committee Report for inclusion in the Company’s proxy statement filed with the Securities and Exchange Commission (the “SEC”), in accordance with applicable rules and regulations. The primary function of the Committee is to review the executive compensation program of the Company to ensure that it is adequate to attract, motivate and retain competent executive personnel and that it is directly and materially related to the short-term and long-term objectives of the Company and its stockholders as well as the operating performance of the Company.

In addition, the Committee shall periodically review and make recommendation to the full Board regarding compensation (including equity compensation) for the Board and committees of the Board.

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. Subject to any applicable phase-in periods, each member of the Committee shall be “independent” as determined in accordance with the rules of the New York Stock Exchange and applicable law (including, without limitation, the rules of the SEC, the non-employee director definition of Rule 16b-3 promulgated under Section 16 of the Securities Exchange Act of 1934, as amended, and the outside director definition of Section 162(m) of the Internal Revenue code of 1986, as amended). Members of the Committee may be removed from the Committee only by action of the full Board.
- The Committee shall meet a minimum of two times per calendar year or more frequently as circumstances require. The Committee may also meet by telephone conference call or any 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.
- The Committee has the sole authority and responsibility to select, retain, evaluate and, where appropriate, terminate independent advisors, including a compensation consulting firm, to assist in the evaluation of director compensation and executive compensation, including the sole authority to



COMPENSATION COMMITTEE CHARTER

approve such firm's fees and other retention terms. Such engagement shall not require the approval of the Board. The Company shall provide 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.

Functions

- The Committee shall periodically review and approve the Company's stated compensation strategy, which will appropriately take into consideration contributions to Company growth and profitability, organization objectives, stockholder interests, whether there are risks arising from such compensation strategy that are reasonably likely to have a material adverse effect on the Company and such other factors as deemed appropriate by the Committee.
- The Committee shall have responsibility for executive agreements, perquisites and executive benefit plans (including, but not limited to, any deferred or supplemental benefit plans or programs).
- The Committee shall periodically review and approve the Company's executive compensation program, which will appropriately take into consideration the Company's financial performance and return on Company common stock, the performance of the individual executive officer and such other factors as deemed appropriate by the Committee.
- The Committee shall review appropriate criteria for establishing performance targets and determining annual corporate and executive performance ratings.
- The Committee shall periodically review and determine appropriate levels of executive compensation, which will appropriately take into consideration available competitive compensation information (including the review of proxy information), advice from an independent executive compensation consulting firm, any shareholder or other executive compensation proposals and such other factors as deemed appropriate by the Committee.
- The Committee shall ensure that the Company's executive equity-based plan, long-term incentive compensation program, annual incentive compensation program and other executive compensation programs are administered in accordance with stated compensation objectives, and shall make recommendations to the Board with respect to such programs.
- The Committee shall approve (or recommend to the full Board for approval), subject, where appropriate, to submission to stockholders, all new equity-based compensation programs.
- The Committee shall review the Company's employee benefit and compensation programs and consider management recommendations subject, where appropriate, to stockholder or Board approval. As part of this process, the Committee shall, where appropriate, make recommendations to the Board with respect to non-Chief Executive Officer compensation, incentive compensation plans and equity based plans.



COMPENSATION COMMITTEE CHARTER

- The Committee shall review annually and approve the individual elements of total compensation for the Chief Executive Officer and other executive officers of the Company and shall, as appropriate, cause the CD&A contained in the Company's proxy statement to include those factors and criteria on which executive compensation was based, including the relationship of the Company's performance to their compensation. As part of this process, the Committee shall review and approve corporate goals and objectives relevant to the compensation of the Chief Executive Officer, evaluate the Chief Executive Officer's performance in light of those goals and objectives (which shall include, among other factors, corporate and individual performance, including the Company's financial performance and return on Company common stock, relative shareholder return, the value of similar incentive awards to chief executive officers at comparable companies, awards given to the Company's chief executive officer in prior years, the accomplishment of short-term and long-term strategic goals and objectives, and any other factors established by the Committee) and have sole authority to determine the Chief Executive Officer's compensation level based on this evaluation.
- The Committee shall oversee the preparation of the CD&A and Compensation Committee Report and recommend to the full Board their inclusion in the Company's annual proxy statement, in accordance with applicable rules and regulations of the SEC.
- The Committee shall periodically review and make a recommendation to the full Board regarding director compensation, including, without limitation, annual retainer and meeting fees for members and chairpersons of the Board and committees of the Board, and the terms and awards of equity compensation for members and chairpersons of the Board and committees of the Board.
- The Committee shall review and assess the adequacy of the Committee charter periodically.
- The Committee shall conduct an annual performance evaluation of the Committee, which may be done in conjunction with the annual evaluations of the Board and committees thereof conducted by the Governance Committee.
- The Committee will 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.

Effective: February 24, 2010