

CORPORATE GOVERNANCE COMMITTEE CHARTER OTTER TAIL CORPORATION

2/6/2018

I. Purpose

The Corporate Governance Committee of the Board of Directors (“Board”) of Otter Tail Corporation (“Corporation”) has been formed to identify and recommend to the Board qualified candidates for election as directors, to recommend committee assignments for directors, and to recommend actions necessary for proper governance of the Corporation and for evaluating the performance of the Board and the Chief Executive Officer.

II. Membership

The Corporate Governance Committee shall be comprised of a minimum of three directors of the Board, each of whom shall meet the independence requirements established by applicable laws and regulations, including the rules and regulations of The Nasdaq Stock Market LLC. Terms of members shall continue until a successor is appointed by the Board. The Board may remove, replace, or add new members to the Corporate Governance Committee at any time in its sole discretion.

III. Duties and Responsibilities

The Corporate Governance Committee shall:

- Review from time to time the appropriate skills and characteristics required of directors of the Board in the context of the current make-up of the Board, including diversity, age, business background and experience, accomplishments, experience in the Corporation’s businesses, and willingness to make the requisite commitment of time and effort as a director of the Corporation.
- Periodically evaluate and make recommendations to the Board on the appropriate size, make-up, and needs of the Board.
- Develop and recommend to the Board criteria for screening and selecting nominees to the Board.
- Oversee the consideration of director candidates validly nominated by the Corporation’s shareholders in accordance with applicable laws, regulations, and the Corporation’s Bylaws.
- Working with the Chief Executive Officer and the Chairman of the Board of the Corporation, identify and evaluate director nominees for election to the Board to fill vacancies created by expansion, retirement, resignation or for any other reason, including incumbent directors and candidates validly nominated by the Corporation’s shareholders.
- Recommend candidates believed by it to be qualified for election to the Board.

- Develop a process as appropriate to the circumstance to extend the invitation to the candidate or candidates to join the Board or stand for election, as the case may be.
- Working with the Chief Executive Officer and Chairman of the Board of the Corporation and with input from individual directors, recommend to the Board the assignment of members to committees of the Board, taking into account applicable independence and experience requirements of the Securities Exchange Act of 1934, as amended, and the rules promulgated thereunder, The Nasdaq Stock Market LLC, and such other factors as the Corporate Governance Committee may deem appropriate.
- With input from the Chief Executive Officer of the Corporation, recommend to the Board officers for annual election.
- Develop, recommend and review annually with the Board a set of corporate governance principles applicable to the Corporation.
- Review and evaluate proposals submitted by shareholders for a vote of shareholders, and recommend a course of action to the Board with respect to such proposals.
- Periodically review opportunities and requirements for Director education.
- Review issues and developments related to corporate governance practices, and make recommendations to the Board on changes in structure, rule or practice necessary for compliance and for good corporate governance.
- Periodically solicit input from the Board and review the role and effectiveness of the Board, its committees and directors.
- With input from the Board as a whole, evaluate the performance of the Chief Executive Officer at least annually.
- Retain any search firm or firms to be used to identify director candidates, and such legal counsel or other advisors, as it deems necessary, to advise and assist with respect to any matters within the charter of the Corporate Governance Committee.
- Review the continuation on the Board of any Director who has tendered a letter of resignation from the Board pursuant to the Director Resignation Policy and promptly recommend to the Board whether, in light of all factors deemed relevant, the Board should accept such proposed resignation or request that the Director continue to serve on the Board.

IV. Agenda

The Chair of the Committee, in consultation with appropriate members of the Corporation's management, will develop the Corporate Governance Committee's agenda for each meeting. The agenda shall be included with the written notice of the meeting.

V. Meetings and Actions

The Corporate Governance Committee will meet at least two (2) times per year. Meetings of the Corporate Governance Committee shall be called at the request of the Chair with appropriate notice to members. Any action by the Corporate Governance Committee can be taken at a meeting or, in lieu of a meeting, by written action signed by not less than a majority of the members of the Corporate Governance Committee. A meeting of the Corporate Governance Committee may be conducted by conference call, video conference, or other similar electronic arrangement allowing for verbal discussion of the matters being considered. Any action taken by the Corporate Governance Committee shall require the approval of a majority of the members of the Corporate Governance Committee. A majority of the members of the Corporate Governance Committee shall constitute a quorum for the transaction of the business of the Corporate Governance Committee. Attendance at a meeting of the Corporate Governance Committee shall constitute a waiver of notice of the meeting.

VI. Standard of Conduct

The standard of conduct for the members of the Corporate Governance Committee shall be the same as the standard of conduct for directors of the Board under Section 302A.251 of Minnesota Statutes.

VII. Review of Charter; Amendment

The Corporate Governance Committee shall review and reassess the adequacy of this charter annually and recommend any proposed changes to the Board for approval. This charter is subject to amendment at any time and for any reason by the Board.