



# Code of Conduct Otter Tail Corporation 2019



## OUR MISSION

Otter Tail Corporation delivers value by building strong electric utility and manufacturing platforms.

- ◆ For our shareholders we deliver above-average returns through operational excellence and growing our businesses.
- ◆ For our customers we commit to quality and value in everything we do.
- ◆ For our employees we provide an environment of opportunity with accountability where people are valued and empowered to do their best work.

## OUR VISION

We will build a strong and focused diversified organization with an electric utility as our foundation.

## OUR VALUES

### **Integrity**

We conduct business responsibly and honestly.

### **Safety**

We provide safe workplaces and require safe work practices.

### **People**

We build respectful relationships and create an environment where talented people thrive.

### **Performance**

We strive for excellence, act on opportunity, and deliver on commitments.

### **Community**

We improve the communities where we work and live.

## OTTER TAIL CORPORATION ALERTLINE

**Phone:** (800) 461-9330

**SMS/Text:** (218) 394-7272

**Web site:** [coc.ottertail.com](http://coc.ottertail.com)

Available 24 hours a day, 7 days a week (toll-free service)

February 13, 2019

**Integrity and ethics are the foundation of our business.**

Our organization is built on integrity and honesty. We are committed to ethical behavior and expect you—our directors, officers, and employees—to demonstrate that commitment every day. We expect the same from our consultants, vendors, and contractors. We have earned a reputation for trust and excellence with our stakeholders, and we are proud to reliably deliver on our commitments to our customers and communities.

The following Code of Conduct describes the common principles that guide who we are and how we do business. We each have a vital role in and responsibility for maintaining our organization's earned reputation through the decisions we make and the actions we take. Let these principles guide your everyday decisions and help you navigate challenging situations.

We require faithful compliance with these principles. It is our responsibility to know and abide by them, to the letter and in spirit. Review them frequently, annually at minimum, regardless of your position within our organization.

No document can cover all the situations you may face as an employee. If you have questions or concerns, or if you see behaviors that conflict with these principles, I ask you to speak up. Reach out to your supervisor, your company's human resources department, Otter Tail Corporation Human Resources, or Otter Tail Corporation Office of General Counsel.

Thank you for joining me in our enduring commitment to conduct our business responsibly and honestly, with the highest level of integrity.



Charles S. MacFarlane  
President and Chief Executive Officer



## INTRODUCTION

Otter Tail Corporation and its subsidiary operating companies (collectively and individually the “Company”) believe in integrity and honesty in all workplace relationships. The decisions we make and the actions we take with each other and our customers are vitally important in maintaining our reputation.

Suppliers, vendors, and contractors doing business with the Company also are expected and required to conduct business in accordance with applicable laws, rules, and regulations. This Code of Conduct applies when they perform work or provide services or goods for the Company.

Remember that good intentions, wanting to help the Company, or simply not knowing these guidelines will not excuse unethical or illegal conduct. Some federal and state laws hold employees personally responsible for individual, or corporate misconduct and ignorance of the law may not be an excuse.

As a director, officer, or employee of our Company, you are obligated to read this policy and abide by its principles of conduct. If you have doubts or questions regarding this Code of Conduct or a situation arising under it, please ask your supervisor, your company’s human resources department, Otter Tail Corporation Human Resources, or Otter Tail Corporation Office of General Counsel. You can reach Otter Tail Corporation by calling or writing:

Otter Tail Corporation Human Resources  
4150 19th Avenue South, Suite 101  
P.O. Box 9156  
Fargo, ND 58106-9156  
Facsimile (701) 232-4108  
Vice President of Human Resources (701) 451-3595

Otter Tail Corporation Office of General Counsel  
215 South Cascade Street  
P.O. Box 496  
Fergus Falls, MN 56538-0496  
Facsimile (218) 998-3165  
General Counsel (218) 998-7144

## WORKPLACE SAFETY AND HEALTH

We must work together to promote a safe and healthy workplace.

Our Company values its employees as its most important asset and is committed to the highest standards of safety, for the protection of its employees and the public. We each have a responsibility to meet this commitment by following all Company safety and security procedures, as well as applicable laws and regulations. In so doing, we avoid risk to ourselves and those around us. If you are aware of unsafe working conditions, report the situation to your supervisor or manager immediately.

### Drugs and Alcohol

We are expected to conduct business for the Company free from the influence of any substance that could impair our job performance. You are expected to use good judgment and exercise moderation when alcohol is served at company events or at business dinners. The Company prohibits the sale, manufacture, use, or distribution of illegal drugs in our workplace. These rules apply to all people on Company premises, including consultants, contractors, or vendors, at all times.

## RESPECTFUL WORKPLACE

We are committed to maintaining a workplace free from discrimination and harassment. We are committed to providing all employees the same opportunities for success without regard to race, color, sex, gender, pregnancy, religion, age, national origin, disability, citizenship, sexual orientation, veteran status, or any other characteristic protected by law.

We do not tolerate harassment in any form. Harassment can look and sound different to each of us. It creates or contributes to an uncomfortable, offensive, or intimidating environment. Harassment can be conduct that is physical, verbal, visual, or written.

Do not allow an inappropriate situation to continue by not reporting it, regardless of who is creating the situation. If you see or experience harassment, it is your responsibility to speak up immediately.

Managers or those in supervisory positions should make sure employees report harassment and immediately respond to any reported concerns.

## HUMAN RIGHTS STATEMENT

The Company respects and promotes human rights, and we are committed to responsible workplace practices in all aspects of our business. Our Code of Conduct embodies our commitment to fair and equal treatment of all people and to conducting business ethically.

### Employees

We are committed to building respectful relationships and creating an environment where talented people thrive. Every employee deserves to work in an environment free of discrimination and harassment, where all individuals are treated with respect and dignity. Respect includes:

- ◆ Accepting that others have different views.
- ◆ Valuing others' contributions regardless of role.

- ◆ Having due regard for property and personal interests of others, as well as the Company.
- ◆ Accepting the needs and expectations of supervisors and management.

We provide ways for employees to give feedback to management without fear of retaliation. It is our policy to carefully review and appropriately respond to reports from employees, suppliers, customers, or contractors that the Company is not meeting its legal or ethical obligations, including our obligations in this Code of Conduct. Our Alertline is available to all employees, contractors, and vendors.

We work hard to provide a safe and secure work environment. We comply with applicable laws and regulations and educate employees about our safety and security procedures.

## LAWS AND REGULATIONS

Our Company must operate in strict compliance with applicable laws and regulations at the federal, state, and local levels. You must carry out your duties as a director, officer, or employee in strict compliance with federal, state, and local laws. We are committed to:

- ◆ Maintaining a safe and healthy work environment.
- ◆ Promoting a workplace that is free from discrimination or harassment.
- ◆ Supporting fair competition and laws prohibiting restraints of trade and other unfair trade practices.
- ◆ Conducting our activities in an ethical manner in compliance with all applicable environmental laws.
- ◆ Prohibiting illegal payments, gifts, or gratuities to third parties, including government officials and political parties.
- ◆ Prohibiting the unauthorized use, reproduction, or distribution of any third party's trade secrets, copyrighted information, or confidential information.
- ◆ Complying with all applicable state and federal securities laws.

If you are concerned about the legality of an action you are about to take on behalf of our Company, please contact Otter Tail Corporation's Office of General Counsel by calling (218) 998-7144.

## BOOKS AND RECORDS

We are required under applicable federal securities laws to prepare and file with or furnish to the Securities Exchange Commission (SEC) periodic disclosure regarding our business and financial condition. We also provide additional disclosure to the public through current reports and press releases. As required by your position you must ensure that the information you provide for our use in preparing or disseminating these disclosures, whether financial or otherwise, is complete, fair, accurate, timely, and understandable.

You should never falsify or alter business or accounting records or entries. Never mislead or intentionally omit from any Company record any material fact or information required to make the record accurate and truthful or that is otherwise required by applicable law or regulation.

You must comply with Company procedures providing for the proper and accurate documentation of expense accounts and reimbursements. All accounting reports and entries, including supporting documentation, must accurately reflect and portray the applicable transaction.

## CONFIDENTIALITY

Information about customers, suppliers, business contacts, contracts, products, plans, strategies, manufacturing, marketing, finances, and properties are considered confidential and proprietary Company information (“Confidential Information”). Confidential Information must be held in the strictest confidence during and after your employment with the Company. Each of you is responsible for safeguarding Confidential Information. We must remember that the damage from accidental disclosure of Confidential Information (such as conversations in restaurants or other public places) can be as severe as deliberate disclosure. Additionally, protected data such as Protected Health Information and Personally Identifiable Information (both Protected Health Information and Personally Identifiable Information collectively referred to as “Protected Data”) should be treated in the same manner as Confidential Information.

You may not use Confidential Information for your personal gain. You should not discuss Confidential Information with anyone outside the Company, including family or friends. You must limit disclosure of Confidential Information to those who are entitled to receive such Confidential Information, except where disclosure is expressly authorized or is required by law. You should also keep important documents in secure locations and keep letters, memos, and agreements out of view. You may not use Confidential Information from other companies. When you are hired, you should not bring with you Confidential Information that belongs to your previous employer.

The ways in which we communicate with our stakeholders is vital to our ongoing success. Accordingly, questions about our Company should be directed to the appropriate person for response.

- ◆ Questions from shareholders should be directed to Investor Relations at (800) 664-1259.
- ◆ Questions from government bodies should be directed to the General Counsel at (218) 998-7144.
- ◆ Questions from the media and all other inquiries should be directed to the Director of Corporate Communications at (218) 739-8535.

If you are at an operating company, you also should inform your manager or supervisor in each of these instances.

## SOCIAL MEDIA

Social Media includes a host of online communication platforms ranging from social networking (e.g., Facebook, LinkedIn), blogs and micro blogs (e.g., Twitter), photo and video sharing (e.g., Instagram, YouTube), online forums, social news sites, and message boards (collectively referred to as “Social Media”). Social Media allows for easy interaction and

knowledge sharing. Connections can occur instantaneously, and content can spread very far, very quickly.

Many employees may choose to actively engage with Social Media. It can be a fun and rewarding way to share our lives and opinions with family, friends, co-workers, and the larger world. However, using Social Media also presents risks and carries with it certain responsibilities.

Be aware of and follow any Company policies and procedures around appropriate use of Social Media.

What follows are some basic guidelines to assist us in making responsible decisions about our use of Social Media.

- ◆ Use good judgement when blending your personal and professional lives.
- ◆ Protect Company resources and reputation by never sharing Confidential Information of the Company.
- ◆ Never speak on behalf of the Company – on Social Media or anywhere else – unless you have been authorized to do so.
- ◆ Use appropriate channels within the Company to raise your concerns and air your opinions.

Ultimately, we are each responsible for what we post online. Before creating online content, consider the risks and rewards involved. Conduct that adversely affects our job performance, employees, customers, suppliers, or the Company's legitimate business interests could result in disciplinary action up to and including termination.

## CONFLICTS OF INTEREST

As a Company director, officer, or employee you should not be involved in any activity that creates or gives the appearance of a conflict of interest between your personal interests and the interests of the Company. A conflict of interest may exist when you are involved or invest in outside or personal interest activities that may interfere or have the potential to interfere with your responsibility to the Company or may affect or have potential to affect your judgment or job performance. As a Company director, officer, or employee, it is your duty to keep your focus on the Company and not allow your loyalties to be divided by outside influence. You must avoid even the appearance of a conflict of interest even if you feel comfortable about the fairness of a potential arrangement and the potentially conflicting arrangement may seem innocent.

In addition to your own activities, you also must examine the activities of your family members and other third parties with whom you have significant relationships for circumstances that may give rise to a conflict of interest or the appearance of a conflict of interest. You should refrain from conducting business on our Company's behalf with immediate family members. In addition, you and members of your immediate family should not acquire financial or other similar interest in any company that may sell or buy supplies, furnish or buys services, is a competitor, or otherwise does business with our Company

without prior approval from your operating company President and the corporate Chief Financial Officer. A financial interest includes an ownership investment and acting as a consultant, officer, director, advisor, or employee of any such company. Additionally, you should not buy, rent, or otherwise obtain for the Company any goods or services from any company with which you have a financial interest.

An investment or ownership of a nominal interest in a company in which securities are listed on a national securities exchange is not considered improper.

In many cases it may be difficult to determine whether an actual or potential conflict of interest exists. If you are in doubt as to whether a proposed activity will result in an actual or potential conflict of interest, please contact Otter Tail Corporation's Office of General Counsel by calling (218) 998-7144.

## Related-Party Transactions

Conflicts of interest may arise from related-party transactions. Our Related-Party Transactions Policy provides that a transaction or series of transactions annually with a related party valued at or above \$5,000 requires prior approval from your operating company President and the corporate Chief Financial Officer. Ongoing related-party transactions at or above \$5,000 must be approved annually. Consistent with our conflict of interest provision, a related-party transaction must have a legitimate business purpose, be entered into through arm's length negotiations, and, if appropriate, include a bidding process for the goods or services. It also must take into consideration potential disclosure obligations. For purposes of this policy, a related-party transaction is any transaction or series of transactions for goods or services involving the Company and:

- ◆ An employee.
- ◆ An employee's immediate family members.
- ◆ A corporation, LLC, partnership, or other entity owned by, or within which, any of the above has a greater than ten percent beneficial interest.
- ◆ Please refer to the Related-Party Transactions Policy in UltiPro or TeamNet, or consult with your supervisor or manager as applicable, for additional details.

## INSIDER TRADING

You may not trade in Otter Tail Corporation securities when you are aware of material non-public information. In addition, you may not provide material non-public information to others who may trade in Otter Tail Corporation securities or recommend to others the purchase or sale of Otter Tail Corporation securities based upon material non-public information.

Material non-public information is any information, not generally known to the public, that a reasonable investor would consider important in making a decision to buy, sell, or hold a company's securities. Any information that could reasonably be expected to affect the price of the securities is likely to be considered material, and either positive or negative information may be material.

Material information is non-public if it has not been widely disseminated to the public through the major news wire services or financial news services, or through the filing of such information with the Securities and Exchange Commission (SEC). For purposes of this policy, material financial information will be considered public 48 hours after Otter Tail Corporation's release of quarterly and year-end financial information or other material information.

Prior to public reporting, each of the following examples may constitute material non-public information:

- ◆ Financial performance information, forecasts, significant changes in financial performance or liquidity, or expectations for future periods.
- ◆ Significant accounting matters, including impairments, write-offs, changes in asset values, or increase in reserves.
- ◆ New major contracts, customers, or finance sources, or the loss thereof.
- ◆ Significant changes or developments in products or product lines, or significant pricing changes.
- ◆ Actual or threatened major litigation, regulatory actions, significant enforcement actions against the Company, or rate case filings.
- ◆ Cyber events or compromises of data privacy that may cause exposure to financial costs or operational problems.

These are examples only and material non-public information is not limited to these instances alone. Questions as to whether information is material should be directed to Otter Tail Corporation's General Counsel.

## CRIMINAL ACTIVITY

Criminal misconduct involving financial institutions is a global issue and an important focus for law enforcement. All employees should be alert to suspicious behavior and red flags. Employees should be vigilant of potential criminal activity, whether inside the Company or externally, including the following.

- ◆ Money Laundering – whether through illegal funds disguised as legitimate, or by use of transactions designed to facilitate unlawful activity.
- ◆ Bribery and Corruption – including pay-to-play or unlawful gratuities.
- ◆ Fraud – whether through misrepresentations, omissions, or otherwise.

### Money Laundering

Be familiar with the customer's stated and customary use of our products and services. Never open an account for a new customer without obtaining the required documentation.

Promptly report to your supervisor unusual or suspicious activity in an account. This includes unusual client requests or behavior, unusual or suspicious transaction patterns, or other possible evidence of fraud, money laundering, or other illegal acts.

## Bribery and Corruption and Gifts and Entertainment

Otter Tail Corporation prohibits all forms of bribery and corruption, including facilitation payments, pay-to-play, abuse of authority, or misappropriation of Company assets.

Never give or receive anything of value that could be considered a bribe or a kickback or is otherwise improperly linked to a particular outcome or benefit. You must never promise, offer, give, solicit, or receive anything of value in exchange for an unfair competitive advantage, the awarding or retention of business, or any other improper purpose. This includes small payments to low-level public employees to perform a routine duty. Nor can you direct or knowingly allow anyone else to do these things for you.

Decisions made on behalf of the Company must be based upon accepted business practices and such factors as quality, price, and service. The furnishing of meals, refreshments, and entertainment in conjunction with business discussions is a commonly accepted business practice. Acts of hospitality, however, should be of a scale and nature as to avoid compromising the integrity or reputation of the people entertained or the Company. Neither you nor any immediate family member should give to current or potential customers or suppliers, or accept or request from them, gifts worth more than a nominal value. You must not accept anything that would influence or appear to influence your judgment. In most instances your acceptance of gifts, entertainment, or services should be done when associated with a business meeting or when the customer/supplier provides them to others as a regular part of doing business. You must never accept payments, loans, special privileges, or kickbacks from another person in connection with or for the purpose of influencing Company business, nor may you ever offer these items to current or potential customers or suppliers of the Company. Employees dealing with government regulators or employees or other public officials should be particularly alert to any applicable laws and regulations governing gifts, gratuities, entertainment, and other payments or favors.

## Fraud

Our Company strictly prohibits fraud in all forms. Fraud can be more than intentional deception. Fraud sometimes involves an unintentional act, such as recklessly or negligently making a false or incomplete representation. It also may involve a failure to disclose information that is relevant to the business activity.

Voice any concerns you have regarding money laundering, bribery/corruption, fraud, or other inappropriate activities. We have multiple channels available for you to raise concerns, including your manager, Human Resources, the Legal Department, the Alertline (800) 461-9330, and Speaking Up procedures on page 14. You have a responsibility to report incidents that you experience as well as those you witness or otherwise become aware of.

## POLITICAL CONTRIBUTIONS

You in your individual capacity may support political parties and candidates with your own efforts and funds. Make clear your views are your own and not that of the Company. The Company does not expend its resources or support any political party or candidate. Accordingly, the Company cannot and will not reimburse or subsidize your efforts or expenditures on behalf of political parties or candidates. Employees should avoid the appearance of conflicts of interest in donating to candidates who may directly regulate the Company.

## COMPANY PROPERTY AND PRIVACY

We are all personally responsible for the appropriate use of Company property, facilities, and equipment. Unless you have a specific written contract or a Company policy providing otherwise, Company property (including software and data storage systems), facilities, charge cards, and supplies must be used only for Company business. Upon separation from employment, you will be required to return all Company property, including all written materials of a proprietary nature. Email, voicemail, letters, data files, and other similar information that has been placed on or kept in the company's telephone, computer, and other information systems are not considered private or confidential. This means that such information may be reviewed by others at the Company.

## MAINTAINING INFORMATION SECURITY

You are expected to use appropriate measures for both electronic and physical information security. Save Confidential Information only on Company devices or systems. Use best practices to secure paper copies and electronic media containing Confidential Information, such as a locking them in a drawer or cabinet. Timely delete Confidential Information in accordance with Otter Tail Corporation Records Management and Retention Guidelines.

Never forward Company information to a personal email account or device. When accessing any Company network remotely, always use Virtual Private Network ("VPN"). Do not upload or download unauthorized software to or from your Company-owned desktop, laptop, or that would interfere with Company mobile device management systems on mobile devices. When traveling, never put electronic media in luggage being checked or stored. Keep all electronic media securely in hand or within sight when traveling, or at any other time when not physically secured.

Be careful when talking or working in places where others are present. Keep papers and screens out of the sight. Keep conversations, including phone calls, quiet or cryptic. These rules apply inside the office as well; visitors or employees who are not authorized to have access to information could be in a position to overhear. Be mindful of your whereabouts while traveling.

Avoid leaving documents with Confidential Information where other people could see them. This includes shared facilities, such as printer trays, as well as your own desk during times when you are not present. After meetings, remove all papers and erase the whiteboard. Do not make unauthorized copies of Confidential Information, even if you intend to destroy them later.

Never share or let anyone else log in using your password. Do not store passwords in easily accessible areas or put them on a note attached to the device. Make sure no one else can use your remote access or VPN to get into the Company's information systems. Never enter your company credentials into systems outside of the network or apart from approved external websites.

Do not share or lend your identification card. Unless someone has appropriate identification demonstrating they are authorized to enter a secure area never open the door to that particular area or allow anyone to follow you through a locked door.

You should ensure that any third-party vendors that you manage or are under your direction are committed to this Code of Conduct. Limit Confidential Information and data given to third party vendors to only what they need to provide their services.

Bypassing information security controls to access blocked websites, to copy data to removable media, or for any other reason without approval from your Information Technology department is prohibited. Do not upload Company data, Protected Data, systems code, or customer or vendor data to unauthorized websites. This includes websites designed to assist Information Technology (“IT”) developers or perform language translation for business documents. Do not make local copies of such data for the purposes of archiving or reference without approval from your IT department.

If you suspect a privacy or security breach of the Company’s information systems, immediately notify the proper parties (e.g., Company IT Department) and follow your company incident response plans. Privacy and security breaches include unauthorized disclosure or compromise of Protected Data, confidential data, actual or possible loss of confidential data or documents, loss of any device containing Company information, or the breach of Company security systems.

## VIOLATIONS AND INVESTIGATIONS

Any suspected violation of the Code of Conduct will be fully investigated at the appropriate level. If you violate the Code of Conduct, you may be subject to disciplinary action, up to and including termination, depending on the circumstances of the violation. As required by law, a waiver of any provision of this Code of Conduct for a director or executive officer may be approved only by the Audit Committee of the Otter Tail Corporation Board of Directors and shall be promptly disclosed as may be required.

## RETALIATION

The Company will not permit retaliation against you in any form because of information you provide related to this Code of Conduct.

## SPEAKING UP

Each of us likely has felt the need to speak up when something just didn’t look or feel right or was wrong. We may have hesitated, which is natural. However, particularly in the world of corporate ethics, failing to say something is almost always a poor decision.

Reporting an issue or asking a question sooner than later protects the Company and often allows for faster, more efficient issue resolution. It also gives our legal, compliance, and ethics professionals the opportunity to fully review your question, concern, or report and determine what action, if any, is appropriate. In addition, you are expected to report suspected or potential violations of the Code of Conduct. If an employee knows of a violation and fails to report it, that in itself is a violation. If you are aware of a suspected or potential violation of the Code of Conduct, we hope you can report it first to your supervisor or your company’s human resources department. Often an issue can be resolved at that level.

As for self-reporting, we all are human and we all can make mistakes. What matters is that we take responsibility for our actions. While it is true that self-reporting will not necessarily protect you from penalties, it usually results in lesser penalties for all but the most serious violations. In contrast, if it later emerges that an employee knew about a violation, but did not report it, it can be an aggravating factor when considering discipline.

You may report a suspected or potential violation of the Code of Conduct to Otter Tail Corporation Human Resources or Otter Tail Corporation Office of General Counsel. The potential or suspected violation will be fully investigated, and corrective action will be taken as necessary. Otter Tail Corporation can be reached by calling or writing:

Otter Tail Corporation Human Resources  
4150 19th Avenue South, Suite 101  
P.O. Box 9156  
Fargo, ND 58106-9156  
Facsimile (701) 232-4108  
Vice President of Human Resources (701) 451-3595

Otter Tail Corporation Office of General Counsel  
215 South Cascade Street  
P.O. Box 496  
Fergus Falls, MN 56538-0496  
Facsimile (218) 998-3165  
General Counsel (218) 998-7144

In some cases, you may be uncomfortable asking a supervisor, manager, or officer a question about ethics or reporting to somebody a suspected violation of this Code of Conduct. If this situation arises, you can call the Otter Tail Corporation Alertline at (800) 461-9330 or SMS/Text at (218) 394-7272. You may contact this toll-free service 24 hours a day, 7 days a week, to discuss ethical concerns or to report information about a possible violation of this Code of Conduct. A trained specialist who is employed by an outside organization answers the Alertline and callers may remain anonymous if they wish, although identifying yourself allows us to act as quickly and appropriately as possible. You can also go to [coc.ottertail.com](http://coc.ottertail.com) to report a possible violation of this Code of Conduct. Information reported to the Alertline will be fully investigated and corrective action will be taken as necessary.

The Audit Committee of the Otter Tail Corporation Board of Directors oversees this program and is regularly informed regarding reports and investigations.

## GENERAL

This Code of Conduct replaces all previous similar policies developed by Otter Tail Corporation concerning the subject matters outlined above. It is intended to supplement and not replace other specific policies, guidelines, and procedures governing your employment relationship that may be adopted from time to time by the Company. It is not intended to create an express or implied contract of employment. Employment by the Company is employment at will unless your employment is covered by a specific written employment agreement.



