

CORPORATE GOVERNANCE COMMITTEE CHARTER OTTER TAIL CORPORATION

Approved 12/16/2003

I. Purpose

The Corporate Governance Committee of the Board of Directors (“Board”) of Otter Tail Corporation (“Corporation”) has been formed to recommend to the Board the 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 independent directors of the Board. 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 (in geographic origin, gender, and ethnic background), 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.
- Make recommendations to the Board on the appropriate size, make-up, and needs of the Board.
- With input from the Chief Executive Officer of the Corporation, develop and screen possible candidates for election to the Board to fill vacancies created by expansion, retirement, resignation or for any other reason.
- Recommend candidates to the Board for election to the Board.
- Together with the Chief Executive Officer of the Corporation, jointly extend the invitation to the candidate or candidates to join the Board or stand for election, as the case may be.
- With input from the Chief Executive Officer of the Corporation and from individual directors, recommend to the Board the assignment of members to committees of the Board.

- With input from the Chief Executive Officer of the Corporation, recommend to the Board officers for annual election.
- Review as necessary, changes in corporate governance required by statute or rule and make recommendations to the Board on changes in structure, rule or practice necessary for compliance and for good corporate governance.
- Review with management the role and effectiveness of the Board and evaluate as it sees fit the performance of the Board and the Directors.
- With input from the Board as a whole, evaluate the performance of the Chief Executive Officer at least annually.

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 twice per year. Meetings of the Corporate Governance Committee shall be called at the request of the Chair of the Corporate Governance Committee with not less than 10 calendar days prior written 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. Amendment

The Charter for the Corporate Governance Committee is subject to amendment at any time and for any reason by the Board.