

*Approved by the ALLETE Board of  
Directors on October 28, 2016*

# **ALLETE, Inc.**

Board of Directors

Corporate Governance Guidelines

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**ALLETE, Inc.**  
**Board of Directors**  
**Corporate Governance Guidelines**

ALLETE, Inc. (“ALLETE” or the “Company”) is a publicly held company operating in a complex, dynamic, highly competitive, and regulated environment. These Corporate Governance Guidelines (the “Guidelines”) have been adopted by the ALLETE Board of Directors (“Board” or Directors”) to assist the Board in performing its duties and exercising its responsibilities. The Board believes that good corporate governance is a source of competitive advantage. Good corporate governance drives superior performance and maximizes the effectiveness of the Board and the Company's executive management team by efficiently bringing to bear the skills, experience and judgment of the Board.

These Guidelines reflect the Board’s current views concerning its governance philosophy, style, and emphasis. Except where otherwise specifically stated, the Board views these Guidelines as guidelines—not rigid restraints—and believes they are evolutionary in nature. The Guidelines are subject to periodic review and modification by the Board.

**BOARD ROLES AND RESPONSIBILITIES**

The Board is responsible for determining the Company is managed in such a way as to ensure this result. This is an active, not a passive responsibility,

**Board Objective**

The Board's objective is to build long-term value for shareholders and to assure ALLETE’s vitality for its customers, employees, as well as other individuals who and organizations that depend on the Company. The Board recognizes the need to be sensitive to the interests of all Company stakeholders, including employees, customers, suppliers, creditors and the communities in which the Company operates.

**Board Responsibilities**

The Board is elected by and accountable to the Shareholders. It is responsible for the mission, direction and control of the Company. In carrying out its responsibilities, the Board will exercise sound, informed, independent business judgment. To best accomplish this, each Director must prepare for and participate in group deliberation by the Board as a whole. The Board's responsibilities include both decision-making and oversight. The Board of Directors oversees and guides the Company’s management and its business. The Board’s basic responsibility is to exercise its business judgment to act on what it reasonably believes to be in the best interest of the Company and its shareholders. In discharging their obligations, Directors are entitled to rely on honesty and integrity from the Company’s executives and its outside advisors and auditors.

The Board's decision-making responsibilities include: (a) reviewing and approving the Company's, strategies, objectives and policies in support of the Company's mission, as developed by Company executives; (b) selecting and evaluating the Company's Chief Executive Officer ("CEO"); (c) determining the CEO's employment terms, including his or her compensation package; and (d) approving material investments or divestitures, strategic transactions, and other significant transactions that are not in the ordinary course of the Company's business.

The Board provides oversight and engages on an on-going basis with respect to the Company's strategic direction and key policies. It approves major initiatives, advises on key financial and business objectives, and monitors progress with respect to these matters. The Board's oversight responsibilities include monitoring the following: (a) the Company's compliance with legal requirements and ethical standards; (b) the Company's risk management program; (c) the Company's performance (in relation to its mission, strategies, financial and non-financial objectives, and competitors); (d) the Company's success in developing leaders and ensuring a strong management team with sound succession plans; (e) the CEO's and executive team's performance and effectiveness; and (f), the Company's financial reporting processes and internal controls (directly, and through its Audit Committee). In addition, as appropriate, the Board should offer the CEO and Company executives constructive advice and counsel. The Board as a whole should consider all major decisions.

#### **Expectations of Individual Directors**

Among other things, the Board expects the following from each Director: (a) to understand ALLETE's businesses and the marketplaces in which they operate; (b) regular attendance at Board meetings and meetings of any committee on which he or she serves; (c) to review and understand the materials provided in advance of Board and committee meetings and, from time to time, apart from such meetings; (d) to monitor and keep informed about ALLETE's performance, general economic, business and management news and trends, developments in ALLETE's competitive environment; (e) to engage in active and constructive participation in the strategic decision making processes; (f) to share his or her perspective, background, experience, knowledge and insights as they relate to the matters before the Board and its committees; and (g) to be reasonably available when requested to advise the CEO and Company executives on specific issues not requiring the attention of the full Board, but where an individual Director's insights might be helpful to the CEO or Company executives.

#### **Board's Expectations of Management**

Management is responsible for the Company's day-to-day business operations. Among other things, the Board expects the following from Company leaders: (a) to provide strong, informed and ethical leadership; (b) to develop strategies that build businesses with strong sustainable marketplace positions and that build Shareholder value over the long term; (c) to develop appropriate strategic and operating

plans; (d) to maintain effective operational controls designed to ensure compliance with the highest ethical standards, as well as with legal, regulatory and other requirements and to report regularly to the Board on such controls and compliance; (e) to measure and report performance against peer enterprises; (f) to provide sound succession planning and management development; (g) to maintain a sound organizational structure; (h) to inform the Board regularly of the status of key initiatives and changes in the Company's performance or the environment in which it operates; and (i) to address and resolve on a timely basis issues or concerns raised by the Board or its committees. Management, acting through the CEO, will inform the Board of material developments as soon as practical and will not wait until regularly scheduled Board meetings.

## **BOARD SELECTION AND COMPOSITION**

### **Number of Directors**

The Board should have a sufficient number to reflect a substantial diversity of perspectives, backgrounds and experiences, but not so many Directors that the size of the Board hinders effective discussion or diminishes individual accountability. Given the current size and complexity of the Company's businesses, the Board believes that its size should range from nine to fifteen Directors as provided in the Articles of Incorporation. The Board will periodically evaluate its size in light of changes in the Company's size, nature and complexity and may change the specific number of Directors constituting the Board by resolution.

### **Number of Independent Directors**

Independent Directors will constitute a substantial majority of the Board. The Board believes that, except in unusual circumstances, no more than two Company executives should serve on the Board at the same time.

### **Director Independence**

An "Independent" Director is one who has no material relationship with the Company (either directly or as a partner, shareholder or officer of an organization that has a relationship with the Company) other than as a Director. The Board will affirmatively determine, by resolution of the Board as a whole after due deliberation, who is an Independent Director and such determinations will be made public at least annually prior to the Directors standing for election. The Board will consider all relevant facts and circumstances in making an independence determination and will apply the following categorical standard: A "material relationship" with the Company exists and a Director is not independent if:

1. the Director is employed by the Company or has been employed by the Company within the last three years, other than in his or her capacity as a former interim Chair or a former interim Chief Executive Officer;

2. an immediate family member (i.e., the Director's spouse, parents, children, stepchildren, siblings, mothers- and fathers-in-law, sons- and daughters-in-law, brothers- and sisters-in-law of a Director and anyone, other than a domestic employee, who shares the Director's home) is or has been employed by the Company an executive officer of the Company within the last three years;

3. the Director or an immediate family member has received during any twelve-month period in any of the last three years more than \$120,000 in direct compensation from the Company, other than director and committee fees, pension or other forms of deferred compensation for prior service with the Company and so long as such compensation is not contingent in any way on continued service;

4. the Director is a current partner or employee of a firm that is the Company's current independent registered public accounting firm;

5. the Director has an immediate family member who is a current partner of the Company's current independent registered public accounting firm;

6. the Director has an immediate family member who is a current employee of the Company's current independent registered public accounting firm and who personally works on the Company's audit;

7. the Director or an immediate family member was within the last three years a partner or employee of the Company's current independent registered public accounting firm and personally worked on the Company's audit within that time;

8. the Director or an immediate family member is or has been within the last three years employed as an executive officer of another company where any of the Company's present executive officers at the same time serves or served on that company's compensation committee;

9. the Director is a current employee, or an immediate family member is a current executive officer, of a company that has made payments to, or received payments from, the Company for property or services in an amount which, in any of the last three fiscal years, exceeds the greater of \$1 million, or 2% of such other company's consolidated gross revenues;

10. the Director has been within the last three years an employee, or an immediate family member has been within the last three years an executive officer, of any business organization to which the Company was indebted at any time during the last three years in an aggregate amount in excess of 5% of the Company's total assets;

11. the Director or an immediate family member has served within the last three years as an executive officer or general partner of an entity that has received an investment from the Company or any of its subsidiaries that exceeds \$1 million or 2% of such entity's total invested capital, whichever is greater, in any of the last three years; or

12. the Director or an immediate family member has been an executive officer of a foundation, university, non-profit trust or other charitable organization, within the last three years, for

which the Company and its respective trusts or foundations, account or accounted for more than the greater of \$250,000, or 2% of such charitable organization's consolidated gross revenues, in any of the last three years.

#### **Nomination and Selection of Directors**

The Board as a whole is responsible for nominating individuals for election to the Board and for filling vacancies on the Board that may occur between annual shareholders meetings. The Corporate Governance and Nominating Committee, in consultation with the Board Chair, will be responsible for identifying, screening, interviewing and recommending candidates to the entire Board. Any potential nominee should be interviewed by a majority of the Corporate Governance and Nominating Committee's members. The Corporate Governance and Nominating Committee will consider any suggestions offered by Management, other Directors or any Shareholder with respect to potential Directors.

The Board recognizes that its success depends on not only the individual capabilities of the Directors, but also on its collective strengths. It further recognizes the importance of a well-balanced Board, reflecting the Company's shareholders, customers, employees, regulators and the communities it serves. Directors serve for a one year term, continuing until their successors are elected or until their earlier death, resignation, retirement, disqualification or removal. There are no limits on the number of terms a director may serve. The Board believes the Company benefits from the contributions of directors who have developed, over time, increasing insight into the Company. In nominating candidates, the Board will assess the current make-up of the Board and what skills should be added, taking into account succession planning and diversity of perspectives, backgrounds and experiences. Other factors that may be considered in evaluating candidates include ethical standards and integrity, judgment, intelligence, personal character, the candidate's willingness and ability to devote adequate time to Board duties, and likelihood that he or she will be willing and able serve on the Board for a sustained period.

The invitation to join the Board should be extended by the full Board via the Chair of the Board, together with the Chair of the Governance Committee.

#### **Director Resignation Policy**

In an uncontested election, any nominee for director who receives a greater number of votes "withheld" from his or her election than votes "for" such election shall promptly offer to tender his or her resignation to the Board following certification of the shareholder vote. The Corporate Governance and Nominating Committee shall make a recommendation to the Board on whether to accept or reject the offer, or whether other action should be taken. The Board shall act on whether to accept the director's offer, taking into account the Corporate Governance and Nominating Committee's recommendation, and publicly disclose

(by press release, a filing with the Securities and Exchange Commission or other broadly disseminated means of communication) its decision and the rationale behind it within 90 days after the date of the certification of the election results. The Corporate Governance and Nominating Committee, in making its recommendation, and the board, in making its decision, may each consider any factors or other recommendations that it considers relevant and appropriate. The incumbent director who offers to tender his or her resignation shall not participate in the Board's decision. If such incumbent director's offer to tender his or her resignation is not accepted by the Board, the Director shall continue to serve for the current term.

### **Board Leadership**

The Company will have a Board Chair and a CEO, who may be the same person. The Board may separate these two positions when it deems it to be in the Company's and shareholders' best interests. If the Chair is not an Independent Director, the Independent Directors will select an Independent Director to act as the Board's leader when it meets in executive session or when the Board Chair is unable to lead the Board's deliberations (the "Lead Director"). The Lead Director will also serve as a liaison between the Board and the CEO. In the absence of the Chair and Lead Director, the Corporate Governance and Nominating Committee Chair shall chair the meeting.

### **Director Retirement**

Directors will not stand for re-election if they will have reached age 72 prior to the date on which that year's Proxy Statement is first mailed to Shareholders, although the Board may, if they determine circumstances warrant, waive this requirement for a period not to exceed 2 years. Any Company executive (including the CEO) who is a Director will resign from the Board at the same time he or she discontinues active management responsibilities with the Company or ceases to hold the position he or she held at the time the last Proxy Statement was mailed to shareholders in connection with the election of Directors, unless in either case requested by the Board to continue as a Director.

### **Change of Position**

If there is material change in a non-employee Director's occupation (including termination of or retirement from the Director's employment or a material change in the Director's position or principal responsibilities), the Director shall promptly provide to the Board Chair a written notice and offer to tender his or her resignation.

The Corporate Governance and Nominating Committee shall consider the resignation offer and recommend to the Board whether the Director should be asked to resign. The Board as a whole will determine whether or not such Director will continue as a member of the Board.

### **Service on Other Boards**



The Board believes that individuals should limit the number of boards on which they serve in order to give proper attention to their responsibility to each board. Directors will inform the Corporate Governance and Nominating Committee of any nomination for membership on other for-profit boards (or similar governing bodies) and obtain approval before accepting such membership. The committee will review the requirements of such membership with the Director before granting or withholding approval. As a general policy, the Board believes that Directors should limit their service to not more than three other boards of public companies but exceptions to this policy will be made in appropriate cases. Directors may not serve on boards of associations or organizations with policies or strategies contrary to the Company's strategy or business. Where a Director seeks to serve on more than three other boards, the Corporate Governance and Nominating Committee will consider the request and submit its recommendation to the Board for consideration and decision. All memberships on other boards by the CEO will be considered and decided by the full Board based upon the Corporate Governance and Nominating Committee's recommendation.

**Service on Boards of Competing or Interlocking Enterprises**

A Director will not serve as a director of any public company that is competitive with the businesses of the Company. Federal law regulates so-called "interlocking" directorates; and other restrictions are imposed where two or more Directors of the Company serve together on another board or similar body. Directors should seek legal guidance concerning such memberships. There are additional limitations imposed by the Federal Energy Regulatory Commission relating to participants in and suppliers to the energy market.

**Director Orientation Program**

The Board and Management will provide an orientation program for new Directors (and, as appropriate, a continuing education program for returning Directors) that may include: management meetings, facility visits, and materials, such as the Company's organizational and governance documents, recent Board and committee minutes, recent Securities and Exchange Commission filings, strategic and operating plans, financial information, corporate structure and organizational charts, and information about the Company's businesses, products, services and the industries in which the Company operates.

All new Directors must participate in an orientation program, which includes presentations by senior management to familiarize new Directors with the Company's strategic plans, significant financial and accounting and risk management issues, compliance programs, code of business conduct, principal officers, and internal and independent auditors. Each Board committee also provides new committee members with appropriate background information about the workings of the committee.

### **Continuing Education**

The Company endeavors to provide Directors with frequent updates on corporate governance practices and the legal requirements of Board members. In addition, Directors are expected to participate in relevant educational opportunities at least every other year to enhance their effectiveness on the Board. The Company will pay for courses Directors deem appropriate to help them in their role as Board members.

### **Conflict of Interest**

Directors are required to perform their duties in good faith and in a manner reasonably believed to be in the Company's best interest. Directors must disclose circumstances material to the Director that are or might be perceived as a conflict of interest. These circumstances include those situations where a Director and an Executive Officer have a material financial interest in a common entity. If an actual or potential conflict of interest develops because of a change in the business of the Company or a subsidiary, or a change in a Director's circumstances, the Director should disclose the matter to the Corporate Governance and Nominating Committee. If a Director has a personal interest in a matter before the Board, the interest shall be disclosed to the full Board, and the Director shall recuse him or herself from participation in the discussion, and shall not vote on the matter.

## **BOARD OPERATIONS**

### **Number of Regular Meetings**

The Board will hold at least four regular meetings each year.

### **Meeting Schedule**

The Chair will prepare and propose a Board meeting schedule for the ensuing year for consideration by the Board at its first meeting following the Annual Meeting of Shareholders.

### **Extended Meeting**

One of the Board's meetings, usually the October meeting, will be scheduled over an extended period to permit detailed review of the Company's strategic plan.

### **Executive Sessions**

At each regularly scheduled meeting, the Board will meet with only the non-management Directors present. These meetings will be chaired either by the Chair (if he or she is an Independent Director) or by the Lead Director (if the Chair is not an Independent Director). If not all of the non-management Directors are Independent Directors, the Independent Directors will meet separately in Executive Session at least once a year in connection with the Annual Meeting of Shareholders. In order that interested parties may be able to make their concerns about the Company known to the non-management Directors, Company executives are expected to refer such parties to the Chair of the Corporate Governance and Nominating Committee.

### **Meeting Materials**

In advance of each regular Board meeting, an agenda will be sent electronically to each Director together with: (a) written materials pertaining to certain matters to be presented for Board decision at such meeting; (b) summary financial information needed to understand the performance of the Company; (c) minutes of the most recent Board meeting and of any committee meetings held since the distribution of materials for the most recent Board meeting; and (d) other written materials that are available in advance of the meeting. Written materials should be designed to provide a foundation for the Board's discussion of key issues and allow the Board to make the most efficient use of its meeting time. Directors may request additional information or changes in the scope, amount or format of the information provided, and the CEO will make every effort to provide such additional information or make such changes.

### **Board Contact with Management and Independent Advisors**

Members of senior management are included in open sessions of the Board and Committee meetings, as appropriate. Directors may from time to time meet individually with the Company's management employees. Normally, the CEO should be informed of such meetings in advance and, following such meetings, informed of the results of and matters discussed during such meetings. Directors should use their access to Company management employees with care so as not to undermine normal lines of authority. Directors shall have access to independent advisors retained by the Board as it deems necessary and appropriate.

### **CEO Evaluation**

Each year the Corporate Governance and Nominating Committee will develop and recommend to the Board criteria that will be used to evaluate the CEO's performance. These criteria will include, among other things, the Company's performance against its strategic and operating plans, as well as achievements in management development and succession planning. The Corporate Governance and Nominating Committee or its nominee will solicit input from each of the Independent Directors regarding the CEO's performance, and share the results of its evaluation with the Board's Independent Directors. The Executive Compensation Committee will set financial goals and objectives related to the CEO's compensation and, based on the performance evaluation conducted by the Corporate Governance and Nominating Committee and the results achieved relative to the goals and objectives, set the CEO's compensation. After discussion and approval by the Independent Directors, the Lead Director (if the Chair is not an Independent Director) or the Chair (if he or she is an Independent Director) and the Chair of the Executive Compensation Committee, if invited by the Lead Director, will meet with the CEO to discuss the evaluation.

### **Strategy**

Management bears primary responsibility for formulating strategy and its implementation once approved. The Board engages with management on strategy issues on an ongoing basis, including early involvement, to improve strategy development, adjustment and monitoring. The Board approves the strategic direction of the company, changes in long term capital structure, and entry into substantial new lines of business.

### **Management Development and Succession Planning**

Planning for CEO succession and overseeing the identification and development of executive talent are primary Board responsibilities. The Board oversees executive officer development and succession plans for the CEO and other executive officers to provide for continuity in senior management. This effort will be led by the Corporate Governance and Nominating Committee, with active input from the CEO and the Company's human resources department.

The Board works with the CEO to plan for CEO succession. The CEO succession plan covers identification of internal candidates, development plans for internal candidates, and as appropriate identification of external candidates. The Board annually reviews the CEO succession plan. The criteria used to assess potential CEO candidates are formulated based on the Company's business strategies, and include strategic vision, leadership, and operational execution.

The Board maintains an emergency succession contingency plan should an unforeseen event (such as death or disability) prevent the CEO from continuing to serve. The Board will review this emergency succession contingency plan annually.

The Board may review development and succession plans more frequently as it deems necessary or desirable.

### **Board Evaluation**

On an annual basis, the Corporate Governance and Nominating Committee oversees the evaluation of the Board and its Committees. The evaluation seeks the opinion of Directors as to the sufficiency and timeliness of briefing materials provided to them, the content and conduct of meetings, the adequacy of time allocated to, and quality of, presentations and discussions, access to senior management, the Board's understanding of issues, Board's consideration of shareholders' interests in making decisions, overall characteristics and mix of skill sets of Board members, as well as other areas. These assessments include a review of any areas identified by Board members as requiring improvement. The Board endeavors to use these evaluations to improve its performance and effectiveness.

### **Risk Management**

The Board is responsible for overseeing risk management at the Company. The Board exercises direct oversight of strategic risks to the Company and other risk areas not delegated to one of its committees. The Audit Committee reviews and assesses the Company's processes to manage financial reporting risk and to manage tax and other financial risks. The Executive Compensation Committee oversees compensation programs and policies and their effect on risk taking by management. The Corporate Governance and Nominating Committee oversees compliance with legal and regulatory requirements, ALLETE's code of business conduct, and other related policies.

### **BOARD COMMITTEES**

The Board will normally have three standing committees: the Audit Committee, the Executive Compensation Committee, and the Corporate Governance and Nominating Committee, which also serves the functions of an executive committee. The Board may, from time to time, expand or reduce the number of standing committees, change committee responsibilities or form ad hoc committees. Each standing committee will have a charter that is adopted by the Board. In general, the committees should function to identify and focus issues for discussion by the full Board. Each committee chair shall report regularly to the Board on committee meetings and other committee activities.

### **Committee Composition; Rotation of Membership**

The size, membership, and chairs of each committee will be determined by the Board as recommended by the Corporate Governance and Nominating Committee. Each committee will be chaired by an Independent Director and will have only Independent Directors as members. The Chair (if he or she is an Independent Director) or Lead Director (if the Chair is not an Independent Director) is an ex-officio member of each of the standing committees. The membership and chairs of the committees will be rotated from time to time after considering the recommendations of the Corporate Governance and Nominating Committee, to allow Directors serve on various committees over time while providing for continuity of membership and leadership on each committee. It is the sense of the Board that committee chairs should rotate approximately every 5 years. Any Director and the CEO may participate in any committee meeting except when such participation would present a conflict of interest or, in the case of a Chair who is not an Independent Director, if the meeting is an executive session. In the absence of the Committee chair, the most senior Committee members (in terms of Committee service) will chair the Committee meeting.

### **Committee Meeting Materials**

The chair of each committee will oversee the preparation of an agenda for each meeting. The agenda will be provided to each committee member in advance together with: (a) written materials pertaining to the

matters to be presented for consideration at such meeting; and (b) the minutes of the most recent meeting of the committee.

#### **Management Attendance at Committee Meetings**

The chair of each committee in consultation with the CEO will determine which members of Management will attend each committee meeting.

#### **Other Committees**

The Board may form ad hoc committees from time to time. The Board will determine the size, membership, and chair of each ad hoc committee. Generally, the chairs and most members of such committees will be Independent Directors. The Board may appoint members of Management as ex officio members of such ad hoc committees.

### **DIRECTORS' COMPENSATION**

The Board will determine Directors' compensation. Any Company executive who is also a Director will receive no additional compensation for his or her service as a Director. The Board believes that it is important to align Directors' interests with those of Company shareholders. Accordingly, the Board believes that a significant portion of Directors' compensation should be paid in stock or other forms of compensation that correlate with the Company's market value. Management will report annually to the Executive Compensation Committee on the amount and composition of the compensation of the Company's Directors in relation to the compensation of directors of comparable enterprises. The Executive Compensation Committee will recommend changes in Directors' compensation to the Board.

### **DIRECTORS' AND OFFICERS' SHARE OWNERSHIP**

The Board believes that the Directors and Officers should be Shareholders. The Corporate Governance and Nominating Committee will establish guidelines for stock ownership by Directors and Officers. The Corporate Governance and Nominating Committee has determined that Directors should own 500 shares of Company stock prior to their election as a Director, and shares valued at \$300,000 within five years of such election. Share valuation shall be determined based on the average price of ALLETE shares during the previous 12 months. Directors are expected to continue to hold shares in accordance with the guidelines for their entire tenure on the Board. It is also expected that Officers should own shares of the Company as determined annually by the Corporate Governance and Nominating Committee.

### **MANAGEMENT SERVICE ON OTHER BOARDS**

The CEO will report to the Board annually regarding membership of Executive Management on boards or similar governing bodies of other entities.

## **COMMUNICATIONS**

Management speaks for the Company. Inquiries from investors, analysts, the press, customers, suppliers, or others should be referred to the CEO or other appropriate members of management. Individual Directors may, from time to time, meet with various constituencies of the Company, at the request of or with the concurrence of management. Directors are free to meet with or address the public or special groups concerning board practices generally, and other matters of interest to the Directors not directly related to activities of the Company, and such contacts will not require management concurrence.

## **SHAREHOLDER COMMUNICATIONS TO THE BOARD**

Shareholders may contact an individual director, the Board as a group, or a specified Board committee or group, including the independent directors as a group, by the writing in care of the following:

Corporate Secretary  
ALLETE, Inc.  
30 W. Superior Street  
Duluth, MN 55802

Each communication should specify the applicable Director or Directors to be contacted as well as the general topic of the communication. The Company will initially receive and process communications before forwarding them. Communications also may be referred to other departments within the Company. The Company generally will not forward to the directors a communication that it determines to be primarily commercial in nature or related to an improper or irrelevant topic, or that requests general information about the Company.

Concerns about questionable accounting or auditing matters or possible violations of the ALLETE's Code of Business Conduct should be reported pursuant to the procedures outlined in the Code of Business Conduct, which are available on the Company's Web site at [www.allete.com/governance](http://www.allete.com/governance).

## **CODE OF CONDUCT**

The Company has adopted an ethics policy, ALLETE's Code of Business Conduct, which applies to all Directors, Officers, and Employees of the Company and its subsidiaries. The Corporate Governance and Nominating Committee shall review the Ethics Policy from time to time and recommend any proposed changes to the Board.