

## **CHARTER FOR ALLETE'S COMPLIANCE MANAGEMENT COMMITTEE**

### Purpose

The purpose of ALLETE's Compliance Management Committee (the "Committee") is to maintain, oversee, and anticipate an effective compliance and ethics program for the Company which is consistent with (1) the provisions of the Federal Sentencing Guidelines established by the United States Sentencing Commission; and (2) such other statutory, regulatory, and ethical requirements as may be applicable to the Company.

### Membership

The Committee shall be comprised of the following:

- the General Counsel; Chair
- the Vice President, Human Resources;
- the Chief Financial Officer;
- the Chief Operating Officer;
- the Director, Internal Audit;
- the Director, Environmental Services;
- the Vice President, Transmission and Distribution;
- the Associate General Counsel; Secretary
- the Vice President, Generation;
- an individual designated by the President, BNI Coal, Ltd.; and
- an individual designated by the President, Superior Water, Light & Power Company.

### Meetings

The Committee shall meet no less than quarterly and at such other times as may be determined by the Chair or if requested by two other members of the Committee.

### Quorum

Six members of the Committee shall constitute a quorum for purposes of determining whether a meeting can be held. Committee members may vote by proxy for another Committee member at a meeting, but the assignment of a proxy vote cannot be considered for purposes of determining whether a quorum exists. A proxy may not be assigned to anyone who is not otherwise a member of the Committee.

## Duties

The duties of the Committee include, but are not limited to, the following:

### *Tone at the Top*

Working with other senior management to demonstrate the Company's commitment to ethical business conduct and compliance with the letter and spirit of the law in all aspects of the Company's operations. Responsible for establishing a culture of compliance and communicating the Company's ethics and compliance policies, creating an environment where employees feel safe to report when they see an issue, and engaging employees in a culture where employees are encouraged and expected to identify areas for compliance.

### *Board of Directors*

Providing written reports to the Board to keep the Board apprised of the following in a timely manner:

- the contents and operation of the compliance program so as to enable the Board to exercise reasonable oversight for the compliance program;
- whether the compliance program has adequate resources;

### *Ethics Policy*

Having principal responsibility for the administration of the Company's Ethics Policy ("Policy") including:

- revising and updating the Policy, from time to time as may be appropriate;
- publishing the Policy and revisions to the Policy, and otherwise making it readily available to Company employees;
- ensuring that employees are provided with advice interpreting the provisions of the Policy;
- ensuring that actions are taken as may be appropriate to investigate and enforce the Policy;
- creating, publishing, maintaining, and interpreting such additional policies and procedures that may be appropriate to fully implement the provisions of the Policy or to otherwise meet the requirements of applicable statutes, regulations, or ethical standards.

*Identify Regulations and Changes to Regulations which Apply to the Company*

The Committee is responsible for providing oversight as needed to ensure that the Compliance Program effectively prevents and/or detects violations of law, regulations. Company policies and special conditions imposed by regulatory authorities.

*Risk Assessment*

Directing and/or participating in ongoing periodic risk assessments of the legal and regulatory requirements of the operations of the Company, the results of which shall be used to, among other things, establish or appropriately modify the components of the compliance program.

*Hotline*

Managing the hotline and implementing activities relating to its underlying purpose including:

- periodically analyzing and testing the effectiveness of the hotline and making such modifications to the hotline as may be appropriate;
- based on an analysis of the complaints received through the hotline or through other reporting mechanisms, making appropriate changes to the compliance program and directing such other remedies as may be appropriate.

*Determine Effectiveness*

The Committee shall periodically review and assess the adequacy of the Charter and the effectiveness of compliance activities at the Company.