

**ALLETE, Inc.  
Board of Directors**

**Corporate Governance and Nominating Committee Charter**

Purposes of Committee

The purposes of the Corporate Governance and Nominating Committee (the "Committee") of the Board of Directors (the "Board") of ALLETE, Inc. (the "Company") are to:

1. Develop and recommend to the Board a set of corporate governance principles applicable to the Company.
2. Oversee the evaluation of the Board and the Company's management.
3. Provide recommendations to the Board with respect to (a) Board organization, membership, procedure, and function, (b) committee structure and membership, (c) succession planning for the executive management of the Company and (d) corporate governance principles applicable to the Company.
4. Identify individuals qualified to become directors, and recommend to the Board the nominees for directors at the next annual meeting of shareholders.
5. Serve as the Executive Committee, as provided for in Article VI of the Company's Articles of Incorporation, authorized by the Board to act on matters that arise between Board meetings.
6. Provide the CEO an informal forum for preliminary discussion of strategic issues.
7. Develop and recommend to the Board standards for determining a director's independence and provide recommendations to the Board with respect to whether an individual director or director nominee is independent.

Committee Membership

The Committee shall consist solely of three or more members of the Board, each of whom is, in the business judgment of the Board, "independent" under the rules of the New York Stock Exchange, Inc. The Committee can be constituted or its membership changed only by the

affirmative vote of all of the Board members then in office. Committee members shall serve at the pleasure of the Board and for such term or terms as the Board may determine.

### Committee Structure and Operations

The Board shall designate one member of the Committee as its Chair. The Committee shall meet at least three times a year at such times and places established by the Board or the Committee Chair, and shall meet at such additional times and places as may be determined by the Chair or a majority of the Committee.

A majority of the Committee members currently holding office constitutes a quorum for the transaction of business. The Committee shall take action by the affirmative vote of a majority of the Committee members present at a duly held meeting. The Committee may meet in person or telephonically. The Committee may act by unanimous written consent when deemed necessary or desirable by the Committee or its Chair.

### Committee Duties and Responsibilities Relating to Corporate Governance and Nominating

The duties and responsibilities of the Committee relating to its corporate governance and nominating functions are:

1. Review and make recommendations to the Board concerning composition, organization, processes, and practices of the Board, including policies with respect to the size of the Board; the desired qualifications of Directors in the context of the strategic direction of the Company; the types, functions, size and membership of Board committees; meetings of the Board (including executive session); and policies relating to Director retirement, tenure and removal for cause; standards for director independence, and any other aspect of the procedures of the Board that the Committee considers warranted, including but not limited to procedures with respect to the waiver by the Board of any Corporation rule, guideline, procedure or corporate governance principle.
2. In consultation with the Chairman of the Board, identify, recruit and interview candidates to fill positions on the Board, including persons suggested by shareholders or others. The Committee shall decide whether the assistance of a search firm is needed and, if so, choose the firm.
3. Review the background and qualifications of individuals being considered as director candidates and recommend to the Board

candidates to be nominated by the Board for election as Directors. As part of this process, at least annually the Committee will review qualifications and the performance of incumbent Directors.

4. Recommend to the Board criteria and procedures to be used by the Committee in identifying, screening and recommending to the Board potential candidates to become new Board members. In recommending candidates to the Board, the Committee shall take into consideration such factors as it deems appropriate. These factors may include ethical standards and integrity, achievements, judgment, intelligence, personal character, the interplay of the candidate's relevant experience with the experience of other Board members, board succession plans, the willingness of the candidate to devote adequate time to Board duties, and likelihood that he or she will be willing and able to serve on the Board for a sustained period. In connection with the recommendation of nominees for Director, due consideration will be given to the Board's overall balance and diversity of perspectives, backgrounds and experiences. The Committee may also consider in its assessment the Board's diversity in its broadest sense, reflecting, but not limited to, geography, age, gender, and ethnicity. The Committee will review annually with the Board as a whole and recommend, if necessary, measures to be taken so that the Board reflects the appropriate balance of knowledge, experience, skills, expertise and diversity required for the Board as a whole and contains at least the minimum number of independent directors required by the NYSE.
5. Recommend to the Board, for action at each January Board Meeting or at such other times as may be appropriate, Directors qualified to serve on or fill vacancies on each committee of the Board (including the Corporate Governance Committee). Recommend to the Board as deemed appropriate the removal of any Director from a committee.
6. Recommend that the Board establish such special committees as may be desirable or necessary from time to time in order to address ethical, legal or other matters that may arise. The Committee's power to make such a recommendation under this Charter shall be without prejudice to the right of any other committee of the Board, or any individual director, to make such a recommendation at any time.
7. Upon receiving the "offer of resignation" letter required from any Director under the Corporate Governance Guidelines, and after

considering the advice from the CEO, recommend to the full Board whether to accept the offer of resignation.

8. Recommend to the Board criteria and process for evaluating the performance of the CEO, and lead Board evaluation of the CEO on an annual basis. After discussion and approval by the Independent Directors, the Lead Director (if the Chairman is the CEO) or the Chairman (if he or she is not the CEO) and the Chair of the Executive Compensation Committee will meet with the CEO to discuss the evaluation. Advise the Executive Compensation Committee on CEO performance to assist it in setting CEO compensation and establishing goals and determining payouts under incentive compensation plans.
9. Establish procedures for the Committee to exercise oversight of the evaluation of the Board, its committees, and executive management.
10. Lead the Board in providing for management succession planning.
11. Develop and review, at least annually, corporate governance principles to assure that they are appropriate for the Company and comply with the requirements of the NYSE and recommend any changes to the Board.
12. Any other duties or responsibilities expressly delegated to the Committee by the Board from time to time.
13. Oversee the orientation of directors and continuing education of directors.
14. Oversee the Company's Compliance Management Program.
15. Review transactions between the Company and a Director, nominee for Director, executive officer, immediate family of such person, or firm in which such person has a material financial interest.

#### Committee Duties and Responsibilities as Executive Committee

The Committee shall serve as the Executive Committee of the Board as authorized pursuant to Article VI of the Company's Articles of Incorporation. In this capacity:

1. The Committee shall have and exercise the authority of the Board in the management of the business of the Company, subject to any limitations imposed by Minnesota law, the Company's Articles of Incorporation, or its Bylaws.
2. The Committee shall act only in the interval between meetings of the Board, and shall be subject at all times to the control and direction of the Board.
3. The Committee shall not have the power to fill vacancies on the Board or change the membership of or fill vacancies on the Committee.

### Committee Reports

The Committee shall report to the Board as follows:

1. A report on the proceedings of each Committee meeting shall be presented to the Board at its next regularly scheduled meeting.
2. Notices of Committee meetings, agendas, and meeting minutes will be transmitted to the Board.
3. At the time of or in advance of the Annual Directors Meeting held in May of each year, conduct a Committee self-evaluation, which shall compare the performance of the Committee with the requirements of this charter, recommend any amendments to this charter, and set forth the goals and objectives of the Committee for the ensuing twelve months.

### Delegation to Subcommittee

The Committee may, in its discretion, delegate to one or more subcommittees of the Committee its duties and responsibilities other than those set forth under the section entitled Committee Duties and Responsibilities as Executive Committee.

### Resources and Authority of the Committee

The Committee shall have the resources and authority appropriate to discharge its duties and responsibilities, including the sole authority to retain, discharge, and approve fees and other terms for retention of independent legal counsel, independent experts or consultants, search firms, or others to assist in the conduct of an investigation. The Committee may also seek any information it requires from employees or

external parties. Employees and external parties will be directed to cooperate and comply with the Committee's requests.