

**CHARTER
ALLETE INTEGRITY & COMPLIANCE LEADERSHIP COMMITTEE**

Purpose

Integrity is a foundational, shared value at ALLETE, and compliance with all applicable laws, rules, and regulations is a key component of integrity. Integrity and compliance are also vitally important to ALLETE’s business and operations and enable our success. The role of the ALLETE Integrity & Compliance Leadership Committee (the “Committee”) is to cultivate and nurture a compliance culture that demonstrates ALLETE’s commitment to integrity.

The Committee shall have general oversight of compliance with the legal and regulatory requirements of the business operations of ALLETE and its business units (collectively, the “Company”), as well as compliance with its business ethics policies. While the Committee has the oversight responsibilities and powers set forth in this Charter, the Committee must also rely on the expertise and knowledge of management throughout the organization. Accordingly, it is the responsibility of management of the Company to ensure compliance with applicable laws, rules, and regulations.

The Committee will execute its responsibilities consistent with: (1) best practices; (2) the provisions of the Federal Sentencing Guidelines established by the United States Sentencing Commission; and (3) such other statutory, regulatory, and ethical requirements as may be applicable to the Company.

Membership

The Committee shall be comprised of 9-15 members representing the following areas:

1. Chief Legal Officer, ALLETE (Chair)
2. Chief Executive Officer or President, ALLETE
3. Chief Financial Officer, ALLETE
4. Treasurer, ALLETE
5. Controller, ALLETE
6. Chief Risk Officer, ALLETE
7. Chief Audit Officer, ALLETE
8. Human Resources Director, ALLETE
9. Chief Operating Officer – Minnesota Power President or General Manager, BNI Energy
10. President, ALLETE Clean Energy
11. President, Superior Water, Light & Power Company
12. President, New Energy Equity
13. CEO, New Energy Equity
14. Vice President – Minnesota Power Regulatory Legislative Affairs
15. ALLETE Corporate Development and ACE Strategy Officer

Meetings

The Committee shall meet quarterly and at such other times as may be determined by the Chair or if requested by two other members of the Committee.

Quorum

A majority 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.

Responsibilities

At the core of the Committee's responsibilities is the obligation to demonstrate, through word and actions, the Company's commitment to integrity, including compliance with the letter and spirit of the law, in all aspects of the Company's business and operations. The Committee is responsible for establishing a culture of compliance and communicating the Company's ethics and compliance policies, creating an environment where employees are encouraged, expected, and feel safe to report when they see an issue or have a question regarding integrity or compliance.

Specifically, the Committee's ongoing responsibilities include:

- 1. Policies and Procedures:** Provide oversight to ensure the Company's compliance program policies and procedures are effective by preventing and/or detecting violations of laws, rules, and regulations. Review and approve applicable integrity and compliance program policies and procedures, including annually reviewing, revising where appropriate, and approving the Code of Business Conduct (ethics policy). Upon approval by the Committee, the Code of Business Conduct will be presented for approval to the ALLETE Corporate Governance and Nominating Committee at its quarterly meeting in October.
- 2. Integrity Helpline:** Review summary information regarding calls to the helpline to determine effectiveness of the process and responses. Ensure appropriate analysis of helpline reports to spot any trends or issues with compliance culture in the organization. Make appropriate changes to compliance programs and procedures and direct such other remedies as may be appropriate.
- 3. Investigations and Corrective Action:** Establish procedures to ensure alleged integrity and compliance violations are appropriately investigated and the discipline taken is consistent with and appropriate for the violation. Review results of allegations and investigations to improve controls to better detect and prevent recurrence of similar future violations.
- 4. Risk Assessment:** Direct and/or participate in ongoing assessments of risks of noncompliance with applicable laws and regulations, as well as unethical conduct by employees and third parties (e.g., independent agents, partners, contractors, etc.) and direct the results of such risk assessments are used to establish and modify, as appropriate, components of the Company's compliance program.
- 5. Employee Engagement:** Foster a "speak-up" culture and employee commitment to integrity and compliance through regular communications, availability of resources, and individual ownership.
- 6. Training and Communication:** Ensure awareness of integrity and compliance policies and procedures through regular training and communications.
- 7. Resources:** Provide sufficient resources to ensure the leaders of integrity and compliance programs throughout the Company have sufficient authority, resources, and support to fulfill their responsibilities.

The Committee may delegate its duties to other officers and employees of the Company and may hire independent counsel and other advisors as the Committee deems appropriate and necessary to fulfill its

duties and obligations. To assist in carrying out its responsibilities, the Committee may also form and delegate authority to subcommittees consisting of one or more of members as needed.

Reporting to the ALLETE Board of Directors

On an annual basis, the Chair of the Committee will report to the Corporate Governance and Nominating Committee of the ALLETE Board of Directors regarding the effectiveness of the Company's integrity and compliance program, and minutes of all Committee meetings will be submitted to the Corporate Governance and Nominating Committee.

On an annual basis, the Chair of the Committee will report to the Audit Committee of the ALLETE Board of Directors on calls to the Company's Integrity Helpline and related responses.

The Committee will provide such other information and reports as requested by the ALLETE Board of Directors to enable the Board to exercise reasonable oversight over the Company's compliance and integrity program.

Review of Effectiveness and Charter

The Committee will periodically review and assess the effectiveness of the Committee in fulfilling its responsibilities, the appropriateness of Committee membership, and the sufficiency of this Charter.