

CORPORATE GOVERNANCE PRINCIPLES OTTER TAIL CORPORATION

Approved September 20, 2023

Otter Tail Corporation is committed to accountability and good corporate governance. Accountability begins with the governance of the Corporation by the Board of Directors. These Corporate Governance Principles (the “Principles”) have been adopted by the Board of Directors of the Corporation to assist Directors in the performance of their duties and the exercise of their responsibilities. The Board believes that good corporate governance is the starting point in ensuring that Otter Tail Corporation (the “Corporation”) is operated in an open, honest, and ethical manner and in the best interest of our shareholders. These Principles represent the current view of the Corporation’s Board of Directors on governance and should not be viewed as rigid restraints. Accordingly, these Principles are subject to modification from time to time by the Board of Directors.

Board Size

Otter Tail Corporation is governed by a Board of Directors that consists of not less than seven nor more than eleven members, as may be determined by the shareholders from time to time at annual meetings and subject to the authority of the Board of Directors to increase or decrease the number of directors as permitted by law.

Board Independence

The Board of Directors of Otter Tail Corporation shall have a substantial majority of independent Directors as that term is defined by the Nasdaq Listing Standards.

Board Composition

The Corporate Governance Committee will review with the Board, on an annual basis, existing Directors’ skills and qualifications and priorities for future Director candidates, in the context of the Board’s overall composition. Our goal is a balanced and diverse Board, with members whose collective skills, backgrounds, and experience are complementary and, taken together, cover the areas that impact our businesses. In particular, we seek a balance of tenure; a diversity of background and personal characteristics (including race, ethnicity, gender, sexual orientation, LGTBQ+ and gender identification), professional skills and life experiences among our Directors; and geographic representation of our service territories.

Personal skills and characteristics that we consider in selecting and screening Director candidates include, but are not limited to:

- A reputation for integrity, honesty, and ethical conduct;
- Demonstrated leadership and excellence in their fields of service;
- Understanding of relevant industries, technologies, and markets;

- Financial literacy;
- Independence;
- Interest in and ability to understand the various constituencies of the Corporation and to act in the interests of its shareholders; and
- Commitment to regularly attending and participating in meetings of the Board and its committees and annual meetings of shareholders.

The Corporate Governance Committee will recommend candidates for election to the Board in accordance with the policies and principles in its Charter and the criteria described herein and established by the Board. The Board will be responsible for recommending Director candidates for election by the shareholders.

Director Responsibilities

The core responsibility of Directors is to exercise their business judgment in a manner that they reasonably believe to be in the best interest of the Corporation and our shareholders.

Serving on the Board of Directors involves a significant time commitment. Directors are expected to manage their commitments in order to permit them to devote adequate time and attention to the performance of their duties as members of the Board and its committees. Absent review and approval by the Chairs of the Board and the Corporate Governance Committee, a Director should not serve on more than three boards of directors of publicly traded companies, and the Chief Executive Officer should not serve on more than two, including this Board of Directors. In addition, in order to avoid a conflict of interest, Directors will seek approval from the Chair of the Corporate Governance Committee before accepting a Directorship with another company that he or she did not hold when most recently elected to the Board.

More specifically Directors should:

- Hold in confidence all matters involving the Corporation until such time as there has been public disclosure and should not use information for their personal benefit or the benefit of others;
- Attend all meetings of the Board and of the Committees on which they serve and the annual meeting of shareholders;
- Carefully review Board materials;
- Maintain an active interest in the businesses of the Corporation, staying current with governmental and economic trends, markets and competition, strategies, and financial performance;
- Build positive and effective working relationships with other Directors and members of management; and

- Exercise independent judgment and be willing to respectfully challenge the majority view.

Board Leadership

The Corporation has determined that it is best served by having a Non-Executive Chair of the Board. In addition to providing leadership to the Board and chairing its meetings, the Chair serves as the principal liaison between the Board and the Chief Executive Officer and management. The Chair should strive to ensure that the respective roles of the Board and management are understood and respected, and that the collective team works for the benefit of the Corporation's shareholders.

More specifically, the Chair should:

- Work with the Chief Executive Officer and Corporate Secretary to develop and approve a Board calendar and related agendas, meeting schedules and information sent to the Board, sufficient to permit the Board to meet its responsibilities in a manner that supports the operation of the Corporation;
- Confer with the Chief Executive Officer and Corporate Governance Committee regarding the composition of the Board's committees and their Chairs;
- Preside over Board meetings;
- Preside over the executive sessions of the Board and communicate to the Chief Executive Officer as appropriate the substance of the sessions that include only the independent Directors;*
- Call meetings of the independent Directors;*
- Act as the principal liaison between the Board, the Chief Executive Officer, and the management team;*
- Upon recommendation by the Corporate Governance Committee and with the Chief Executive Officer, interview prospective candidates for the Board of Directors;
- Acting with the Corporate Governance Committee, participate in the evaluation of the Board and its Committees, the Directors, and the Chief Executive Officer;
- Lead succession planning for the Chief Executive Officer and the executive management team; and
- Serve as a Board representative available for consultation and direct communication with shareholders and other stakeholders when appropriate.

At any time when the Board determines that the same individual should hold the positions of Chair and Chief Executive Officer, or at any time when the Chair is not independent, the independent Directors will elect an Independent Lead Director. This Board leader will serve

as a liaison between the Chair and the independent Directors. In addition, they will share the responsibilities listed above with the Chair, including presiding over Board meetings when the Chair is absent, except that they will assume the authorities denoted by an asterisk (*) from the Chair, and they will perform additional duties that the independent Directors may designate from time to time.

The Directors will elect the Chair and any Independent Lead Director for one-year terms, which may be successive, unless the roles are vacated for any reason prior to the expiration of the one-year term.

Board Terms

Directors are elected to three-year rotating terms on the Board of Directors. A Director shall retire from his or her position on the Board at the time of first annual meeting of shareholders following his or her 72nd birthday.

Director Meetings

The Board of Directors typically meets five times per year in regular session. In addition, the Board of Directors has a planning retreat each year. As a part of its meeting and planning activity, the Board of Directors regularly meets in executive session both without management and without the non-independent Directors.

Committees

The Board of Directors operates with three standing committees. They are an Audit Committee, a Compensation and Human Capital Management Committee, and a Corporate Governance Committee. All of the members of those Committees are “independent” under Nasdaq Listing Standards and under applicable law.

Each Committee has a Charter which is reviewed and adopted annually. They can be found on the Corporation’s website. In addition, the Board, acting as a committee as a whole, oversees the risk management process in concert with an executive risk committee constituted by executive management of the Corporation. This process includes oversight and monitoring of a number of risks, including the Corporation’s efforts to protect the quality of the environment, including climate risks, and cybersecurity risks. The Board of Directors may from time to time create special committees for limited purposes and duration.

Access to Management and Independent Advisors

Directors have direct access to the executive management team of Otter Tail Corporation, generally through the Chief Executive Officer. However, Directors may also access individual executive officers related to their areas of expertise. The Board and its committees have the ability to obtain independent advisors at the expense of the Corporation as they deem necessary.

Director Compensation

Compensation for the Directors is determined by the Compensation and Human Capital Management Committee of the Board of Directors and ratified by the Board of Directors. The Compensation and Human Capital Management Committee consists solely of independent Directors. The Committee will periodically retain an outside consultant to assess the competitiveness of compensation provided to the Directors. Any such consultants shall be retained taking into consideration effectiveness and the independence considerations described in the written Charter of the Compensation and Human Capital Management Committee.

Because the Corporation believes that Directors should have a stake in the outcome of the Corporation, Director compensation includes both cash and equity components. It is expected that Directors will meet Board-approved stock ownership guidelines.

Chief Executive Officer Performance Evaluation

The Directors will be responsible for evaluating the performance of the Chief Executive Officer. This evaluation will be conducted annually at the direction of the Corporate Governance Committee, and the Board and Governance Chairs will communicate the results to the Chief Executive Officer. The evaluation is a factor to be used by the Compensation and Human Capital Management Committee in determining the compensation of the Chief Executive Officer subject to ratification by a majority of the independent directors. The evaluation will include the performance of the business, accomplishment of annual goals and long-term strategic objectives and the development of management.

Director Onboarding

The Corporation is committed to providing appropriate orientation for new Directors. This orientation includes meetings with management, written material on the Corporation's organization and governance, recent Board minutes, recent filings with the U.S. Securities and Exchange Commission, strategic and operating plan information, corporate structure and organizational information and information about the Corporation's products and services and the industries in which the Corporation operates. As a part of this orientation, Directors should plan to attend the EEI/AGA Director training courses which are utility specific.

Director Education

The Corporation will provide Directors with regular updates on corporate governance practices and the legal obligations for Board members. Directors should participate in additional educational opportunities that will enhance their effectiveness on the Board. It is expected that Directors will attend at least one external educational experience per year. The Corporation will reimburse Directors as appropriate for these educational experiences.

Director Resignation Policy

A Director shall submit to the Corporate Secretary a formal notice of his or her decision to retire, resign or refuse to stand for re-election, with notice of a refusal to stand for re-election to be submitted in sufficient time for due consideration relating to succession planning and

refreshment to be conducted as appropriate by the Board, whenever possible. When a Director retires or experiences a change in employer or other material changes in his or her professional roles and responsibilities held at the time of election to the Board, the Director shall submit to the Corporate Secretary for consideration by the Board a letter of resignation as Director to take effect at the pleasure of the Board. The Corporate Governance Committee shall meet to consider such resignation and shall make a recommendation to the Board. The Board may determine whether to accept the resignation depending on the Director's new status and such other factors as the Board deems appropriate.

When a Director candidate standing for election in an uncontested election receives a greater number of votes "withheld" from his or her election than votes "for" such election, the Director shall submit promptly to the Corporate Secretary, following certification of the shareholder vote and for consideration by the Board, a letter of resignation as Director to take effect at the pleasure of the Board. The Corporate Governance Committee shall meet to consider such resignation and shall make a recommendation to the Board. The Board may determine whether to accept the resignation depending on such factors as the Board deems appropriate and shall publicly disclose its decision within 90 days from the date of the certification of the election results. A Director tendering his or her resignation shall not participate in the consideration of that resignation by either the Corporate Governance Committee or the Board.

Succession Planning

A central duty of the Board of Directors is to select a Chief Executive Officer and to oversee the Chief Executive Officer and executive management team in the competent and ethical operation of the Corporation. Working with the executive management team, the Board of Directors plans for the succession of the Chief Executive Officer and other executive officers of the Corporation. As a result, the Corporation has a plan in place to address contingencies such as the departure, death, or disability of the Chief Executive Officer or a member of the executive management team so that in the event of an untimely departure, the Corporation can facilitate the transition of both on an interim and long-term basis.

Board Evaluation

The Board of Directors annually evaluates its role and performance on behalf of the shareholders. As a part of the process, each Director performs a self-evaluation on his or her contribution to the Board and his or her ability to do so in the future. The members of each standing committee will conduct an assessment, annually, of the performance of that committee. From time to time, all Directors will participate in a peer evaluation.

Code of Business Ethics

The Corporation has adopted a Code of Business Ethics which applies to all Directors, officers and employees of the Corporation and its subsidiaries. The Audit Committee of the Board of Directors reviews the Code of Business Ethics annually and recommends proposed changes to the Board of Directors. The Audit Committee has oversight responsibility for the administration of the Code of Business Ethics by management of the Corporation.