Otter Tail Corporation
Executive Compensation Policy
Approved February 10, 2026

PURPOSE

The purpose of the Otter Tail Corporation Executive Compensation Policy is to describe the Otter Tail Corporation's (the "Corporation") overall compensation philosophy for Corporate executives, to provide a guideline for determining how well the Corporation's executive wage practices conform to actual objectives and to provide general guidelines for compensation programs in the future.

OVERALL PHILOSOPHY

The Corporation believes that strong, effective leadership is the cornerstone to its continued growth and success in the future. This requires the ability to attract, retain and motivate highly qualified executives; executives with the competencies needed to excel in a rapidly changing marketplace, to understand the issues relating to a diverse group of companies in several different industries, and to continually motivate their employees.

The Corporation's mission for its people is to provide "an environment of opportunity with accountability; where all people are valued and empowered to do their best work." It is the responsibility of the Corporate executives to provide the leadership and resources necessary for the Corporation and its operating companies to make this mission a reality.

Consistent with the Corporation's mission, executive compensation should focus on rewarding results achieved in alignment with the moderate risk appetite of the Corporation. Consistently good results achieved through strategic planning, risk management, talent excellence and operational excellence are indicative of the management attributes linked to the Corporation's success. The Corporation intends to provide competitive compensation for executives combining base pay, annual cash incentives, stock-based long-term incentives, and competitive benefits. Annual incentive plans, designed to reward executives for the Corporation's current year financial success, will recognize the executive's responsibility for meeting the Corporation's overall financial performance goals, as well as those of the operating companies. Stock-based incentives will focus on long-term performance by aligning the executives' long-term financial interests with the Corporation's shareholders. Stock ownership guidelines will ensure that the executives remain focused on long-term shareholder value.

Executive compensation will be determined according to the following guidelines:

- ***Total Direct Compensation:*** Total compensation opportunities, including base pay, annual incentives and long-term incentives will be competitive with similarly sized organizations in the utility and general industry sector with a bias towards the utility sector. Target will be near median to reflect Otter Tail Corporation's belief in the commitment to strong, effective leadership. The mix of pay (base, annual incentive, and long-term incentive) as compared to competitive norms will be weighted toward pay at risk as opposed to guaranteed pay to reflect the Corporation's belief in pay for performance. Although target will be an important measure, the actual compensation of an individual executive must also take into consideration tenure, performance, experience, and skillset and be balanced with current business climates and market implications.

- ***Base Pay:*** Base pay will be set after considering market data for similar jobs in the energy services and manufacturing sectors. An individual executive's base pay will also take into consideration tenure, performance, experience, and skillset and reflect the level of compensation at risk under the Corporation's annual incentive plans. Base pay changes are effective January 1 of each year.

- ***Annual Incentives:*** Annual cash incentives will be an integral part of the executive's total compensation package. The goal of the annual incentive is to reward performance on financial, workplace safety, and individual performance goals given the mix of businesses, related risks, and regulation. Actual incentive payments will be defined and consistent with the Corporation's Executive Annual Incentive Plan, with performance targets determined by the Compensation and Human Capital Management Committee ("Compensation Committee") annually. As with base pay, the annual incentive opportunity may be adjusted to reflect the overall level of pay at risk deemed appropriate for the position. The Executive Annual Incentive Plan is approved by the Compensation Committee by April but applies to the Calendar Year for which it is approved.

- ***Long-term Incentives:*** Long-term stock-based incentives will be used to provide the executive with a substantial stake in the long-term success of the Corporation – thus linking the executives' long-term financial interests with the Corporation's shareholders. To ensure the executives continue to have a long-term stake in the financial success of the Corporation, stock ownership guidelines will apply as described later in this policy. Stock-based incentives are typically granted in February of each year and consist of a mix of performance share awards and restricted stock unit awards.

- ***Benefits:*** Consistent with the need and desire to encourage continued long service with the Corporation, retirement plans will be an important component of each executive's benefit package. Executives will be eligible for health, dental, life, vacation, and other traditional benefits provided to non-executive employees of Otter Tail Corporation and will be eligible for certain nonqualified plan benefits.

STOCK OWNERSHIP GUIDELINES

It is the Corporation's policy that Corporate executives have a meaningful ownership stake in the Corporation to demonstrate a strong commitment to the organization's long-term success. The following stock ownership guidelines apply to executive officers:

Provision	Definition	
Ownership Guidelines	**Executive**	**Multiple of Base Pay**
	President and CEO	6 times
	CFO	3 times
	President, Electric Platform	3 times
	President, Manufacturing Platform	3 times
	Sr. Vice President, General Counsel and Corporate Secretary	3 times
	Vice President of Human Resources	2 times
Years to Comply	5 years from date of hire, promotion, or increased holding requirement, whichever is later.	
Stock Included	All shares owned, whether owned directly or indirectly as reported to the SEC. Also included are restricted stock units (vested and non-vested) unless the restricted stock unit award provides solely for cash-settlement, Employee Stock Ownership Plan shares, Employee Stock Purchase Plan shares, Dividend Reinvestment Plan shares or other direct or indirect ownership for which the executive has dividend and voting rights. Ownership does not include (i) unvested performance awards (unless and until shares earned under the awards are actually issued) and (ii) or vested or non-vested stock options.	
Determination of Ownership	Annually based on the closing price of the Corporation's common stock on the business day immediately prior to the February Board meeting, for purposes of satisfying the stock ownership guidelines, and on the business day immediately	

	prior to the applicable Compensation Committee meeting when the award is approved, for purposes of the 200% holding requirement established under "Cash-Settled Award Policy."
Review of Required Share Level	Every year.
Holding Requirement	Each executive shall hold 100% of shares received (net of tax) upon the grant or vesting, as applicable, of the shares, until the applicable ownership guideline has been met, subject to the provision below for cash settlement. In the event a change in stock price causes an executive to fall below the ownership guideline, the executive may not sell shares until compliance is again achieved. In the event an executive has complied with the holding requirements but does not reach the ownership guidelines within the prescribed timeframe, the executive shall continue to be subject to the holding requirements until the ownership guideline is met.
Cash-Settled Award Policy	Upon the Compensation Committee's determination to grant an eligible executive a restricted stock unit award or performance award, if (i) the eligible executive is retirement eligible (as defined in the award) and (ii) the eligible executive's ownership level is 200% of their holding requirement, the Compensation Committee may issue a performance award or restricted stock unit award (as applicable) providing for cash-only settlement (rather than settlement in shares of the Corporation).

The value of an executive's stock ownership for purposes of satisfying these Executive Stock Ownership Guidelines or the 200% holding requirement set forth under "Cash-Settled Award Policy" above is based on their then-current salary. For purposes of compliance with the stock ownership guideline, the value of the executive's holdings (whether held directly or indirectly) is based on the closing price of a share of the Corporation's common stock on the business day immediately prior to the February Compensation Committee meeting, For purposes of calculating the 200% holding requirement, that calculation will be made based on the value of the Corporation's common stock on the business day immediately prior to the applicable Compensation Committee meeting when the award is approved. Each of the determinations of an executive's holdings will be determined in accordance with the guidelines under "Stock Included" and assuming the approval of awards and vesting of shares at the applicable meeting. The Compensation Committee may grant waivers of the ownership guideline or holding requirements in circumstances where an executive wishes to sell shares due to special needs or circumstances. The Compensation Committee will make the final decision whether to grant the request after considering the purpose of these Executive Stock Ownership Guidelines and the personal circumstances of the executive.

EMPLOYMENT AND SEVERANCE AGREEMENTS OR SEVERANCE PLANS

The Corporation may enter into an Employment Agreement or Severance Agreement with, or provide a Severance Plan for, each Corporate executive on terms consistent with the needs of the employee and the Corporation and subject to approval of the Compensation and Human Capital Management Committee. The primary intent of the agreement or plan will be to provide certainty for the executives and the Corporation upon the occurrence of certain events described in the agreement or plan, in particular the departure of the executive. The terms and conditions of the agreement or plan will be similar for each executive but will allow for differences based on the needs of the Corporation. Change-in-control protection will be provided under the Corporation's Change in Control Severance Agreement.

COMPENSATION REVIEW

The Compensation Committee of the Board of Directors will review and set compensation for the Corporate executives annually.

HEDGING AND PLEDGING POLICY

The Corporation has adopted a hedging policy that prohibits all executive officers and directors from engaging in transactions that are designed to hedge or offset any decrease in the market value of the Corporation's securities, including short sales of the Corporation's securities; transaction inputs, calls or other derivative securities; and hedging and monetization transactions, such as zero-cost dollars and forward sale contracts. They are also prohibited from pledging these securities as collateral for a loan.

RECOUPMENT POLICIES

The Corporation has adopted an Incentive Compensation Recoupment Policy for its executive officers. The Policy provides for recovery of erroneously awarded incentive compensation in the event that the Corporation is required to prepare an accounting restatement and is designed to comply with Section 10D of the Securities Exchange Act of 1934.

EQUITY AWARD GRANT POLICY

The Corporation has adopted an Equity Award Grant Policy governing the timing of grants of options and other equity awards, though it is not currently granting options. Equity awards are granted on a predetermined schedule for annual awards as well as special awards to new hires or for purposes of retention or recognition.

The Corporation will not purposely accelerate or delay the public release of material information in consideration of a pending equity award in order to allow the grantee to benefit from a more favorable share price. The Corporation recognizes however that a release of information in close proximity to an equity award could create the appearance of an effort to time the grantee's equity award to the grantee's benefit, even if no such benefit was intended. Accordingly, equity awards are granted based on a predetermined schedule whenever possible.

POLICY REVIEW

The Otter Tail Corporation Executive Compensation Policy will be reviewed by the Compensation and Human Capital Management Committee of the Board of Directors on an annual basis. Changes will be made as needed to ensure the policy remains aligned with the Corporation's business needs.

FOR THE COMPENSATION AND HUMAN CAPITAL MANAGEMENT COMMITEEE OF THE BOARD OF DIRECTORS:

/s/ Thomas J. Webb	January 10, 2026
Thomas J. Webb, Compensation Committee Chair	Date