

# **Charter of the Governance Committee of the Board of Directors Black Hills Corporation**

## **I. Authority**

This Governance Committee Charter has been approved by the Board of Directors.

## **II. Purpose and Responsibilities**

1. The Governance Committee shall provide action and oversight on the following matters:
  - (a) Identify and recommend individuals to serve as Directors of the Company, subject to Board approval and election by shareholders at the annual meeting as required by the Company's Bylaws.
    - (i) Solicit nominations for new directors and screen the list of potential new directors submitted to the Committee by other directors or any other source.
    - (ii) Retain the services of a search firm, if deemed necessary.
    - (iii) Designate which candidates are to be interviewed. Interviews shall be conducted by at least the Lead Director, the Governance Chairperson and the Chairman and CEO, but may include other directors.
    - (iv) Assure that all existing directors have the opportunity to meet with any candidate prior to the final vote on his or her recommended selection.
  - (b) Recommend to the Board the existing board members to be re-nominated, after considering the appropriate skills and characteristics required on the Board, the current make-up of the Board, and the wishes of existing Board members to be re-nominated; recommend Director candidates to fill new positions created by expansion and vacancies that occur by resignation, retirement, or for any other reason.
  - (c) Review and evaluate director nominations submitted by shareholders, including reviewing the qualifications and independence of, and making recommendations to the full Board regarding, director nominations submitted by shareholders.
  - (d) Receive the resignation letter of any director who makes a principal occupation change (including retirement), and recommend to the full Board whether to accept the resignation.

- (e) Consider the resignation of an incumbent director who receives a greater number of votes “withheld” from his or her election than votes “for” his or her election in an uncontested election of directors and recommend to the Board whether to accept or reject it, as provided in the Company’s Corporate Governance Guidelines.
- (f) Assess the size and other membership needs of the Board of Directors, review on an annual basis the appropriate skills and characteristics of Board members, and establish selection criteria for Board Membership.
- (g) Establish guidelines for corporate governance, review them at least annually, and recommend to the Board any changes as necessary.
- (h) Review the committee structure of the Board, and recommend to the Board, for its approval, directors to serve as members and chairperson of each committee. This is done after receiving advice from the Chairperson, Chairman of the Board and Lead Director, and with consideration of the desires of individual members.
- (i) Oversee the Board of Directors and Board Committee evaluation process.
- (j) Ensure a process is in place for orienting new Directors both to the Company, and to their responsibilities as Board Members.
- (k) Nominate on an annual basis an Independent Director to serve as Lead Director.
- (l) Regularly review the independence of Board Members.
- (m) Review reports and written memoranda pursuant to the Policy for Review of Related Party Transactions.
- (n) Ensure that the Board or a Board Committee oversees the evaluation and succession planning of management.

### **III. Membership**

1. The Committee will have a minimum of three Directors.
2. All members of the Committee shall be Independent Directors.
3. The Board will appoint members for and fill vacancies on the Governance Committee.

4. The Board may remove a Committee Member from membership of the Governance Committee at any time with or without cause.

#### **IV. Consultants**

The Committee shall have authority to retain and compensate legal and other outside consultants with respect to matters pertaining to governance. The Committee shall have sole authority to retain and terminate firms utilized to identify and recruit candidates for director positions, including sole authority to approve the fees and terms of retention for such firms.

#### **V. Committee Meetings and Action**

1. A majority of the Committee Members will constitute a quorum for the transaction of business.
2. The action of a majority of those present at a meeting at which a quorum is present shall constitute the action of the Committee.
3. Any action required to be taken at a meeting of the Committee will be deemed the action of the Committee if all of the Committee members executed a written consent and the consent is filed with the Corporate Secretary.
4. The Chairperson of the Governance Committee will report from time to time to the entire Board of Directors on Committee actions and on the fulfillment of the duties of the Committee under this Charter.
5. The Corporate Secretary, the Chairperson, or an appointee of the Chairperson will keep minutes of all Committee meetings, which will be distributed to all Board members.
6. The Committee will meet at least once annually, and at such other times as may be requested by its Chairperson.
7. The Chairperson of the Governance Committee, together with the Corporate Secretary, will prepare an Agenda for each meeting of the Governance Committee. The Agenda and all materials to be reviewed at the meeting should be delivered to the Committee Members as far in advance of the meeting day as practicable.
8. The Committee shall report its actions and recommendations to the Board after each Committee meeting.
9. The Committee shall conduct annual evaluations of its performance.

10. The Committee shall have the authority to delegate any of its responsibilities to subcommittees as the Committee shall deem necessary in its sole discretion.
11. The Committee shall review at least annually the adequacy of this Charter and recommend any proposed changes to the Board for approval.
12. The Committee shall perform any other duties or responsibilities delegated to the Committee by the Board from time to time.

Charter initially adopted December 10, 2001

Charter revised on the following dates:

December 9, 2003  
February 2, 2006  
May 24, 2006  
February 1, 2007  
February 1, 2008  
January 30, 2009  
January 28, 2010  
January 26, 2011  
December 11, 2012  
July 28, 2015 (changed Presiding Director to Lead Director)  
October 24, 2016  
October 23, 2017

Charter last reviewed on October 23, 2017