MGE Energy, Inc.
Corporate Governance Guidelines
(Amended January 19, 2018)

The Board of Directors of MGE Energy, Inc., has adopted the following guidelines to serve as a framework and to provide direction for the governance of the Company.

I. Responsibilities of the Board.

The Board is elected to oversee management's performance, although management is responsible for managing the day-to-day operations of the Company. The Board reviews the Company's long-term strategic plan, business initiatives, major capital projects, and budget matters.

II. Composition and Operation of the Board.

A. Size of the Board.

The size of the Board shall be set by the Board, based upon the recommendation of the Corporate Governance Committee, within a range of one to thirteen as set forth in the Company's By-Laws. Board size is influenced by the desire to have diverse participants in a manageable number to facilitate discussion and decision-making.

B. Board Membership Criteria.

The Corporate Governance Committee shall be responsible for identifying, screening, recruiting and recommending candidates for nomination by the Board for election as members of the Board. The candidate review criteria include characteristics such as integrity, business experience, knowledge and independence of judgment, as well as diversity in business backgrounds in order to bring different experiences and perspectives to the Board. Diversity in personal background, race, gender, age, and nationality, for the Board as a whole, may be taken into account in considering candidates. While screening candidates, the Corporate Governance Committee will examine potential conflicts of interest, including interlocking directorships and substantial business, civic, and social relationships with other members of the Board that could impair a prospective Board member's ability to act independently.

At least three fourths of the members of the Board will be independent directors, as determined by the Board in accordance with the categorical standards set forth in Exhibit A to these Guidelines.

C. Board Meetings.

The Chairman of the Board shall prepare an annual schedule of meetings for the Board. Additional meetings may be scheduled as necessary or appropriate.

(a) Board Agenda. The Chairman of the Board and the Chief Executive Officer shall establish an agenda for each meeting, with input from other directors and management members.

(b) Board Attendance. It is the responsibility of each director to attend meetings of the Board and each Committee of which he or she is a member and to review materials provided in advance of those meetings. Directors are expected and encouraged to attend the annual meeting of shareholders.

D. Access to Management and Outside Advisors.

The directors shall have complete access to the Company's senior management. The Board expects that members of management will be present at Board meetings from time to time in order to provide additional insight into the items being discussed. The Board also shall have access to the Company's outside counsel and auditors and shall be empowered to retain outside counsel or other professional advisors with respect to any issue relating to its activities.

E. Executive Sessions of Non-Management Directors.

Non-management directors shall meet regularly, without management, and at other times as deemed appropriate, but no less than two times per year. The Chair of the Corporate Governance Committee shall preside over all executive sessions of the non-management directors.

F. Communications.

The Board encourages open communication with shareholders and other constituencies. Shareholders may send written communications to: Board of Directors, MGE Energy, Inc., P.O. Box 1231, Madison, WI 53701- 1231. There is also an email contact link on the Company's Corporate Governance web page for sending communications to the Board.

Communications, except commercial solicitations and customer-related inquiries, will be forwarded to the Board as directed by the shareholder.

III. Committees of the Board.

A. Committees.

The Board has established four standing committees: Audit, Compensation, Corporate Governance and Executive. Additional standing committees may be created by resolution of the Board.

B. Composition.

Each of the Audit, Compensation, and Corporate Governance Committees shall be comprised solely of independent directors, as determined by the Board in accordance with the categorical standards set forth in Exhibit A to these Guidelines. Such determinations may consider recommendations made by the Corporate Governance Committee.

C. Charters.

Each of the Audit, Compensation and Corporate Governance Committees shall be governed by its particular committee charter, which shall be approved by the Board. The duties of each such committee and their associated charter shall be reviewed by that committee as needed or required by The NASDAQ Stock Market, Inc. listing requirements. Any recommended changes from such reviews shall be presented to the full Board for consideration.

IV. Lead Director.

The Chair of the Corporate Governance Committee shall serve the role of lead director, if and whenever necessary, and shall lead the discussion of the non- management directors and independent directors when they meet in executive session.

V. Directors.

A. Retirement Age.

The Board believes that it is in the best interest of the Company that directors resign not later than the date and time of the annual meeting of shareholders following the date on which the director attains the age of 75, unless requested to remain by the Board of Directors. No employee director can serve as a director after ceasing to be an employee, unless requested to do so by the Board.

B. Term Limits.

The Board does not believe it appropriate or necessary to limit the number of terms that a director may serve. The Board values the participation of directors who have gained an increased understanding of the governance of the Company and the issues confronting it over a period of service on the Board.

C. Service on Other Boards.

Directors may not serve on more than three other public company boards.

D. Director Orientation and Education.

New directors will participate in an orientation program, which includes discussions with key executives, as well as a continuing education program.

E. Share Ownership Guidelines.

The Board believes that directors and officers should own and hold the Company's common stock and have a portion of their compensation based upon the performance of that common stock to align further their interests with the long-term interests of shareholders. Directors and officers shall be subject to the Stock Ownership Guidelines attached to these Guidelines as Exhibit B.

F. Director Compensation.

The Board shall review periodically the level and form of non- management director compensation and shall set the level of that compensation. The purpose of these activities shall be to assure that the level of compensation is reasonable and competitive to similarly-sized companies.

VI. Succession Planning and Management Development.

A. Chief Executive Officer.

The Board shall be responsible for reviewing and making decisions with respect to succession planning for the Chairman and/or Chief Executive Officer.

B. Other Executive Officers.

The Chief Executive Officer shall be responsible for reviewing a succession plan for senior management with the Board as frequently as needed. Included in the succession plan report shall be a review of management development.

C. Annual Assessment of Performance.

The Corporate Governance Committee shall conduct an annual assessment of the Board's effectiveness as a whole.

VII. Code of Ethics.

The policy of the Company is that there shall be adherence to the highest form of ethical business conduct, and the Board has adopted a Code of Ethics (the Code) applicable to all directors, officers and employees of the Company. No one has the authority to amend or to make exceptions to the Code other than the Board. The Audit Committee shall be responsible for reviewing the Code from time to time to determine its currency and accomplishment of the stated policy of the Company. The Company's Code of Ethics is posted on the Company's website.

Each year, Internal Audit will reaffirm the Code with salaried personnel. Every third year, Internal Audit will request all non-salaried personnel to acknowledge in writing that they have reviewed the Code. All new employees will also be asked to acknowledge they received a copy of the Code at time of hire and will read it.

All employees will receive formal ethics training once every three years. Training will also be provided to all new employees shortly after they are hired. Employee communications on ethics issues will be provided to all employees at least twice during each year in which formal training does not occur.

VIII. Review and Disclosure of Corporate Governance Guidelines.

The Board shall review these Corporate Governance Guidelines as needed from time to time and shall make any needed changes. Such review shall consider recommendations made by the Corporate Governance Committee.

These Corporate Governance Guidelines and the Charter of the Governance Committee shall be available upon request and shall be posted on the Company's website.

Exhibit A

Director Independence Standards

The Board believes that the interests of the shareholders are best served by having a substantial number of objective, independent directors on the Board.

Consequently, at all times, at least three-fourths of the directors will be "independent."

A director shall be considered to be "independent" only if the Board affirmatively determines that the director does not have a relationship that would interfere with the director's ability to make independent judgments as a director and the director otherwise satisfies the standards of "independence" established by applicable rules and regulations, including The NASDAQ Stock Market, Inc. listing requirements and federal securities laws.

Under those requirements:

(a) A director will not be considered to be "*independent*" if any of the following conditions exist at the time of determination or existed at any time during the immediately preceding three year period:

1. The director is employed by the Company or any of its subsidiaries;

2. The director accepted, or an immediate family member accepted, any compensation from the Company in excess of $120,000 during any period of 12 consecutive months, other than (i) compensation for board or board committee service, (ii) compensation paid to an immediate family member who is an employee (other than an executive officer), or (iii) benefits under a tax-qualified retirement plan or non-discretionary compensation;

3. An immediate family member of the director is employed as an executive officer of the Company;

4. The director is, or an immediate family member of the director is, a partner, or was a partner or employee of the Company's independent auditor who worked on the Company's audit; or

5. An executive officer of the Company serves on the Compensation Committee of a company that employs the director, or employs an immediate family member of the director, as an executive officer.

For purposes of the above, "*immediate family member*" includes spouse, parents, children, siblings, whether by blood, marriage or adoption, or anyone residing in the director's home.

(b) The following relationships are not considered to be relationships that would interfere with a director's ability to make independent judgments. Consequently, the existence of these relationships will not alone prevent a director from being considered to be "independent" under the corporate governance guidelines:

The director or immediate family member is a partner in, or a controlling shareholder or an executive officer of, any organization to which the Company made, or from which the Company received, payment for property or services in the current or past three fiscal years that do not exceed the greater of (i) 5% of the recipient's consolidated gross revenues for that year or (ii) $200,000.

The Board shall review annually all commercial and charitable relationships between each director and the Company and will make a determination of such director's independence, and the Company will disclose the Board's determinations in the proxy statement relating to the annual meeting of shareholders.

Members of the Audit Committee and the Compensation Committee of the Board of Directors may be subject to more stringent standards of "independence" under applicable rules and regulations, including The NASDAQ Stock Market listing requirements, accounting and auditing rules, and federal securities or tax laws. Those standards will be reflected in the charters of those committees.

Exhibit B

MGE Energy, Inc.
Stock Ownership Guidelines
Effective as of January 19, 2018

Purpose

The Board of Directors (the "Board") of MGE Energy, Inc. (the "Company") believes that officers and directors should own and hold MGE Energy common stock and have a portion of their compensation based upon the performance of that common stock to align further their interests with the long-term interests of shareholders and to promote further the Company's commitment to sound corporate governance.

Applicability

All officers and directors of the Company are subject to these stock ownership guidelines as long as they continue to serve as an officer or director of the Company, as the case may be.

Qualifying Ownership

The following items shall be considered in determining whether an individual has met the ownership requirements set forth in these guidelines:

- Shares of common stock (i) owned outright by the officer or director, or his or her immediate family members residing in the same household, and (ii) held in trust for the benefit of the officer or director, or his or her immediate family members residing in the same household.

- In the case of an officer, (i) outstanding units awarded under the Company's 2006 Performance Unit Plan plus (ii) the Aggregate Dividend Equivalents (as defined and described below) on those outstanding units.

- In the case of a director, outstanding units awarded under the Company's 2013 Director Incentive Plan plus (ii) the Aggregate Dividend Equivalents (as defined and described below) on those outstanding units.

Units awarded under the 2006 Performance Unit Plan or the 2013 Director Incentive Plan represent the right to receive a cash payment that is directly dependent on the performance of the Company's common stock over a defined period of time, and therefore ties a portion of the award holder's compensation to that performance. A unit and any associated Aggregate Dividend Equivalents will be counted until they are settled through cash payment according to their terms.

Shares of common stock and units awarded under the 2006 Performance Unit Plan and the 2013 Director Incentive Plan are referred to in these guidelines as "Qualifying Shares." "Aggregate Dividend Equivalents" means, as of any calculation date, (i) in the case of a unit awarded under the 2006 Performance Unit Plan, the product of the current annual dividend rate per share of common stock at that date multiplied by five, and (ii) in the case of the 2013 Director Incentive Plan, the product of the current annual dividend rate per share of common stock at that date multiplied by three. Aggregate Dividend Equivalents shall be converted into Qualifying Shares by dividing the aggregate amount thereof by the Closing Price (as defined below).

Minimum Ownership Guidelines

The required ownership of Qualifying Shares is determined as a (i) multiple of an officer's annual base salary, in the case of an officer, or (ii) multiple of a non-employee director's annual cash retainer (not including any additional retainers received by the lead director or for chairperson service on any Board committees). Such officers and directors are expected to own a number of Qualifying Shares equal to the result obtained by dividing (1) the applicable amount set forth in the table below by (2) the Closing Price:

Title	Guideline
Chief Executive Officer	3 times annual base salary
Executive Vice President	2 times annual base salary
Senior Vice President and Vice President..........	1.5 times annual base salary
Assistant Vice President	1 times annual base salary
Non-employee director	3 times annual cash retainer

Notwithstanding the reference to Qualifying Shares in the preceding sentence, each officer and director is required to purchase at least $25,000 of Company common stock. These guidelines represent the minimum guidelines. Officers and directors are encouraged to own shares of common stock beyond these levels.
For the purpose of these guidelines, "Closing Price" means the average closing price of the Company's common stock as reported on the Nasdaq Stock Exchange for the 180 calendar day period ending immediately prior to the date of calculation.

Time Period for Compliance

Each officer must satisfy his or her applicable guideline within five years of the latest of (i) the effective date of these stock ownership guidelines, (ii) the date on which the individual becomes an officer or (iii) the date on which the individual is promoted to a higher officer position.

Each non-employee director must satisfy the stock ownership guideline within three years of the later of (i) the effective date of these stock ownership guidelines and (ii) the date of commencement of the individual's service as a director.

Measurement and Valuation

Compliance with these stock ownership guidelines will be measured on December 31st of each year by the internal departments responsible for the handling of, and reporting on, executive compensation matters, and the results of that measurement will be reported to the Compensation Committee. This measurement date is selected so that it occurs before the cash payment of a previous year's award and the subsequent issuance of a new award, both of which typically take place in the first quarter; and that a calculation between those events would lead to a temporary aberration. In addition, the Compensation Committee can request that measurements be made on additional dates throughout the year. On each measurement date, compliance will be measured using each officer's base salary then in effect, each director's annual cash retainer then in effect, the annualized dividend then in effect, and the Closing Price on such date. Once an officer or director has achieved the applicable ownership guideline, that person will be considered in compliance, regardless of any change in the price of the Company's common stock, so long as such person continues to own at least the number of Qualifying Shares owned at the time of achieving the applicable guideline.

Failure to Achieve Ownership Guidelines

Failure by an officer or director to achieve, or to show sustained progress toward achievement of, the applicable ownership guideline may result in the Compensation Committee taking any action it deems appropriate under the circumstances until the applicable guideline is achieved, including requiring that such officer or director apply some or all of the cash payment (net of applicable taxes) received in respect of an award under the 2006 Performance Unit Plan or the 2013 Director Incentive Plan, as the case may be, to the purchase of shares of the Company's common stock.

Administration

The Compensation Committee reserves the right to modify or amend these guidelines at any time. The stock ownership guidelines may also be waived for officers or directors, at the discretion of the Compensation Committee, if compliance would create severe hardship or prevent an officer or director from complying with a court order, as in the case of a divorce settlement. It is expected that these instances will be rare. If an exception is granted in whole or in part, the Compensation Committee will, in consultation with the affected officer or director, develop an alternative stock ownership guideline for such individual that reflects both the intention of these guidelines and such individual's particular circumstances.