
POLICY STATEMENTS
Policy No. HR 100
ALCOHOL AND DRUG FREE WORKPLACE

Effective Date:
10/01/2017

PURPOSE

- A. The purpose of this policy is to:
 - 1. Reinforce the company's commitment to providing a safe and alcohol and/or drug free workplace.
 - 2. Establish responsibility for alcohol and/or drug testing program(s).
 - 3. Establish guidelines for the unlawful possession of controlled substances and/or alcohol on Company premises along with guidelines for handling reasonable suspicion testing.
- B. The policy and procedures are drafted in accordance with federal regulations.

SCOPE

This policy applies to all employees and employment finalists of MDU Resources Group, MDU Utilities Group and WBI Energy.

DEFINITIONS

- A. **Pre-employment testing** applies to all employment finalists. This includes employees who transfer between the MDU Resources Group family of companies; employees in a DOT position returning from a leave of absence of three months or longer; and employees who move from a non-covered position to a DOT-covered position within the same company.
- B. **Post-accident testing** applies to any employee involved in a natural gas accident or a motor-vehicle accident while operating a company vehicle or personal vehicle for company business. Complete testing requirements and guidelines can be found in the applicable business unit's substance abuse document.
- C. **Random testing** applies to all employees performing operations, maintenance, or emergency-response functions associated with natural gas facilities, to drivers of commercial motor vehicles weighing over 26,000 lbs., and pilots and flight maintenance personnel. Classifications subject to testing can be found in the applicable business unit's substance abuse document (Pilots and flight maintenance personnel will follow the Montana-Dakota Utilities substance abuse document).
- D. **Reasonable Suspicion testing** applies to all employees based upon (but not limited to) observations by supervisors trained in recognizing specific physical behavioral and/or performance indicators of probable drug or alcohol use. Such indicators include:
 - 1. The smell of illegal substances or alcohol on the breath or body
 - 2. Impaired gait
 - 3. Slurred or abnormal speech
 - 4. Disruptive behavior
 - 5. Sleeping on the job
 - 6. Frequent and unexplained absences from the workstation
 - 7. Erratic work performance

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8. Any incident or accident involving minor damage or first aid where impairment is suspected
 9. Any other behavior which is consistent with illegal drug or alcohol impairment not listed above
 10. Reports regarding illegal drug or alcohol use or possession deemed to be reliable or based on personal observations
- E. **Return to Duty testing** applies to individuals who have tested positive for drugs and/or alcohol. An employee who tests positive for drugs and/or alcohol will be suspended without pay and cannot return to work until the employee passes a substance test and the Substance Abuse Professional (SAP) and the Company have determined the employee may return to duty.
- F. **Follow-up testing** applies to individuals who have tested positive for drugs and/or alcohol. An employee that returns to work will be subject to random, unannounced testing based on the recommendations of a SAP.

PROCEDURE

- A. The health and safety of employees, as well as, the safety of the public are matters of paramount importance. Employees have the right to work in a drug-free environment and to work with persons free from the effects of substance abuse. Employees are expected to report to work on time and in appropriate mental and physical condition for work. Those who use illegal drugs or abuse other substances tend to be accident prone and less reliable causing unnecessary risks to themselves, other employees, and the public. Therefore, the policy shall be:
1. Illegal or prescription drugs
 - a. The use, sale, distribution or possession of illegal drugs while on the job or on company property including in a company vehicle or personal vehicle operated for company business is prohibited. Violation of this policy will result in disciplinary action, up to and including termination, and may have legal consequences.
 - b. Illegal drug use or abuse of prescription drugs, whether on or off the job, may adversely affect an employee's job performance, jeopardize the safety of other employees and the public, the reliability of company operations and/or equipment, and is just cause for disciplinary action up to and including termination of employment.
 - c. Employees are responsible for notifying their manager when using medication with potential side effects that could impact safety and/or productivity.
 2. Alcohol
 - a. The use, sale, distribution or possession of alcohol in company vehicles, or in personal vehicles while being operated for company business, is a prohibited.

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- b. The use, sale, distribution, or possession of alcohol on company premises is prohibited unless pre-approved by the business unit president or MDU Resources president for authorized company functions.
- 3. The Company recognizes substance abuse as a potential health, safety, and security problem. Employees needing help in dealing with such problems are encouraged to use our Employee Assistance Program and health insurance plans, as appropriate.
- B. Substance abuse testing is conducted in accordance with federal regulations. Procedures for testing can be found in the business unit's substance abuse document. MDU Resources employees will follow the procedures found in the MDU Utilities Group substance abuse document.
- C. Employees who test positive for substances specified in the substance abuse document, refuse to test, or are unable to provide a suitable specimen without medical reason, will face immediate suspension without pay. Further disciplinary action, up to and including termination, as well as, evaluation, rehabilitation and follow-up testing procedures are detailed in the business unit's substance abuse document.
- D. Employment offers are contingent on the candidate's ability to successfully pass a drug test.

ADMINISTRATION

The Chief Executive Officer has the overall responsibility for this policy. Administration of the policy is the responsibility of the Vice President - Human Resources. Requiring compliance with this policy is the responsibility of all officers and management. It is also the responsibility of management to ensure policies are accessible and understood by all employees.

Approved: /s/ Anne M. Jones
Anne M. Jones
Vice President - Human Resources
MDU Resources Group, Inc.

Approved: /s/ David L. Goodin
David L. Goodin
President and Chief Executive Officer
MDU Resources Group, Inc.

Date: October 1, 2017