
POLICY STATEMENTS
Policy No. 160
Telecommuting Policy

Effective Date:
October 1, 2020

PURPOSE

Telecommuting allows employees to work at home or some other off-site location for all or part of their regularly scheduled workweek. The Company considers telecommuting to be a viable, flexible work option when both the employee and the job are suited to such an arrangement. Telecommuting may be appropriate for some employees and jobs, but not for others.

SCOPE

- A. This policy shall cover all employees of MDU Resources Group, Inc. and all divisions and companies directly or indirectly majority-owned by MDU Resources Group, Inc., collectively referred to as the “Company”. Due to the diversity of business units and the work they perform, there may be differences in implementation and administration of the policy, and /or limited opportunities. Please review your respective business unit addendum for specifics.
- B. Not all jobs can be performed from off-site locations. In general, positions requiring working in the field, requiring face-to-face interaction, and personnel needing to be in the office to successfully complete their assigned position are not suitable for telecommuting arrangements.
- C. The employee remains obligated to comply with all job requirements and responsibilities.
- D. Employee Eligibility:
 - 1. Individuals requesting formal telecommuting arrangements must be employed with the Company for a minimum of 12 months of continuous, regular employment, unless the original job is offered as a remote position, and must consistently meet or exceed performance expectations. Temporary employees are not eligible to telecommute, except under exceptional circumstances.
 - 2. Before entering into any telecommuting agreement, the employee and supervisor, with the assistance of the Human Resources department, will evaluate the suitability of such an arrangement, reviewing the following areas:
 - a. Employee suitability. The employee and supervisor will assess the needs and work habits of the employee, compared to traits customarily recognized as appropriate for successful telecommuters, such as possessing good time-management and organizational skills, being self-motivated, self-reliant, disciplined, and having minimal requirements for face-to-face supervision.
 - b. Job responsibilities. The employee and supervisor will discuss the job responsibilities and determine if the job is appropriate for a telecommuting arrangement.
 - c. Equipment needs, workspace design considerations, and scheduling issues. The employee and supervisor will review the physical workspace and equipment needs along with the appropriate location and schedule for the work.

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- d. Tax and other legal implications. The employee should discuss with their supervisor and the Human Resources department any tax or legal implications under IRS, state and local government laws, and/or restrictions of working out of a home-based office. Responsibility for fulfilling all personal obligations in this area rests solely with the employee.
- E. For employees subject to a collective bargaining agreement (CBA), if any parts of this policy differ from the CBA, the terms and conditions of the CBA will prevail.
- F. If this policy conflicts with any federal, state, or local laws or regulations, the applicable law or regulation applies.

DEFINITIONS

- A. Telecommuting is defined as an alternative to home-to-work commuting with the option of working at a home worksite or other off-site location while meeting the business needs of the Company.
- B. Home worksite is defined as the employee's home, typically utilizing furniture and equipment normally provided by the employee. Some specialized equipment necessary for the position may be provided by the employer.

PROCEDURE & TERMS OF POLICY

A. REQUESTS, CRITERIA, AND EXPECTATIONS FOR TELECOMMUTING ARRANGEMENTS

1. Requests for telecommuting under this Policy may be requested by either the employee or a supervisor. In all circumstances, an employee must submit a Telecommuting Request Form completed either individually or in conjunction with their supervisor.
2. The supervisor will consult with the appropriate HR team member and a respective Officer or designated manager of the Operating Company for final approval of all telecommuting agreements.
3. When a request to telecommute is approved, an employee will be required to sign a written telecommuting agreement that confirms:
 - a. All the terms set forth in this Telecommuting Policy apply, along with any Department specific rules, policies, or practices.
 - b. Permission to telecommute can be withdrawn or revoked inclusive of the trial period at any time.
 - c. The agreed-upon hours of work, and how hours will be recorded for non-exempt employees.

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- d. Expectations regarding how frequently you and your supervisor will communicate and how often employee will be required to report to the office.
 - e. Any additional employee responsibilities not set forth in the Telecommuting Policy.
 - f. Equipment and supplies, including unique requirements regarding home worksite setup, including ergonomics, and a list of all Company-owned items (software, equipment, etc.) loaned for telecommuting purposes.
 - g. Expense reimbursement, if applicable.
4. All Telecommuting agreements will be on a trial basis for the first three (3) months.
 5. No employee has the "right" to telecommute. The employee, management, or Human Resources may terminate telecommuting at any time.
 6. Professional conduct while performing the Company's business from a location outside of the Company's office will be held to the same standard as if the employee was in the office. While telecommuting, the employee remains obligated to comply with all job requirements and responsibilities, in addition to all Company rules, practices, instructions, applicable provisions, and policies.
 7. Employees who wish to telecommute must meet the following parameters. Failure to do so may result in general leave being charged for the day and/or cancellation of the telecommuting agreement:
 - a. Demonstrated flexibility on the part of the employee to accommodate irregular schedules, required business travel, and/or highly concentrated periods of work;
 - b. Ability and willingness of the employee to come into the office for training, meetings, and staff events;
 - c. Ability of the employee to maintain contact with colleagues during office hours via phone, e-mail, and instant messaging system;
 - d. Employee's maintenance of regular or predictable core office hours and the communication of any changes in these hours to colleagues and the supervisor; and
 - e. Ability to demonstrate arrangement for dependent care, when applicable.
 8. Considerations that impact management's approval for long-term or intermittent telecommuting include, but are not limited to the following:
 - a. Regular full-time/part-time employee status;
 - b. The employee's ability to accomplish work goals while telecommuting;
 - c. Proficient employee work performance in accordance with the Company's performance review process;
 - d. The impact and coordination of the employee's proposed schedule on overall Company operations;

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- e. Employee's ability to demonstrate to management that employee maintains adequate business tools deemed necessary to fully perform the employee's job functions (access to high-speed Internet, suitable designated workspace, and any other items considered necessary by the Company for adequate performance of employee's duties remotely).
 - f. An established reporting system that keeps the employee's supervisor informed of the employee's hours worked, daily activities, accomplishments, and duties.
 - g. Management's ability to measure productivity and account for engagement of employee.
 - h. Individual departments may also have specific metrics required for telecommute approval and/or continued telecommuting. These metrics will be pre-determined, work related, non-discriminatory and evaluated by Legal and Human Resources
9. The employee is governed by the same Practices, Policies, and Procedures as an on-site employee, which includes obtaining supervisory approval before taking leave, or working overtime as outlined in Company policy. Advance notification to your supervisor is required when a change to your schedule is needed.
10. The employee is responsible to promptly notify management if they are unable to work due to equipment issues, illness, or other circumstances.
11. Professionalism in terms of job responsibilities, work product, and customer or public contact will continue to follow the same high standards as the employee's onsite work locations. Business visits, meetings with customers, or regularly scheduled meetings with co-workers shall not be held at the home worksite. Conference calls and video conference meetings may be held at the home worksite. For all video conference meetings, employees will be required to dress in a professional manner.
12. Disciplinary action for abuse of the Telecommuting Policy or violation of the Telecommuting Agreement will be imposed in accordance with the Company's policies and procedures and could result in immediate termination of the Telecommuting Agreement or other actions, up to and including termination of employment. Abuses may include but are not limited to: non-compliance with the telecommuting requirements; the falsification of time records; tardiness and absences from work without prior approval from supervisor; and participation in non-work activities during scheduled telecommuting hours.

B. COMMUNICATION AND ACCESSIBILITY

- 1. Accessibility while telecommuting is critical to a successful telecommuting arrangement. Telecommuting should not compromise the quality of relationships with team members, mentors/mentees, vendors, and colleagues.

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2. An appropriate level of communication between the telecommuter and supervisor will be agreed to as part of the discussion process. The supervisor and telecommuter will communicate at a level consistent with employees working at the office or in a manner and frequency that is appropriate for the job and the individuals involved.
3. While telecommuting, an employee must ensure that he or she is accessible during their core work hours via phone, the Company's messaging system, and e-mail. All calls and e-mails should be returned as promptly as would occur if the employee were working at the office.
4. The employee's duties, obligations, productivity and responsibilities remain unchanged. The employee will meet or communicate with his/her supervisor to receive assignments, review work progress, and complete work as determined by the supervisor.
5. Employees are expected to observe the same business hours while telecommuting as they would normally observe during days working in the office, or as agreed to by employee's supervisor. Before making a change to the work schedule, the change must be approved by the employee's supervisor.
6. The employee is responsible for coordinating with his/her supervisor to ensure that his/her absence from the office does not place undue burdens on non-telecommuting colleagues.

C. TRAINING, EVALUATION, AND TERMINATION

1. An employee who is approved for telecommuting must attend and complete any training required by his/her department head and/or mandated by Company policy.
2. Pursuant to an individual department's goals, the supervisor and employee will formulate objectives, expected results, and evaluation procedures for work completed while the employee is telecommuting. A department may have additional requirements that must be followed by an employee, in addition to Companywide requirements, that will factor into an employee's telecommuter performance.
3. Evaluation of telecommuter performance during the trial period will be completed.
4. At least once per year during the telecommuter's annual review, and at any time as required by their supervisor, the employee's alternative work arrangement will be evaluated.
5. Telecommuting arrangements may be discontinued at will and at any time at either (1) the request of the employee or (2) the discretion of Company management for any business reason.
 - a. Every effort will be made by the Company to provide thirty (30) days' notice of such change. There may be instances, however, when no notice is possible.

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- b. If the employee desires to terminate the telecommuting agreement, the Company must first evaluate whether there is a permanent space in the onsite office location for the employee. The Company reserves the right to deny the request in the event no space is available.

D. WORK ENVIRONMENT, SUPPLIES, AND EQUIPMENT

1. A designated workspace at the home worksite shall be quiet, free of distractions, and kept in a clean, professional, and safe condition.
2. The Company will provide the following items, as needed; laptop, monitor(s), mouse, keyboard, headset, speakers, docking station and power cord for home locations. Temporary or part time telecommuters will not be provided more than one set of equipment and may need to transport items to and from the office or supply their own equipment for home office use.
3. The Company is not responsible for costs associated with the initial setup of the employee's home office space. This includes, but is not limited to a desk, chair, floor mat.
4. The Company will not be responsible for costs associated with remodeling, lighting, repairs, or modifications to the employee's home office space. Any unique furniture/equipment needed must be approved by the appropriate department manager and employee's supervisor. Employee agrees to allow Company representatives to inspect the employee's designated work location through electronic means (e.g., video, photographs, etc.) to ensure that safe working conditions exist.
5. Employee agrees to work ergonomically correct while telecommuting. Ergonomic resources will be provided electronically.
6. On a case-by-case basis, Company will determine, with information supplied by the employee and the supervisor, the appropriate equipment needs (including hardware, software, modems, phone and data lines and other office equipment) for each telecommuting arrangement. The Human Resources and Information Technology departments will serve as resources in this matter.
7. Employees must have access to high-speed internet with a minimum download speed of 20 Mbps.
8. In accordance with the states in which we operate, each company will address how cell phone and internet services will be administered.
9. Additional expenses may be covered in accordance with applicable law in the state where the employee telecommutes to be reviewed on a case-by-case basis.

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10. Office supplies will be provided by the Company.
 - a. Employees should contact their office representative to order supplies needed.
 - b. If specialty supplies are necessary, the employee may request such supplies from the Company's designated office representative or, with supervisor approval, through the Company's designated supply vendor.
 - c. Employees' out-of-pocket supply expenses will not be reimbursed unless prior Supervisor's approval is obtained.
 - d. Employees not located within a reasonable driving distance to their onsite workspace will work with their supervisor to obtain the supplies needed.
11. The employee must keep the Company provided computer on and connected to the Company network using Virtual Private Networking (VPN) to allow for any required updates to the computer. In addition, the employee is responsible to transport the equipment when maintenance or repairs are needed.
12. The employee will maintain and secure all Company property in a manner comparable to the maintenance and security provided by the Company, and shall particularly secure the equipment against theft.
13. Equipment, supplies, materials, and software owned, purchased, or reimbursed by the Company for the employee are to be used for business purposes only.
14. Upon termination of employment, all Company property will be returned to the Company, unless other arrangements have been made.
15. Expenses are subject to normal expense reimbursement procedures and are at the Company's discretion. Non-reimbursable expenses include, but are not limited to:
 - a. Operating costs, home maintenance, property or liability insurance, or other household expenses or incidental residential utility costs, including but not limited to utilities, cleaning services, etc.;
 - b. Any cost related to storage, rent/mortgage, equipment, or office supplies not approved by a supervisor;
 - c. Commuting expense between home and the office, if the employee is required to be in the office on a telecommute day.
16. As deemed appropriate by the Company, employees who telecommute more than one day per week may be required to forfeit the use of a designated office or workstation. If the employee's work site location does not have adequate space to allow one-to-one ratio of workstations for employees, a shared use of office space may be utilized. Determination of

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space assignments and establishing temporary work location practices will be made locally as needed.

E. SECURITY

1. Consistent with the Company's expectations of information security for employees working at the office, employee will protect Company information from unauthorized disclosure or damage and will comply with federal, state, and Company rules, policies, and procedures regarding disclosure of public and official records. Work done at the employee's home worksite is regarded as official Company business. All records, documents, and correspondence, either in paper or electronic form, must be safeguarded from improper use and for return to the Company. Release or destruction of records should be done only in accordance with statute and Company policy and procedure. Steps to comply with this provision include the use of locked file cabinets and desks, regular password maintenance, shredding of confidential documents, and any other appropriate measures.
2. The Company supplied computer is NOT to be used for personal use by others within the employee's remote work environment.
3. The employee should keep other devices on their local network up to date with patches.
4. The employee will surrender all Company-owned items, including software, equipment and/or data documents, immediately upon request.

F. SAFETY AND WORKERS' COMPENSATION

1. Employees are expected to maintain their home workspace in a safe manner, free from safety hazards and distractions. The Company reserves the right to provide each telecommuter with a safety checklist that may be completed up to two times per year.
2. Company will be responsible for any work-related injuries under the relevant Workers' Compensation laws, but this liability is limited to injuries resulting directly from work and only if the injury occurs in the designated home worksite area. Any claims will be handled according to the normal procedure for Workers' Compensation claims.
3. The employee is liable for any injuries sustained by visitors to his or her home worksite. Workers' compensation benefits do not apply to injuries to third parties or members of the employee's family on the employee's premises.

G. BENEFITS AND WORKED HOURS

1. The amount of time the employee is expected to work per day will not change as a result of telecommuting. A consistent schedule of telecommuting work hours and days is desirable to ensure regular and predictable contact with Company staff and others; for some positions,

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more flexibility in work hours and days is feasible. Exceptions will be made upon advanced-notice or when a telecommuter's presence is required for a function or activity that cannot reasonably be re-scheduled.

2. Telecommuting employees shall not perform personal business or activities during agreed-upon work hours.
3. Telecommuting employees who are not exempt from the overtime requirements of the Fair Labor Standards Act will be required to accurately record all hours worked using the Company's time-keeping system. Hours worked in excess of those scheduled per day and per workweek require the advance approval of the telecommuter's supervisor. Failure to comply with this requirement may result in the immediate termination of the telecommuting agreement and other disciplinary actions.
4. The employee's salary, benefits, workers' compensation, and other employer insurance coverage shall not change due to telecommuting. An employee who is telecommuting is entitled to reimbursement for travel mileage, lodging, and meals to attend required offsite training, meetings, and other events in accordance with current Company policy. However, travel mileage to and from the onsite office for normal job responsibilities will not be reimbursed.
5. Telecommuting is not designed to be a replacement for appropriate childcare. Although an individual employee's schedule may be modified to accommodate childcare needs, the focus of the arrangement must remain on job performance and meeting business demands.

H. TAX AND OTHER LEGAL IMPLICATIONS

1. Federal, state, and local government regulations must be considered by the employee electing to telecommute and compliance shall be at the employee's expense. These regulations may have an impact on taxes and create other responsibilities and burdens for employees. It is the employee's responsibility to determine any legal, tax or otherwise, implication of maintaining a home-office area or otherwise working remotely. The Company will not provide tax or legal guidance, nor will the Company assume any additional liability for telecommuting employees.
2. The Company may immediately cancel the approved telecommuting schedule of any employee(s) if the failure to do so would result in any additional cost or liability to the Company.
3. This policy is not intended to preclude or dissuade employees from engaging in activities protected by state or federal law, including the National Labor Relations Act, such as discussing wages, benefits, or terms and conditions of employment, raising complaints about

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working conditions for their and their fellow employees' mutual aid or protection, or legally required activities.

4. The Company reserves the right to seek reimbursement and hold the employee responsible for all loss or damage to any Company owned equipment while the equipment is in the employee's care.
5. The Company is not liable for damages to the employee's property that may result from participating in telecommuting.

ADMINISTRATION

For MDU Resources Group, Inc. employees, Human Resources is responsible for administering this policy. For business units within MDU Resources Group, Inc., the business unit Director or VP of Human Resources or VP of Administration is responsible for administering this policy. The MDU Resources Group, Inc. VP of Human Resources shall maintain general administrative oversight of this policy.

EXCEPTIONS

- A. Not all jobs can be performed from off-site locations. In general, positions requiring working in the field, requiring face-to-face interaction, and personnel needing to be in the office to successfully complete their assigned position are not suitable for telecommuting arrangements.
- B. This Policy does not encompass temporary telecommuting arrangements which may be approved for circumstances such as inclement weather, special projects, or business travel. In addition, this Policy does not apply to informal, short-term arrangements necessary for employees on family or medical leave. All informal, short-term, temporary arrangements are made on a case-by-case basis to be approved by an employee's supervisor, focusing primarily on the business needs of the Company, with no expectation of ongoing continuance.
- C. Exceptions may be made to this policy if necessary or appropriate to reasonably accommodate an employee with a disability. If a reasonable accommodation is necessary, the Company's Reasonable Accommodation Practices pursuant to the Americans with Disabilities Act shall apply.

Reviewed: /s/ Anne M. Jones
Vice President – Human Resources

Approved: /s/ David L. Goodin
President and Chief Executive Officer

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Addendum A:

Revised February 1, 2021

MDU Resources Group, Inc., Cascade Natural Gas Corp., Great Plains Natural Gas Co.,
Intermountain Gas Co., Montana Dakota Utilities Co.

A. ELIGIBILITY

- This addendum applies to all eligible employees who work for MDU Resources Group, Inc., Cascade Natural Gas Corp., Great Plains Natural Gas Co., Intermountain Gas Co. and Montana Dakota Utilities Co.
- This addendum will not apply to otherwise eligible employees covered by a collective bargaining agreement unless or until specifically negotiated by the bargaining agreement representing those employees.
- The terms of Policy No. CORP. 160 will continue to apply to employees affected by this Addendum. If there is a conflict between Policy No. CORP. 160 and this addendum, this addendum will supersede Policy No. CORP. 160.

B. Classifications

- **Full-time Telework** – regularly working (five days per week) from their home during their scheduled work hours.
- **Part-time Telework** – working long-term from their home a set number of days (less than five) or weeks per month and will report to their workplace a set number of days or weeks per month for their scheduled work hours.
- **Flexible Work Schedule** – casual schedule that considers an employee’s personal needs on occasion and is not a long-term arrangement.

C. Performance

- Evaluation of telecommuter performance during the trial period will be completed. Evaluation of telecommuter performance beyond the trial period will be consistent with that received by employees working at the office in both content and frequency. All written evaluations must be submitted to Human Resources for inclusion in the employee’s personnel file.

D. Reimbursements

- **All Telecommuters**
 - Cell phone – if there is a business need
 - \$40 per month OR
 - Company provided cell phone

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- Cisco Jabber is an alternative to a cell phone if an employee's needs are to only make outbound calls or take incoming calls during their normal workday.

- **All Full-time Telecommuters**
 - Internet Service
 - \$30 per month
 - Mileage or Travel Expense
 - If required to travel to local office, the Company will reimburse mileage over 100 miles round trip. Employees are responsible for the first 100 miles.

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Addendum B:

Knife River Corporation, MDU Construction Services Group, Inc., WBI Energy, Inc.

A. ELIGIBILITY

- Knife River Corporation, MDU Construction Services Group, Inc., and WBI Energy, Inc. will not implement this policy immediately. We will notify you once our process is finalized and when employees may begin submitting requests for telecommuting beyond current temporary COVID related accommodations.