MDU RESOURCES GROUP, INC.

Building a Strong America®

2022 Notice of Annual Meeting of Stockholders and Proxy Statement

Annual Meeting

Tuesday, May 10, 2022

11:00 Central Daylight Saving Time

909 Airport Road

Bismarck, North Dakota

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MDU RESOURCES
GROUP, INC.

1200 W. Century Ave.
Bismarck, ND 58503
Mailing address:
P.O. Box 5650
Bismarck, ND 58506-5650
(701) 530-1000
www.MDU.com

David L. Goodin
President and
Chief Executive Officer

March 25, 2022

Fellow Stockholders:

I invite you to join me, along with our Board of Directors and senior management team, for our annual meeting at 11 a.m. CDT May 10, 2022, at 909 Airport Road in Bismarck, North Dakota. Please check our website at www.mduproxy.com for additional information about our meeting.

During the meeting, we will hear the results of stockholder voting on the items outlined in this Proxy Statement, including election of our Board of Directors, the advisory vote to approve the compensation paid to our named executive officers, and approval of our independent auditors. I encourage you to promptly follow the instructions on your notice or proxy card to vote your shares on these items.

I look forward to sharing information with you at the meeting about how 2021 was our third-best earnings in company history, as well as our outlook for 2022. Despite challenges from the lingering pandemic and mounting inflationary pressures, our team in 2021 completed one of our largest-ever pipeline expansion projects and retired a coal-fired electric generation facility, and in February 2022 retired two more coal-fired electric generation facilities. We also acquired three construction materials companies and ended the year with a combined record $2.1 billion backlog of construction work, with particularly strong demand for construction services.

In addition to continuing to provide essential products and services that are critical to Building a Strong America®, we also renewed our focus in 2021 on environmental, social and governance practices. We have created an executive management Sustainability Committee that supports the execution of, and makes recommendations to advance, the corporation's environmental and sustainability strategy. We also republished our 2020 Sustainability Report in a format we believe you will find easier to consume. We completed a climate scenario analysis specific to our utility's electric generation resources following the Task Force on Climate-related Financial Disclosure framework, and that report also is published on our website. I will tell you more about these enhanced ESG efforts at our annual meeting, and you can find the reports on our website at www.mdu.com/sustainability.

I appreciate your continued investment in MDU Resources and look forward to visiting with you May 10. We remain committed to providing you with the long-term returns you expect.

Sincerely,

David L. Goodin
President and Chief Executive Officer

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MDU RESOURCES GROUP, INC.

1200 West Century Avenue
Mailing Address:
P.O. Box 5650
Bismarck, North Dakota 58506-5650
(701) 530-1000

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS TO BE HELD MAY 10, 2022

March 25, 2022

NOTICE IS HEREBY GIVEN that the Annual Meeting of Stockholders of MDU Resources Group, Inc. will be held at 909 Airport Road, Bismarck, North Dakota 58504, on Tuesday, May 10, 2022, at 11:00 a.m., Central Daylight Saving Time, for the following purposes:

Items of Business

1. Election of directors;
2. Advisory vote to approve the compensation paid to the company's named executive officers;
3. Ratification of the appointment of Deloitte & Touche LLP as the company's independent registered public accounting firm for 2022; and
4. Transaction of any other business that may properly come before the meeting or any adjournment(s) thereof.

Record Date

The board of directors has set the close of business on March 11, 2022, as the record date for the determination of stockholders who will be entitled to notice of, and to vote at, the meeting and any adjournment(s) thereof.

Meeting Attendance

All stockholders as of the record date of March 11, 2022, are cordially invited to attend the annual meeting. You must request an admission ticket to attend. If you are a stockholder of record and plan to attend the meeting, please contact MDU Resources Group, Inc. by email at CorporateSecretary@mduresources.com or by telephone at 701-530-1010 to request an admission ticket. A ticket will be sent to you by mail.

If your shares are held beneficially in the name of a bank, broker, or other holder of record, and you plan to attend the annual meeting, you will need to submit a written request for an admission ticket by mail to: Investor Relations, MDU Resources Group, Inc., P.O. Box 5650, Bismarck, ND 58506 or by email at CorporateSecretary@mduresources.com. The request must include proof of stock ownership as of March 11, 2022, such as a bank or brokerage firm account statement or a legal proxy from the bank, broker, or other holder of record confirming ownership. A ticket will be sent to you by mail.

Requests for admission tickets must be received no later than May 3, 2022. You must present your admission ticket and state-issued photo identification, such as a driver's license, to gain admittance to the meeting.

We are actively monitoring the public health and travel safety concerns relating to COVID-19. You are encouraged to vote in advance of the meeting using one of the voting methods set forth on page 79 In the event it is not possible or advisable to hold our annual meeting as currently planned, we will issue a press release and make a public filing with the Securities and Exchange Commission (SEC) announcing any changes to the annual meeting. We will also post information on our company website at www.mduproxy.com. For additional information, see Public Health Concerns on page 82.

Proxy Materials

This Proxy Statement will first be sent to stockholders requesting written materials on or about March 25, 2022. A Notice of Availability of Proxy Materials (Notice) will also be sent to certain stockholders on or about March 25, 2022. The Notice contains basic information about the annual meeting and instructions on how to view our proxy materials and vote online.

By order of the Board of Directors,

Karl A. Liepitz
Secretary

Important Notice Regarding the Availability of Proxy Materials for the Stockholder Meeting to be Held on May 10, 2022. The 2022 Notice of Annual Meeting and Proxy Statement and 2021 Annual Report to Stockholders are available at www.mduproxy.com.

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PROXY STATEMENT SUMMARY

To assist you in reviewing the company's 2021 performance and voting your shares, we call your attention to key elements of our 2022 Proxy Statement. The following is only a summary and does not contain all the information you should consider. You should read the entire Proxy Statement carefully before voting. For more information about these topics, please review the full Proxy Statement and our 2021 Annual Report to Stockholders.

Annual Meeting Information

Meeting Information

Time and Date
11:00 a.m. Central Daylight Saving Time Tuesday, May 10, 2022
Place
MDU Service Center 909 Airport Road Bismarck, ND 58504

Summary of Stockholder Voting Matters

Voting Matters		Board Vote Recommendation	See Page
Item 1.	Election of Directors	FOR Each Nominee	16
Item 2.	Advisory Vote to Approve the Compensation Paid to the Company's Named Executive Officers	FOR	41
Item 3.	Ratification of the Appointment of Deloitte & Touche LLP as the Company's Independent Registered Public Accounting Firm for 2022	FOR	76

Who Can Vote

If you held shares of MDU Resources Group, Inc. common stock at the close of business on March 11, 2022, you are entitled to vote at the annual meeting. You are encouraged to vote in advance of the meeting using one of the following voting methods.

How to Vote

Registered Stockholders

If your shares are held directly with our stock registrar, you can vote any one of four ways:

By Internet: Go to the website shown on the Notice of Availability of Proxy Materials (Notice) or Proxy Card, if you received one, and follow the instructions.

By Telephone: Call the telephone number shown on the Notice or Proxy Card, if you received one, and follow the instructions given by the voice prompts.

Voting via the Internet or by telephone authorizes the named proxies to vote your shares in the same manner as if you marked, signed, dated, and returned the Proxy Card by mail. Your voting instructions may be transmitted up until 11:59 p.m. Eastern Time on May 9, 2022.

By Mail: If you received a paper copy of the Proxy Statement, Annual Report, and Proxy Card, mark, sign, date, and return the Proxy Card in the postage-paid envelope provided.

In Person: Attend the annual meeting, or send a personal representative with an appropriate proxy, to vote by ballot at the meeting.

Beneficial Stockholders

If you held shares beneficially in the name of a bank, broker, or other holder of record (sometimes referred to as holding shares "in street name"), you will receive voting instructions from said bank, broker, or other holder of record. **If you wish to vote in person at the meeting, you must obtain a legal proxy from your bank, broker, or other holder of record of your shares and present it at the meeting.**

Company Overview

MDU Resources is Building a Strong America®

A strong infrastructure is the heart of our country's economy. It is the natural gas and electricity that power business, industry, and our daily lives. It is the pipes and wires that connect our homes, factories, offices and stores to bring them to life. It is the transportation network of roads, highways, and airports that keeps our economy moving. Infrastructure is our business. We provide essential products and services through our two lines of business: regulated energy delivery and construction materials and services.

Our Vision

With integrity, Building a Strong America® while being a great and safe place to work.

Our Mission

Deliver superior value to stakeholders by providing essential infrastructure and services to America.

Our Integrity Code

Commitment to Integrity	We will conduct business legally and ethically with our best skills and judgment.
Commitment to Shareholders	We will act in the best interests of our corporation and protect its assets.
Commitment to Employees	We will work together to provide a safe and positive workplace.
Commitment to Customers, Suppliers and Competitors	We will compete in business only by lawful and ethical means.
Commitment to Communities	We will be a responsible and valued corporate citizen.

Our Strategy

Deliver superior value with a two-platform model of regulated energy delivery and construction materials and services, while pursuing organic growth opportunities and strategic acquisitions of well-managed companies and properties.

Our Businesses

Electric and Natural Gas Utilities

Our utility companies serve more than 1.16 million customers across eight states.

Construction Materials and Contracting

Knife River Corporation is a Top 10 producer of aggregates in America, has approximately 1.2 billion tons of aggregate reserves, and employs more than 5,000 people during peak construction season.

Pipeline

We provide natural gas transportation as well as underground natural gas storage.

Construction Services

MDU Construction Services Group, Inc. is one of the largest electrical contractors in the United States, with more than 6,800 employees at the end of 2021.

Business Performance Highlights

Throughout 2021 all our business segments performed well despite changing economic conditions, escalating inflationary pressures, and challenges presented by the COVID-19 pandemic. Our overall performance in 2021 was consistent with our long-term strategy as we focused on growing our regulated energy delivery and construction materials and services businesses. In addition to our 2021 financial performance highlighted on the next page, our significant accomplishments include:

Regulated Energy Delivery

- **Investing in Electric Generation.** The electric segment retired three aging coal-fired electric generation units and, during the first half of 2022, intends to begin construction of a new 88-megawatt simple-cycle natural gas-fired combustion turbine peaking unit at the Heskett Station near Mandan, North Dakota.
- **North Bakken Expansion.** The pipeline segment put the North Bakken Expansion project into service on February 1, 2022. The expansion has capacity to transport 250 million cubic feet (MMcf) of natural gas per day from the Bakken production area in North Dakota, with the potential to be increased up to 625 MMcf per day through additional compression if needed to meet growing customer demand. Construction of the North Bakken Expansion project began in July 2021 following approval from the Federal Energy Regulatory Commission.
- **Wahpeton Expansion.** The pipeline segment announced plans in July 2021 for a natural gas pipeline expansion project in eastern North Dakota. The Wahpeton Expansion project consists of constructing 60 miles of pipeline and ancillary facilities and is designed to increase capacity by 20 MMcf per day of natural gas. Construction is expected to begin in early 2024 pending regulatory approval.

Construction Materials & Services

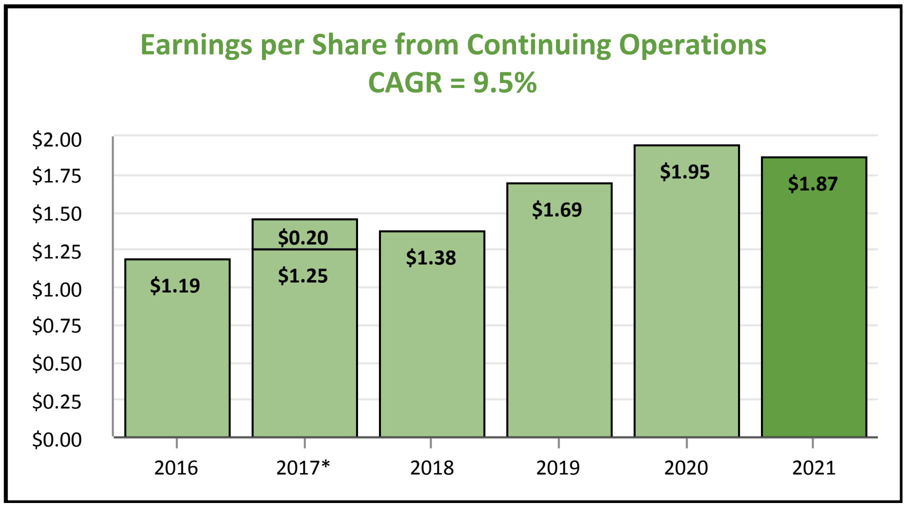
- **Acquisitions**. The construction materials and contracting segment acquired Mt. Hood Rock in April 2021 and Baker Rock Resources and Oregon Mainline Paving in November 2021. Mt. Hood Rock, located near Portland, Oregon, provides construction aggregates in the eastern Portland area. Baker Rock, headquartered in Beaverton, Oregon, has construction aggregates in key growth locations surrounding the Portland metro area. Oregon Mainline Paving, located in McMinnville, Oregon, is one of the state's largest asphalt paving contractors and provides greater reach for the company's paving operations in the Northwest.
- **Honey Creek Quarry Expansion**. In the first quarter of 2021, the construction materials and contracting segment received the necessary permitting to expand its operation capabilities at its Honey Creek quarry near Austin, Texas. Honey Creek enables the segment to supply a significant portion of the aggregate materials used for its local construction activity and production of ready-mix concrete and asphalt products, along with third-party sales in its Texas market.
- **Market Leader**.
  - The construction services segment ranked No. 10 on a list of top specialty contractors in the nation according to Engineering News-Record (ENR), up from No. 11 in 2020. ENR ranks the 600 largest specialty contractors in the country based on annual revenues.
  - Electrical Construction & Maintenance Magazine named MDU Construction Services Group No. 4 in its 2021 Top 50 Electrical Contractors list. The leading industry publication annually ranks the 50 largest electrical contractors in the country based on annual revenue.

Performance from Continuing Operations

	2017	2018	2019	2020	2021
Electric Distribution					
Retail Sales (million kWh)	3,306.5	3,354.4	3,314.3	3,204.5	3,271.6
Customers	142,901	143,022	143,346	143,782	144,103
Natural Gas Distribution					
Retail Sales (MMdk)	112.6	112.6	123.7	114.5	115.3
Transportation (MMdk)	144.5	149.5	166.1	160.0	174.4
Customers	938,867	957,727	977,468	997,146	1,016,670
Pipeline Transportation (MMdk)	312.5	351.5	429.7	438.6	471.1
Construction Materials and Contracting Revenues (millions)	$1,812.5	$1,925.9	$2,190.7	$2,178.0	$2,228.9
Construction Services Revenues (millions)	$1,367.6	$1,371.5	$1,849.3	$2,095.7	$2,051.6

Financial Performance Highlights

- The company achieved our third-best earnings in company history through strong performance from operations at both our regulated energy delivery and construction materials and services businesses resulting in earnings of $378.1 million, or $1.87 per share, compared to 2020 earnings, the company's second-best annual earnings, of $390.2 million, or $1.95 per share.
- Our return on invested capital in 2021 was 8.0%.
- The chart below shows our earnings per share from continuing operations and compound annual growth rate (CAGR) of 9.5% over the last five years.



* MDU Resources Group, Inc. reported 2017 earnings from continuing operations of $1.45 per share which included a non-recurring benefit of 20 cents per share attributable to the federal Tax Cuts and Jobs Act that was signed into law on December 22, 2017.

- Returned $173 million to stockholders through dividends during 2021:
  - Increased annual dividend for the 31st straight year to 85.5 cents per share paid during 2021;
  - Paid uninterrupted dividends for 84 straight years; and
  - Member of the elite S&P High-Yield Dividend Aristocrats Index which recognizes companies within the S&P Composite 1500 Index that have followed a managed dividend policy of consistently increasing dividends annually for at least 20 years.
- Listed on the 2021 Fortune 500.
- Member of the S&P MidCap 400.
- Maintained BBB+ stable credit rating from Standard & Poor's and Fitch rating agencies.[1]

31 Years
of Consecutive
Dividend Increases

Dividends Paid
$810 Million
Over the Last 5 Years

84 Years
of Uninterrupted
Dividend Payments

[1] A securities rating is not a recommendation to buy, sell, or hold securities, and it may be revised or withdrawn at any time by the rating agency.

Corporate Governance Practices

MDU Resources is committed to strong corporate governance aligned with stockholder interests. The board, through its nominating and governance committee, regularly monitors leading practices in governance and adopts measures that it determines are in the best interests of the company and its stockholders. The following highlights our corporate governance practices and policies. See the sections entitled "Corporate Governance" and "Executive Compensation" for more information on the following:

- ✓ **Annual Election of All Directors**
- ✓ **Majority Voting for Directors**
- ✓ **No Shareholder Rights Plan**
- ✓ **Succession Planning and Implementation Process**
- ✓ **Separate Board Chair and CEO**
- ✓ **Executive Sessions of Independent Directors at Every Regularly Scheduled Board Meeting**
- ✓ **Annual Board and Committee Self-Evaluations**
- ✓ **Risk Oversight by Full Board and Committees**
- ✓ **Environmental and Social Oversight by Full Board and Board Committee**
- ✓ **Proxy Access for Stockholders**
- ✓ **All Directors are Independent Other Than Our CEO**

- ✓ **Standing Committees Consist Entirely of Independent Directors**
- ✓ **Active Investor Outreach Program**
- ✓ **One Class of Stock**
- ✓ **Stock Ownership Requirements for Directors and Executive Officers**
- ✓ **Anti-Hedging and Anti-Pledging Policies for Directors and Executive Officers**
- ✓ **No Related Party Transactions by Our Directors or Executive Officers**
- ✓ **Compensation Recovery/Clawback Policy**
- ✓ **Annual Advisory Approval on Executive Compensation**
- ✓ **Mandatory Retirement for Directors at Age 76**
- ✓ **Directors May Not Serve on More Than Three Public Boards Including the Company's Board**
- ✓ **Strong Gender Diversity on Board**

Recognition for Gender Diversity

MDU Resources was recognized in 2021 for gender diversity on its board of directors:

- **by 50/50 Women on Boards™ as a "3+" company for having three or more women on its board; and**
- **by the Women's Forum of New York as a 2021 Corporate Champion with at least 40% of board seats held by women.**

Director Nominees

The board recommends a vote FOR the election of each of the following nominees for director. Nine directors stand for re-election. Additional information about each director's background and experience can be found beginning on page 16.

Name	Age	Director Since	Primary Occupation	Board Committees
Thomas Everist	72	1995	President and chair of The Everist Company, an investment and land development company, formerly engaged in aggregate, concrete, and asphalt production	• Compensation • Nominating and Governance
Karen B. Fagg	68	2005	Former vice president of DOWL LLC, dba DOWL HKM, an engineering and design firm	• Compensation (Chair) • Environmental and Sustainability
David L. Goodin	60	2013	President and chief executive officer, MDU Resources Group, Inc.	Executive officer
Dennis W. Johnson	72	2001	Chair, president, and chief executive officer of TMI Group Incorporated, manufacturers of casework and architectural woodwork	Chair of the board
Patricia L. Moss	68	2003	Former president and chief executive officer of Cascade Bancorp, a financial holding company, subsequently merged into First Interstate Bank	• Compensation • Environmental and Sustainability (Chair)
Dale S. Rosenthal	65	2021	Former senior executive, including strategic director, division president of Clark Financial Group, and chief financial officer of Clark Construction Group, a building and civil construction firm	• Audit • Nominating and Governance
Edward A. Ryan	68	2018	Former executive vice president and general counsel of Marriott International	• Audit • Nominating and Governance (Chair)
David M. Sparby	67	2018	Former senior vice president and group president, revenue, of Xcel Energy and president and chief executive officer of its subsidiary, NSP-Minnesota	• Audit (Chair) • Environmental and Sustainability
Chenxi Wang	51	2019	Founder and managing general partner of Rain Capital Fund, L.P., a cybersecurity-focused venture fund	• Audit • Environmental and Sustainability

Independence

The board has determined that all director nominees, other than Mr. Goodin, meet the independence standards set by the NYSE and SEC.

89%

Nominee Independence

Tenure

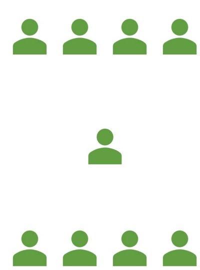
The average tenure of the director nominees is approximately 11.7 years, which reflects a balance of company experience and new perspectives.

Yrs of Service

0-4

5-10

11+



Diversity

The board is committed to having a diverse and broadly inclusive membership.

Gender

Four director nominees are women.

44%

Race/Ethnicity

One director nominee is ethnically diverse.

11%

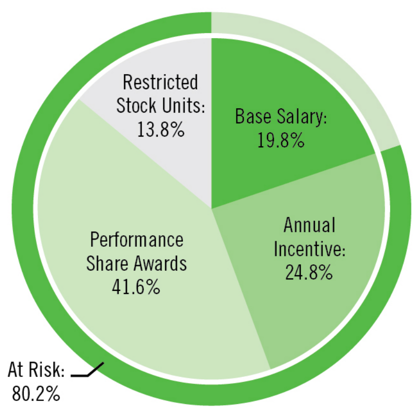
Compensation Highlights

The company's executive compensation is based on providing market competitive compensation opportunities to attract top talent focused on achievement of short and long-term business results. Our compensation program is structured to align compensation with the company's financial performance as a substantial portion of our executive compensation is directly linked to performance incentive awards.

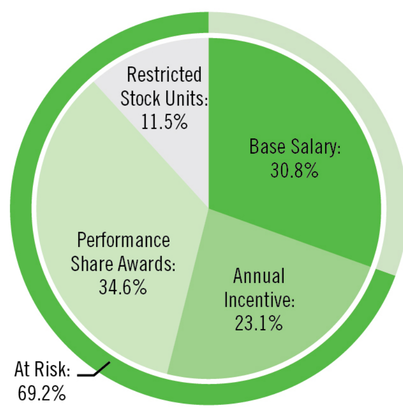
- Over 80% of our chief executive officer's target compensation and over 69% of our other named executive officers' target compensation are at risk.
- 100% of our named executive officers' annual incentive and 75% of their long-term incentive are performance-based and tied to performance against pre-established, specific, measurable financial goals. Time-vesting restricted stock units represent 25% of our named executive officers' long-term incentive and require the executive to remain employed with the company through the vesting period.
- We require our executive officers to own a significant amount of company stock based upon a multiple of their base salary.
- In February 2022, the board approved a performance modifier for the 2022 annual incentive award program for executive officers based upon the company's achievement of certain measures to attract, retain, and develop a diverse and inclusive workforce.

2021 Named Executive Officer Target Pay Mix

CEO Target Pay Mix



Other Named Executive Officers Average Target Pay Mix



At the 2021 Annual Meeting, the company's advisory vote to approve executive compensation received support from over 95% of the common stock represented at the meeting and entitled to vote on the matter.

Key Features of Our Executive Compensation Program

What We Do

- ☑ **Pay for Performance** - Annual incentive and the performance share award portion of the long-term incentive are tied to performance measures set by the compensation committee and comprise the largest portion of executive compensation.
- ☑ **Independent Compensation Committee** - All members of the compensation committee meet the independence standards under the New York Stock Exchange listing standards and the Securities and Exchange Commission rules.
- ☑ **Independent Compensation Consultant** - The compensation committee retains an independent compensation consultant to evaluate executive compensation plans and practices.
- ☑ **Competitive Compensation** - Executive compensation reflects executive performance, experience, relative value compared to other positions within the company, relationship to competitive market value compensation, business segment economic environment, and the actual performance of the overall company and the business segments.
- ☑ **Annual Cash Incentive** - Payment of annual cash incentive awards is based on overall company performance measured in terms of earnings per share in addition to business segment performance measured in terms of pre-established annual financial measures for business segment executives.
- ☑ **Long-Term Equity Incentive** - Long-term incentive awards may be earned at the end of a three-year period. Payment of performance share awards, which represent 75% of the executive's long-term incentive, are based on the achievement of pre-established performance measures. Payment of time-vesting restricted stock unit shares, which represent 25% of the executive's long-term incentive, are based on retention of the executive at the end of the three-year period. All long-term incentives are paid through shares of common stock which encourages stock ownership by our executives.
- ☑ **Balanced Mix of Pay Components** - The target compensation mix represents a balance of annual cash and long-term equity-based compensation.
- ☑ **Mix of Financial Goals** - Use of a mixture of financial goals to measure performance prevents overemphasis on a single metric.
- ☑ **Annual Compensation Risk Analysis** - Risks related to our compensation programs are regularly analyzed through an annual compensation risk assessment.
- ☑ **Stock Ownership and Retention Requirements** - Executive officers are required to own, within five years of appointment or promotion, company common stock equal to a multiple of their base salary. Our CEO is required to own stock equal to six times his base salary, and the other named executive officers are required to own stock equal to three times their base salary. The executive officers also must retain at least 50% of the net after-tax shares of stock vested through the long-term incentive plan for the earlier of two years or until termination of employment. Net performance shares must also be held until share ownership requirements are met.
- ☑ **Clawback Policy** - If the company's audited financial statements are restated due to any material noncompliance with the financial reporting requirements under the securities laws, the compensation committee may, or shall if required, demand repayment of some or all incentives paid to our executive officers within the last three years.

What We Do Not Do

- ☒ **Stock Options** - The company does not use stock options as a form of incentive compensation.
- ☒ **Employment Agreements** - Executives do not have employment agreements entitling them to specific payments upon termination or a change of control of the company.
- ☒ **Perquisites** - Executives do not receive perquisites that materially differ from those available to employees in general.
- ☒ **Hedge Stock** - Executives are not allowed to hedge company securities.
- ☒ **Pledge Stock** - Executives are not allowed to pledge company securities in margin accounts or as collateral for loans.
- ☒ **No Dividends or Dividend Equivalents on Unvested Shares** - We do not provide for payment of dividends or dividend equivalents on unvested share awards.
- ☒ **Tax Gross-Ups** - Executives do not receive tax gross-ups on their compensation.

Sustainability Highlights

MDU Resources is an essential infrastructure company and manages its business with a long-term view toward sustainable operations, focusing on how economic, environmental, and social impacts help the corporation continue Building a Strong America®. We integrate sustainability efforts into our business strategy because these efforts directly affect long-term business viability and profitability. Our focus on sustainability helps ensure we are a good corporate citizen while creating opportunities to increase revenues and profitability, create a competitive advantage, and attract a skilled and diverse workforce. Highlights of our commitment to sustainability are set forth below.

Enhanced Sustainability Reporting

We recently republished our 2020 Sustainability Report highlighting our significant efforts regarding environmental, social and governance (ESG) oversight and reporting, initiatives and goals, which can be found at www.mdu.com/sustainability. The information on our website is not part of this Proxy Statement and is not incorporated by reference into this Proxy Statement.

We have also published a summary of our Task Force on Climate-related Financial Disclosure (TCFD) aligned climate scenario analysis with respect to our electric generation resources. The company applied a net-zero by 2050 target for purposes of completing this analysis, a summary of which can be found on our website.

Reporting Frameworks

To better serve our investors and other stakeholders, we report environmental, social, governance, and sustainability (ESG/sustainability) metrics relevant and important to our operations in the frameworks that provide our stakeholders more uniform and transparent data and information, allowing for comparison with our peers and other companies operating in our industries. For our applicable industries, we report ESG/sustainability metrics using frameworks developed by the Sustainability Accounting Standards Board (SASB), the reporting templates developed by the Edison Electric Institute (EEI) and the American Gas Association (AGA), and we continue to incorporate guidance from the TCFD into our reporting as summarized below:

Reporting Frameworks	Business Segment
SASB	Construction Materials and Contracting
SASB	Construction Services
AGA	Pipeline
EEI / AGA	Electric and Natural Gas Utilities
TCFD	We continue to enhance and expand our disclosure of the company's governance, strategy, risk management, and metrics and targets related to climate risk in accordance with guidance from the TCFD.

Governance of Environmental and Social Responsibility

MDU Resources is committed to strong corporate governance practices in all areas, including governance of environmental and social responsibility. For more information on the company's governance practices and policies, see the "Corporate Governance" section in this Proxy Statement. Below is an overview of our governance practices related to the oversight of environmental and social responsibility:

Board of Directors	The **board of directors** is ultimately responsible for oversight responsibility with respect to environmental, health, safety, and other social sustainability matters applicable to the company.
⇓	
Environmental and Sustainability Committee of the Board	The **environmental and sustainability committee** is a standing committee of the board and meets quarterly in conjunction with the regular board meetings. The committee assists the board in fulfilling its oversight responsibilities with respect to environmental, social, and other sustainability matters, including climate change risks, health, safety, and other social sustainability matters.
⇓	
Management Policy Committee	The **management policy committee** is comprised of the business unit presidents and senior company officers. The committee meets monthly, or more frequently as warranted, and is responsible for the management of risks and pursuit of opportunities related to environmental and social sustainability matters, including climate change, health, safety, and other social sustainability matters.
⇓	
Executive Sustainability Committee	The **executive sustainability committee**, created in 2021, is comprised of corporate and business unit senior executives and supports execution of the company's environmental and sustainability strategy and establishes, maintains, and enhances the processes, procedures, and controls for the company's environmental and sustainability disclosures.

Environmental Stewardship

MDU Resources operates with three primary environmental goals: (1) minimize waste and maximize resources; (2) be a good steward of the environment while providing high-quality and reasonably priced products and services; and (3) comply with or surpass all applicable environmental laws, regulations, and permit requirements. We strive to meet these goals through established operational practices and by leading or participating in a number of programs. Highlights of our environmental stewardship include:

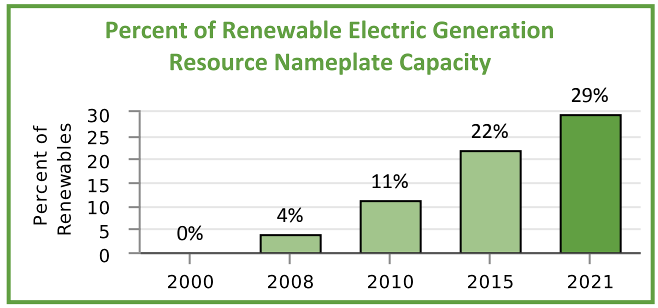
- **Carbon Footprint.** We are working to better understand our carbon footprint. Effective January 1, 2022, we began tracking our Scope 1 and Scope 2 carbon emissions across the company. For more information on establishing our carbon emissions baseline, anticipated future reporting, and emission reduction goals, see our Sustainability Report.

- **Retirement of Coal Facilities.** In February 2019, we announced the retirement of three aging coal-fired electric generating units. We ceased operations on March 31, 2021, of Unit 1 at Lewis & Clark Station in Sidney, Montana, and commenced decommissioning in July 2021. Units 1 and 2 at Heskett Station near Mandan, North Dakota, were retired during the first quarter of 2022. With the retirement of these facilities, the company will no longer wholly own any coal-fired units.

- **Reduce Electric Segment Greenhouse Gas Emissions.** Our electric segment strives to reduce its greenhouse gas (GHG) emissions intensity. We intend to achieve this reduction primarily through the continued diversity of our electric generating fleet, including the retirement of aging coal-fired generating units. As of December 31, 2021, the electric segment reduced its GHG emissions intensity by approximately 30% since 2005.

Electric segment reduced its GHG emissions intensity by approximately 30% since 2005.

- **Renewable Energy.**
  - Approximately 29% of our electric generation resource nameplate capacity at December 31, 2021, was from renewable resources.
  - Approximately 29% of the electricity delivered to customers from our company-owned generation in 2021 was from renewable resources.



- **Methane Emissions.** We began documenting our natural gas utility distribution and pipeline businesses' methane emissions in 2021. For more information on our methane emissions, reporting timeline, and anticipated plans for setting future emission reduction goals, see our Sustainability Report. In addition, our natural gas distribution companies are founding partners of the EPA's Natural Gas Star Methane Challenge Program. The commitment includes company-wide implementation of best management practices to reduce methane emissions.

- **Reducing Carbon Dioxide Emissions.** Our pipeline segment, WBI Energy, continually evaluates the efficiency and effectiveness of its operating facilities and proactively maintains a program to replace existing facilities with newer, more fuel-efficient and lower-emitting equipment. Since 2011, it has replaced 15 natural gas-fired compressor engines reducing the amount of potential natural gas consumed by more than 250 million cubic feet per year. In addition, WBI Energy's efforts to replace legacy facilities with lower-emitting equipment and install electric-driven compression where feasible have resulted in reductions and savings of potential GHG emissions at these facilities of approximately 14,000 and 10,500 metric tons of carbon dioxide equivalent, respectively. These projects also reduced nitrogen oxide emissions by more than 800 tons per year.

- **Increasing Transportation Capacity Assists in Reducing Natural Gas Flaring.** WBI Energy's North Bakken Expansion project, completed in early 2022, provides needed pipeline capacity to transport increasing levels of associated natural gas from processing plants in the Bakken production area to markets in the Midwest. The addition of processing and transportation capacity assists in reducing associated natural gas flaring in the Bakken production area to meet natural gas capture targets established by the state of North Dakota.

- **Renewable Natural Gas.** Renewable natural gas (RNG) is biogas that is produced from a number of non-geologic sources and can provide benefits such as energy diversity, economic revenues or savings, improved air quality, and reductions in GHG emissions. Our natural gas utilities actively review, evaluate, and pursue potential RNG development opportunities.
  - Montana-Dakota Utilities Co. produces RNG from the Billings Regional Landfill in Montana. The project came online at the end of 2010 and has produced approximately 1.48 million dekatherms of RNG through year-end 2021. The RNG is supplied to the vehicle fuel market generating renewable identification numbers (RINs). In 2021, the Billings Landfill Plant produced approximately 1.38 million RINs.
  - In Idaho, Intermountain Gas Company supports development of RNG projects and to date has provided pipeline services for three dairy digesters to transport and sell RNG.
  - Washington and Oregon have enacted policies allowing natural gas distribution utilities to supply RNG to customers. Cascade Natural Gas Corporation is committed to developing RNG programs for its customers under these policies.

- **Water Management and Recycling.**
  - Water withdrawals at our electric generating facilities will be significantly reduced with the retirement of our wholly-owned coal-fired electric generating units.
  - Knife River Corporation uses water to produce aggregates and concrete as well as for dust control across various product lines. Substantially all water recovered while washing materials is reused in the washing process. In an engineering study of water usage at a recently permitted quarry in Texas, it was estimated that 79% of all water used is recycled for further use at the facility.

- **Environmental Recognitions.**
  - Cascade Natural Gas Corporation ranked at the top of the list of 31 utilities named as 2021 Environmental Champions on Earth Day according to a national survey conducted by Escalent, a top human behavior and analytics firm.
  - Intermountain Gas Company received the 2021 ENERGY STAR® Market Leader Award for its efforts to promote energy-efficient residential construction and help homebuyers and residents experience the quality, comfort, and value that come with living in an ENERGY STAR-certified home or apartment.

- **Renewable Diesel.** In 2021, a number of Knife River Corporation's West Coast operations piloted renewable diesel fuel in their on-road and off-road fleets. Engine performance, engine maintenance, and fuel efficiency results were positive during the pilot, and Knife River is beginning to utilize renewable diesel in more locations where feasible. Knife River used an estimated 1.7 million gallons of renewable diesel in 2021.

- **Environmental-Related Investments.** Knife River Corporation has invested in Blue Planet Systems Corporation to pursue the use of synthetic aggregates in ready-mix concrete. Blue Planet is testing methods of creating synthetic limestone, using carbon dioxide captured from existing sources. The synthetic limestone could then be used as a component of concrete. In addition to sequestering carbon dioxide through this process, the use of synthetic limestone would prolong the life of natural aggregate sources.

- **Warm-Mix Asphalt.** Knife River Corporation produces and places warm-mix asphalt in applications where warm-mix asphalt is allowed. Warm-mix asphalt is produced at cooler temperatures than traditional hot-mix asphalt methods, which reduces the amount of fuel needed in the production process, thereby reducing emissions and fumes.

- **Recycling.** Knife River Corporation continues its long-standing practice of recycling and reusing building materials. Recycling conserves natural resources, uses less energy, reduces waste disposal at local landfills, and ultimately costs less for our customers. Knife River recycles or reuses asphalt pavement, pre-consumer asphalt shingles, refined fuel oil, demolition concrete, returned concrete at ready-mix plants, fly ash, slag, silica fume and other cement-replacement materials, and dimension stone reject material.

- **Energy Efficiency.** Our utility companies actively pursue programs to increase energy efficiency and conservation for electric and natural gas customers. This includes partnering with local community action agencies in providing low-income assistance for utility customers and offering residential and commercial incentive programs that promote installation of energy-efficient electric and natural gas equipment.

- **LED Conversion Program.** In 2017, Montana-Dakota Utilities Co. started an LED conversion program for street-lighting and other outdoor lighting owned by the company throughout its service territory to reduce energy usage and help reduce emissions. The project concluded in early 2021 with more than 25,585 energy-saving LED lights installed, resulting in approximately 17.6 million kilowatt hours in annual energy savings, which is the equivalent of approximately 13,775 metric tons of carbon dioxide emissions reduced annually.

Social Responsibility

MDU Resources knows that it operates at the discretion of various stakeholders, including customers, stockholders, employees, regulators, lawmakers, and the communities where we do business. It is these stakeholders who allow us to conduct our business and are vital to our success. MDU Resources remains committed to maintaining the trust of these stakeholders by operating with integrity and being a good corporate citizen. Below are highlights of our social responsibility programs relating to our employees, stockholders, communities, and customers.

- **Our Employees and Human Capital Management.** At the core of Building a Strong America® is building a strong workforce. At MDU Resources, this means building a strong team of employees with a focus on integrity and safety and a commitment to diversity, equity, and inclusion. Our team included 12,826 employees located in 41 states plus Washington D.C. as of December 31, 2021. Our number of employees peaked in the second quarter at just over 14,700. Our 2020 Employer Information Report EEO-1 is available on our website at www.mdu.com/careers. The information on our website is not part of this Proxy Statement and is not incorporated by reference into this Proxy Statement.

  - **Diversity, Equity, and Inclusion.** MDU Resources is committed to an inclusive environment that respects the differences and embraces the strengths of our diverse employees. Essential to the company's success is its ability to attract, retain, and engage the best people from a broad range of backgrounds and build an inclusive culture where all employees feel valued and contribute their best. To aid in the company's commitment to an inclusive environment, each business segment has a diversity officer who serves as a conduit for diversity-related issues and provides a voice for all employees. The company requires employees to participate in training on the company's code of conduct and additional courses focusing on diversity, effective leadership, equal employment opportunity, workplace harassment, respect, and unconscious bias. To further our commitment to social responsibility with a focus on advancing diversity and inclusion in the workplace, our chief executive officer signed the CEO Action for Diversity and Inclusion pledge. The company has three strategic goals related to diversity:

    - Enhance collaboration efforts through cooperation and sharing of best practices to create new ways of meeting employee, customer, and stockholder needs;
    - Maintain a culture of integrity, respect, and safety by ensuring employees understand these essential values which are part of the company's vision statement; and
    - Increase productivity and profitability through the creation of a work environment which values all perspectives and methods of accomplishing the work.

  - **Executive Compensation and Diversity, Equity, and Inclusion**. In February 2022, the board approved a performance modifier for the 2022 annual incentive award program for executive officers based upon the company's achievement of certain measures to attract, retain, and develop a diverse and inclusive workforce (the "DEI Modifier"). The DEI Modifier includes a focus on representation of diverse employees in executive succession plans, outreach efforts to attract diverse candidates for open positions at the company, implementing enhanced diversity, equity, and inclusion training and mentoring for new employees, and development of enhanced employee data dashboards to further support the company's efforts to attract, retain, and develop a diverse and inclusive workforce.

  - **Building People.** Building a strong workforce begins with employee recruitment. The company uses a variety of means to recruit new employees for open positions including posting on the company's website, employee referrals, union workforce, direct recruitment, advertising, social media, career fairs, job service organizations, and associations connected with a variety of professions. The company also utilizes internship programs to introduce individuals to the company's business operations and provide a possible source of future employees. Building a strong workforce also requires developing employees in their current positions and for future advancement. The company provides opportunities for advancement through job mobility, succession planning, and promotions both within and between business segments. The company provides employees the opportunity to further develop and grow through various forms of training, mentorship programs, and internship programs, among other things.

  - **Safety.** The company is committed to safety and health in the workplace. To ensure safe work environments, the company provides training, adequate resources, and appropriate follow-up on any unsafe conditions or actions. The company has policies and training that support safety in the workplace, including training on safety matters through classroom and toolbox meetings on job sites. In response to COVID-19, the company established a task force to monitor developments related to the pandemic and implemented procedures to protect employees. The company adopted recommended practices from the Centers for Disease Control and Prevention and is following directives of each state and local jurisdiction in which the company operates.

- **Knife River Training Center**. While labor challenges continue to impact many construction companies, Knife River Corporation is actively engaged in attracting, training, and retaining the next generation of employees to the construction industry. The company recently finished building a training center on a 270-acre tract of property in the Pacific Northwest that is designed to enhance the skills of current employees as well as to recruit and teach skills to new employees. The Knife River training center features an 80,000-square-foot heated indoor arena for training on trucks and heavy equipment and an attached 16,000-square-foot office, classroom, and lab facility. The training center conducts classes that help students build skills through both classroom education and hands-on experience. In addition to developing participants' talents, the training center helps showcase construction as a career of choice.

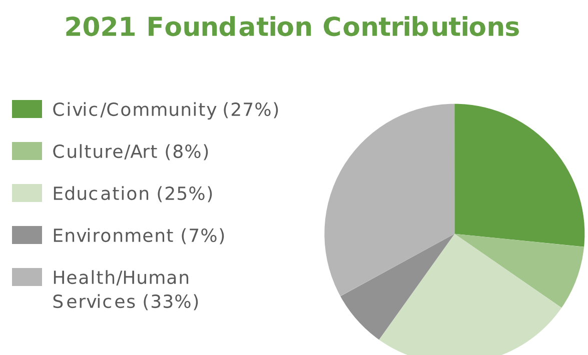
- **Ethics Reporting**. MDU Resources' employees are encouraged to ask questions or report concerns to their supervisor. If employees have concerns that something may be unethical or illegal within the company, they are encouraged to report their concerns to a human resources representative, a company executive, or their compliance officer. For those wishing to remain anonymous, MDU Resources also has an anonymous reporting hotline. Employees, customers, and other stakeholders can report confidentially and anonymously through this third-party telephone and internet-based reporting system any concerns about possible unethical or illegal activities. Reports are carefully considered and investigated. Summaries of the reports and investigative results are provided to the audit committee of the board of directors.

- **Our Stockholders.** MDU Resources' management is committed to acting in the best interest of the corporation, protecting its assets, and serving the long-term interests of the company's stockholders. This includes protecting our tangible interests, such as property and equipment, as well as intangible assets, such as our reputation, information, and intellectual property. For information on our stockholder outreach program, see "Stockholder Engagement" in the section entitled "Corporate Governance" of this Proxy Statement.

- **Our Communities.**

  - **Community Health and Safety.** The pipeline and natural gas utility companies' pipeline integrity and safety management programs provide guidelines for the continual evaluation of their pipeline systems using risk-based criteria that allows our companies to take proactive measures to ensure public safety and protect the environment. In addition, the pipeline safety management systems are comprehensive, continuous improvement programs designed to promote a culture dedicated to employee and public safety and environmental protection while maintaining the safety and reliability of our natural gas distribution, transmission, and storage facilities.

  - **Charitable Giving.** MDU Resources is proud of its record of supporting qualified organizations that enhance quality of life. Our philanthropic goal is to be a "neighbor of choice." The MDU Resources Foundation was incorporated in 1983 to support the corporation's charitable efforts and has contributed more than $40 million to worthwhile organizations. In 2021, the MDU Resources Foundation contributed $2.1 million to charitable organizations. In addition to contributions through the Foundation, our business segments and companies regularly make charitable donations and in-kind donations to the communities where they do business averaging approximately $500,000 per year.



  - **Volunteerism.** We encourage and support community volunteerism by our employees. The MDU Resources Foundation contributes a $750 grant to an eligible nonprofit organization after an employee or group of employees volunteer a minimum of 25 hours to the organization during non-company hours during a calendar year. Eligible organizations are local 501(c) nonprofit organizations providing services in categories of civic and community activities, culture and arts, education, environment, and health and human services. In 2021, the foundation granted $89,250 under this program, matching over 6,999 employee volunteer hours.

  - **Education.** We encourage support of educational institutions by all employees. The MDU Resources Foundation matches contributions up to $750 to educational institutions by employees. In addition, the Foundation maintains two separate scholarship programs, which includes funding scholarship programs at institutions of higher education and scholarships for employee family members.

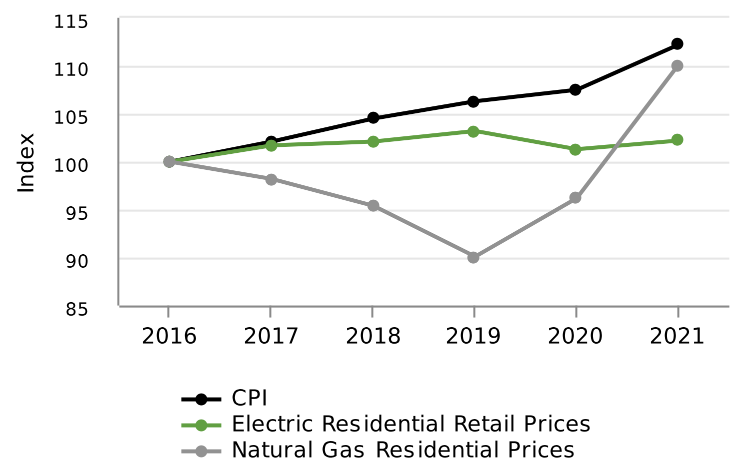
- **Our Customers.**

  - Our utility companies consistently rank high in customer satisfaction. In the J.D. Power 2021 Gas Utility Residential Customer Satisfaction Study℠, Intermountain Gas Company ranked first, Cascade Natural Gas Corporation second, and Montana-Dakota Utilities Co. fourth among mid-size natural gas utilities in the West Region.

  - While our utility companies have made substantial investments in their facilities, retail prices remain competitive providing value to customers. Since 2016, our utility companies' residential electric retail prices increased an average of 0.4% annually and residential natural gas prices increased an average of 1.8% annually. In comparison, the consumer price index (CPI) increased an average of 2.5% annually over the same period. While the cost of purchased natural gas increased in 2021, residential prices are still below the CPI and a value to customers.

  - We strive to be our customers' supplier of choice in all our markets by seeking competitive cost advantages and providing high-quality products and services.

Residential Prices Compared to Consumer Prices



The company believes in corporate social responsibility and the fundamental commitment to its stakeholders: customers, employees, suppliers, communities, and stockholders. With the company's origin and rich history in providing electric and natural gas utility service to rural communities in North Dakota, South Dakota, Montana, and Wyoming, our utility companies have long operated under the motto "In the Community to Serve®." With the addition of our construction businesses to our legacy of regulated energy delivery businesses, we define our purpose as "Building a Strong America®" in recognition of our mission to deliver value to our stakeholders.

BOARD OF DIRECTORS

ITEM 1. ELECTION OF DIRECTORS

The board currently consists of nine directors. All of the nominees are current directors of MDU Resources Group, Inc. All of the nominees are standing for election to the board at the 2022 annual meeting to hold office until the 2023 annual meeting and until their successors are duly elected and qualified.

The board has affirmatively determined all the director nominees, other than David L. Goodin, our president and chief executive officer, are independent in accordance with New York Stock Exchange (NYSE) rules, our governance guidelines, and our bylaws.

Our bylaws provide for a majority voting standard for the election of directors. See “Additional Information - Majority Voting” below for further detail.

Each of the director nominees has consented to be named in this Proxy Statement and to serve as a director, if elected. We do not know of any reason why any nominee would be unable or unwilling to serve as a director, if elected. If a nominee becomes unable to serve or will not serve, proxies may be voted for the election of such other person nominated by the board as a substitute or the board may choose to reduce the number of directors.

Information about each director nominee’s share ownership is presented under “Security Ownership.”

The shares represented by the proxies received will be voted for the election of each of the nine nominees named below unless you indicate in the proxy that your vote should be cast against any or all the director nominees or that you abstain from voting. Each nominee elected as a director will continue in office until his or her successor has been duly elected and qualified or until the earliest of his or her resignation, retirement, or death.

The nine nominees for election to the board at the 2022 annual meeting, all proposed by the board upon recommendation of the nominating and governance committee, are listed below with brief biographies. The nominees’ ages are current as of December 31, 2021.

The board of directors recommends that the stockholders vote FOR the election of each nominee.

Director Nominees

Thomas Everist
Age 72

Independent Director Since 1995
Compensation Committee
Nominating and Governance Committee

Key Contributions to the Board: With a 44-year career in the construction materials and mining industry, Mr. Everist brings critical knowledge of the construction materials and contracting industry to the board. Mr. Everist also contributes strong business leadership and management capabilities and insights through his role as president and chair of his companies for over 34 years. His experience on the board of another public company further enhances his contributions to the board.

Career Highlights

- President and chair of The Everist Company, Sioux Falls, South Dakota, an investment and land development company, since April 2002. Prior to January 2017, The Everist Company was engaged in aggregate, concrete, and asphalt production.
- Managing member of South Maryland Creek Ranch, LLC, a land development company, since June 2006; president of SMCR, Inc., an investment company, since June 2006; and managing member of MCR Builders, LLC, which provides residential building services to South Maryland Creek Ranch, LLC, since November 2014.
- Director and chair of Everist Genomics, Inc., Ann Arbor, Michigan, a company that provided solutions for personalized medicines, from May 2002 to July 2021, and chief executive officer from August 2012 to December 2012.
- President and chair of L.G. Everist, Inc., Sioux Falls, South Dakota, an aggregate production company, from 1987 to April 2002.

Other Leadership Experience

- Director of publicly traded Raven Industries, Inc., Sioux Falls, South Dakota, a general manufacturer of electronics, flow controls, and engineered films, from May 1996 to November 2021, and chair from April 2009 to May 2017.
- Director and compensation committee chair of Bell, Inc., Sioux Falls, South Dakota, a manufacturer of folding cartons and packages, since April 2011.
- Director and audit committee chair of Showplace Wood Products, Inc., Sioux Falls, South Dakota, a custom cabinets manufacturer, since January 2000.
- Director of Angiologix Inc., Mountain View, California, a medical diagnostic device company, from July 2010 through October 2011 when it was acquired by Everist Genomics, Inc.
- Member of the South Dakota Investment Council, the state agency responsible for investing state funds, from July 2001 to June 2006.

Karen B. Fagg
Age 68

Independent Director Since 2005
Compensation Committee
Environmental and Sustainability Committee

Key Contributions to the Board: Through her management experience and knowledge in the fields of engineering, environment, and energy resource development, including four years as director of the Montana Department of Natural Resources and Conservation and over eight years as president, chief executive officer, and chair of her own engineering and environmental services company, as well as her service on a number of Montana state and community boards, Ms. Fagg contributes experience in responsible natural resource development with an informed perspective of the construction, engineering, and energy industries.

Career Highlights

- Vice president of DOWL LLC, dba DOWL HKM, an engineering and design firm, from April 2008 until her retirement in December 2011.
- President of HKM Engineering, Inc., Billings, Montana, an engineering and environmental services firm, from April 1995 to June 2000, and chair, chief executive officer, and majority owner from June 2000 through March 2008. HKM Engineering, Inc. merged with DOWL LLC in April 2008.
- Employed with MSE, Inc., Butte, Montana, an energy research and development company, from 1976 through 1988, and vice president of operations and corporate development director from 1993 to April 1995.
- Director of the Montana Department of Natural Resources and Conservation, the state agency charged with promoting stewardship of Montana's water, soil, energy, and rangeland resources; and administering several grant and loan programs, from 1989 through 1992.

Other Leadership Experience

- Director and finance committee chair of the Montana State Fund, the state's largest workers' compensation insurance company, from March 2021 to present; Director of SCL Health Montana Regional Board from January 2020 to present, including a term as chair; and member of Carroll College Board of Trustees from 2005 through 2010 and August 2019 to present.
- Former member of several regional, state, and community boards, including director of St. Vincent's Healthcare from October 2003 to October 2009 and January 2016 through December 2019, including a term as chair; director of the Billings Catholic Schools Board from December 2011 through December 2018, including a term as chair; the First Interstate BancSystem Foundation from June 2013 to 2016; the Montana Justice Foundation from 2013 into 2015; Montana Board of Investments from 2002 through 2006; Montana State University's Advanced Technology Park from 2001 to 2005; and Deaconess Billings Clinic Health System from 1994 to 2002.

David L. Goodin
Age 60

Director Since 2013
President and Chief Executive Officer

Key Contributions to the Board: Serving as president and chief executive officer of MDU Resources Group, Inc. since 2013, Mr. Goodin is the only officer of the company that serves on our board. With 30 years of operating and leadership positions with our utility operations and nine years in his current position, he brings utility industry experience to the board as well as extensive knowledge of our company and its business operations. He contributes valuable insight into management's views and perspectives and the day-to-day operations of the company.

Career Highlights

- President and chief executive officer and a director of the company since January 4, 2013.
- Prior to January 4, 2013, served as chief executive officer and president of Intermountain Gas Company, Cascade Natural Gas Corporation, Montana-Dakota Utilities Co., and Great Plains Natural Gas Co.
- Began his career in 1983 at Montana-Dakota Utilities Co. as a division electrical engineer and served in positions of increasing responsibility until 2007 when he was named president of Cascade Natural Gas Corporation; positions included division electric superintendent, electric systems manager, vice president-operations, and executive vice president-operations and acquisitions.

Other Leadership Experience

- Member of the U.S. Bancorp Western North Dakota Advisory Board since January 2013.
- Director of Sanford Bismarck, an integrated health system dedicated to the work of health and healing, and Sanford Living Center, from January 2011 through December 2021.
- Board member of the BSC Innovations Foundation, an extension of Bismarck State College providing curriculum to Saudi Arabia industries, since August 1, 2018.
- Former board member of numerous industry associations, including the American Gas Association, the Edison Electric Institute, the North Central Electric Association, the Midwest ENERGY Association, and the North Dakota Lignite Energy Council.

Dennis W. Johnson
Age 72

Independent Director Since 2001
Chair of the Board

Key Contributions to the Board: With over 47 years of experience in business management, manufacturing, and finance, holding positions as chair, president, and chief executive officer of TMI Group Incorporated for 40 years, as well as his prior service as a director of the Federal Reserve Bank of Minneapolis, Mr. Johnson brings operational, management, strategic planning, specialty contracting, and financial knowledge and insight to the board. Mr. Johnson also contributes significant knowledge of local, state, and regional issues involving North Dakota, the state where we are headquartered and have significant operations, resulting from his service on several state and local organizations.

Career Highlights

- Chair of the board of the company effective May 8, 2019; and vice chair of the board from February 15, 2018 to May 8, 2019.
- Chair, president, and chief executive officer of TMI Group Incorporated as well as its two wholly owned subsidiary companies, TMI Corporation and TMI Transport Corporation, manufacturers of casework and architectural woodwork in Dickinson, North Dakota; employed since 1974 and serving as president or chief executive officer since 1982.

Other Leadership Experience

- Member of the Bank of North Dakota Advisory Board of Directors since August 2017.
- President of the Dickinson City Commission from July 2000 through October 2015.
- Director of the Federal Reserve Bank of Minneapolis from 1993 through 1998.
- Served on numerous industry, state, and community boards, including the North Dakota Workforce Development Council (chair); the Decorative Laminate Products Association; the North Dakota Technology Corporation; and the business advisory council of the Steffes Corporation, a metal manufacturing and engineering firm.
- Served on North Dakota Governor Sinner's Education Action Commission; the North Dakota Job Service Advisory Council; the North Dakota State University President's Advisory Council; North Dakota Governor Schafer's Transition Team; and chaired North Dakota Governor Hoeven's Transition Team.

Patricia L. Moss
Age 68

Independent Director Since 2003
Compensation Committee
Environmental and Sustainability Committee

Other Current Public Boards:
--First Interstate BancSystem, Inc.
--Aquila Group of Funds

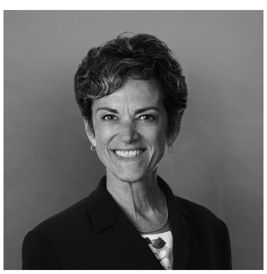
Key Contributions to the Board: With substantial experience in the finance and banking industry, including service on the boards of public banking and investment companies, Ms. Moss contributes broad knowledge of finance, business development, human resources, and compliance oversight, as well as public company governance, to the board. Through her business experience and knowledge of the Pacific Northwest, Ms. Moss also provides insight on state, local, and regional economic and political issues where a significant portion of our operations and the largest number of our employees are located.

Career Highlights

- President and chief executive officer of Cascade Bancorp, a financial holding company, Bend, Oregon, from 1998 to January 3, 2012; chief executive officer of Cascade Bancorp's principal subsidiary, Bank of the Cascades, from 1998 to January 3, 2012, serving also as president from 1998 to 2003; and chief operating officer, chief financial officer and secretary of Cascade Bancorp from 1987 to 1998.

Other Leadership Experience

- Member of the Oregon Investment Council, which oversees the investment and allocation of all state of Oregon trust funds, from December 2018 to March 2021.
- Director of First Interstate BancSystem, Inc., since May 30, 2017.
- Director of Cascade Bancorp and Bank of the Cascades from 1993, and vice chair from January 3, 2012 until May 30, 2017 when Cascade Bancorp merged into First Interstate BancSystem, Inc., and became First Interstate Bank.
- Chair of the Bank of the Cascades Foundation Inc. from 2014 to July 31, 2018; co-chair of the Oregon Growth Board, a state board created to improve access to capital and create private-public partnerships, from May 2012 through December 2018; and a member of the Board of Trustees for the Aquila Group of Funds, whose core business is mutual fund management and provision of investment strategies to fund shareholders, from January 2002 to May 2005 (one fund) and from June 2015 to present (currently three funds).
- Former director of the Oregon Investment Fund Advisory Council, a state-sponsored program to encourage the growth of small businesses in Oregon; the Oregon Business Council, with a mission to mobilize business leaders to contribute to Oregon's quality of life and economic prosperity; the North Pacific Group, Inc., a wholesale distributor of building materials, industrial, and hardwood products; and Clear Choice Health Plans Inc., a multi-state insurance company.



Dale S. Rosenthal
Age 65

Independent Director Since 2021
Audit Committee
Nominating and Governance Committee

Key Contributions to the Board: With 22 years of experience with an integrated construction company, serving in senior executive positions as strategic director, division president, and chief financial officer, Ms. Rosenthal contributes expertise in construction, alternative energy, real estate and infrastructure development, risk management, and corporate strategy. Ms. Rosenthal also brings public board experience with a regulated public utility company.

Career Highlights

- Strategic director of Clark Construction Group, LLC, a vertically integrated construction company headquartered in Bethesda, Maryland, from January 2017 to December 2017; division president of Clark Financial Services Group, leveraging Clark's core turnkey construction expertise into alternative energy development, from April 2008 to December 2016; chief financial officer and senior vice president of Clark Construction Group, LLC, from April 2000 to April 2008; and established a Clark subsidiary, Global Technologies Group, which developed and built data centers for early internet service providers. Ms. Rosenthal joined Clark Construction in 1996.
- Led financing teams for several tax-credit financed housing developers and was instrumental in identifying new sources of funding and innovative tax structures for complex transactions.

Other Leadership Experience

- Director of Washington Gas Light Company, formerly publicly traded and now a subsidiary of AltaGas Ltd., since October 2014, and chair of the audit committee since July 2018. Washington Gas is a regulated public utility company that sells and delivers natural gas in the District of Columbia and surrounding metropolitan areas.
- Board advisor of Langan Engineering & Environmental Services, a provider of an integrated mix of engineering and environmental consulting services in support of land development projects, corporate real estate portfolios, and the oil and gas industry, since March 2020.
- Member, Board of Trustees of Cornell University since June 2017, serving on the finance and building and properties committees.
- Director of Transurban Chesapeake LLC, a company that develops and operates toll roads in the Mid-Atlantic region, since August 2021.

Edward A. Ryan
Age 68

Independent Director Since 2018
Audit Committee
Nominating and Governance Committee

Key Contributions to the Board: As a former executive vice president and general counsel for a large public company with international operations, Mr. Ryan contributes expertise to the board in the areas of corporate governance, acquisitions, risk management, legal, compliance, and labor relations. Mr. Ryan also brings senior leadership, transactional, and public company experience.

Career Highlights

- Advisor to the chief executive officer and president of Marriott International from December 2017 to December 31, 2018.
- Executive vice president and general counsel of Marriott International from December 2006 to December 2017; senior vice president and associate general counsel from 1999 to November 2006; and assumed responsibility for all corporate transactions and corporate governance in 2005. Mr. Ryan joined Marriott International as assistant general counsel in May 1996.
- Private law practice from 1979 to 1996.

Other Leadership Experience

- Director of C&O Canal Trust, a non-profit partner of the Chesapeake & Ohio Canal National Historical Park, that works in conjunction with the National Park Service and local communities for park preservation highlighting the park's historical, natural and cultural heritage, while embracing the principles of diversity, equity, and inclusion in its work, since January 2022.
- Director and finance committee member of Goodwill of Greater Washington, D.C., a non-profit organization whose mission is to transform lives and communities through education and employment, since January 2015, including a term as chair from January 2020 through December 2021, vice chair from January 2019 through December 2019, and chair of the finance committee from January 2018 through December 2019.

David M. Sparby
Age 67

Independent Director Since 2018
Audit Committee
Environmental and Sustainability Committee

Key Contributions to the Board: With over 32 years of public utility management and leadership experience with a large public utility company, including positions as senior vice president and as chief financial officer, Mr. Sparby provides a broad understanding of the public utility and natural gas pipeline industries, including renewable energy expertise. His lengthy senior leadership experience with a public company also contributes to the board.

Career Highlights

- Senior vice president and group president, revenue, of Xcel Energy and president and chief executive officer of its subsidiary, NSP-Minnesota, from May 2013 until his retirement in December 2014; senior vice president and group president, from September 2011 to May 2013; chief financial officer from March 2009 to September 2011; and president and chief executive officer of NSP-Minnesota from 2008 to March 2009. He joined Xcel Energy, or its predecessor Northern States Power Company, as an attorney in 1982 and held positions of increasing responsibility.
- Attorney with the State of Minnesota, Office of Attorney General, from 1980 to 1982, during which period his responsibilities included representation of the Department of Public Service and the Minnesota Public Utilities Commission.

Other Leadership Experience

- Board of Trustees of Mitchell Hamline School of Law from July 2011 to July 2020.
- Board of Trustees of the College of St. Scholastica since July 2012, including service as chair effective September 2020.

Chenxi Wang
Age 51

Independent Director Since 2019
Audit Committee
Environmental and Sustainability Committee

Key Contributions to the Board: Having significant technology and cybersecurity expertise through her management and leadership positions with several organizations, Ms. Wang contributes knowledge to the board on technology and cybersecurity issues. As the founder and managing general partner of a cybersecurity-focused venture fund, Ms. Wang also provides knowledge regarding capital markets and business development.

Career Highlights

- Founder and managing general partner of Rain Capital Fund, L.P., a cybersecurity-focused venture fund aiming to fund early-stage, transformative technology innovations in the security market with a goal of supporting women and minority entrepreneurs, since December 2017.
- Chief strategy officer at Twistlock, an automated and scalable cloud native cybersecurity platform, from August 2015 to February 2017.
- Vice president, cloud security & strategy of CipherCloud, a cloud security software company, from January 2015 to August 2015.
- Vice president of strategy of Intel Security, a company focused on developing proactive, proven security solutions and services that protect systems, networks, and mobile devices, from April 2013 to January 2015.
- Principal analyst and vice president of research at Forrester Research, a market research company that provides advice on existing and potential impact of technology, from January 2007 to April 2013.
- Assistant research professor and associate professor of computer engineering at Carnegie Mellon University from September 2001 through August 2007.

Other Leadership Experience

- Technical Board of Advisors of Secure Code Warriors, a Sydney-based cybersecurity company, since June 2019.
- Board of directors of OWASP Global Foundation, a nonprofit global community that drives visibility and evolution in the safety and security of the world's software, from January 2018 to December 2019, including a term as vice chair.
- Recipient of the 2019 Investor in Women Award by Women Tech Founders Foundation, an organization dedicated to advancing women in the tech industry.
- Board of advisors of Keyp GmbH, a Munich-based software company with a mission to provide enterprises convenient access to the digital identity ecosystem, from December 2017 to August 2019.

Additional Information - Majority Voting

A majority of votes cast is required to elect a director in an uncontested election. A majority of votes cast means the number of votes cast "for" a director's election must exceed the number of votes cast "against" the director's election. "Abstentions" and "broker non-votes" do not count as votes cast "for" or "against" the director's election. In a contested election, which is an election in which the number of nominees for director exceeds the number of directors to be elected and which we do not anticipate, directors will be elected by a plurality of the votes cast.

Unless you specify otherwise when you submit your proxy, the proxies will vote your shares of common stock "for" all directors nominated by the board of directors. If a nominee becomes unavailable for any reason or if a vacancy should occur before the election, which we do not anticipate, the proxies will vote your shares in their discretion for another person nominated by the board.

Our policy on majority voting for directors contained in our corporate governance guidelines requires any proposed nominee for re-election as a director to tender to the board, prior to nomination, his or her irrevocable resignation from the board that will be effective, in an uncontested election of directors only, upon:

- receipt of a greater number of votes "against" than votes "for" election at our annual meeting of stockholders; and
- acceptance of such resignation by the board of directors.

Following certification of the stockholder vote, the nominating and governance committee will promptly recommend to the board whether or not to accept the tendered resignation. The board will act on the nominating and governance committee's recommendation no later than 90 days following the date of the annual meeting.

Brokers may not vote your shares on the election of directors if you have not given your broker specific instructions on how to vote. Please be sure to give specific voting instructions to your broker so your vote can be counted.

Board Evaluations and Process for Selecting Directors

Our corporate governance guidelines require that the board, in coordination with the nominating and governance committee, annually reviews and evaluates the performance and functioning of the board and its committees.

The board evaluation process includes the following steps:

1 QUESTIONNAIRES

During 2021, each director completed an anonymous written questionnaire with the opportunity to provide comments. In addition, committee members completed a separate written questionnaire directed to the operation of the respective committees.

2 INDIVIDUAL DIRECTOR INTERVIEWS

The chair of the nominating and governance committee then conducted individual interviews with each director.

3 BOARD SUMMARY AND FEEDBACK

The results of the written questionnaires were anonymously aggregated and provided to the board and each committee. The chair of the nominating and governance committee summarized and shared input from the individual interviews in an executive session of the board. Key strengths and opportunities for improvement of the board and each committee were also reviewed in connection with this process.

4 BOARD SUCCESSION

As part of the annual board evaluation process, the nominating and governance committee evaluates our directors considering the current needs of the board and the company. This evaluation supports the nominating and governance committee's consideration of board succession and potential director recruitment throughout the year.

Director Qualifications, Skills, and Experience

Director nominees are chosen to serve on the board based on their qualifications, skills, and experience, as discussed in their biographies, and how those characteristics supplement the resources and talent on the board and serve the current needs of the board and the company. Our governance guidelines provide that directors are not eligible to be nominated or appointed to the board if they are 76 years or older at the time of the election or appointment. The board does not have term limits on the length of a director's service.

In making its nominations, the nominating and governance committee also assesses each director nominee by a number of key characteristics, including character, success in a chosen field of endeavor, background in publicly traded companies, independence, and willingness to commit the time needed to satisfy the requirements of board and committee membership. Although the committee has no formal policy regarding diversity, the board is committed to having a diverse and broadly inclusive membership. In recommending director nominees the committee considers diversity in gender, ethnic background, geographic area of residence, skills, and professional experience.

Board Skills and Diversity Matrix

	Everist	Fagg	Goodin	Johnson	Moss	Rosenthal	Ryan	Sparby	Wang
Skills & Expertise									
EXECUTIVE MANAGEMENT/PUBLIC COMPANY Served as CEO or other senior executive of an organization or as a director of another publicly traded company	✓	✓	✓	✓	✓	✓	✓	✓	✓
ACCOUNTING/FINANCE Experience in the preparation and review of financial statements and financial reports			✓	✓	✓	✓		✓	
CAPITAL MARKETS Experience overseeing company financings, investments, capital structures, and financial strategy			✓	✓	✓	✓		✓	✓
INFORMATION TECHNOLOGY/CYBERSECURITY Oversight of or significant background working with information technology systems, data management, and/or cybersecurity risks			✓						✓
RISK MANAGEMENT AND COMPLIANCE Regulatory and compliance expertise or experience in the identification, assessment, and mitigation of risks facing our company	✓	✓	✓	✓	✓	✓	✓	✓	✓
INDUSTRY EXPERIENCE Experience in our businesses and related industries, including public utilities, natural gas pipelines, construction, and aggregate mining	✓		✓	✓		✓		✓	
LEGAL/CORPORATE GOVERNANCE Experience in dealing with complex legal and public company governance issues	✓		✓			✓	✓	✓	
ENVIRONMENT/SCIENCE Experience addressing environmental and sustainability issues relating to our businesses	✓	✓	✓			✓		✓	
GOVERNMENT/REGULATORY/PUBLIC AFFAIRS Background or experience in governmental regulations and public policy issues affecting our businesses		✓	✓	✓			✓	✓	
Gender/Age/Tenure									
Gender	M	F	M	M	F	F	M	M	F
Age	72	68	60	72	68	65	68	67	51
Tenure	27	17	9	21	19	1	4	4	3
Race/Ethnicity/Nationality									
African American/Black									
Alaskan Native or Native American									
Asian									✓
Hispanic/Latinx									
Native Hawaiian or Pacific Islander									
White (not Hispanic or Latinx origins)	✓	✓	✓	✓	✓	✓	✓	✓	
Two or more Races or Ethnicities									
LGBTQ									

Independence

The board has determined that all director nominees, other than Mr. Goodin, meet the independence standards set by the NYSE and SEC.

89%

Nominee Independence

Tenure

The average tenure of the director nominees is approximately 11.7 years, which reflects a balance of company experience and new perspectives.

Yrs of Service

0-4

5-10

11+

Diversity

The board is committed to having a diverse and broadly inclusive membership.

Gender

Four director nominees are women.

44%

Race/Ethnicity

One director nominee is ethnically diverse.

11%

Board Composition and Refreshment

The nominating and governance committee is committed to ensuring that the board reflects a diversity of experience, skills, and backgrounds to serve the company's governance and strategic needs. In recognition of the company's commitment to diversity, the company was recognized in 2021 by 50/50 Women on Boards™ as a "3+" company for having three or more women on its board of directors and also by the Women's Forum of New York as a 2021 Corporate Champion with at least 40% of board seats held by women.

Each of the nominees has been nominated for election to the board of directors upon recommendation by the nominating and governance committee and each has decided to stand for election.

In evaluating the needs of the board and the company, the nominating and governance committee focuses on identifying board candidates that will add gender and ethnic diversity along with relevant industry and leadership experience to the board as well as a background and core competencies in the fields of technology, cybersecurity, and public company governance. To support this process, the nominating and governance committee engaged an independent global search firm in 2021 to assist with identifying, evaluating, and recruiting a diverse pool of potential director candidates. Potential director nominees were also brought to the attention of the nominating and governance committee by board members, management, organizations, and database searches.

The nominating and governance committee and independent global search firm continue to identify individuals as potential board of director candidates, particularly individuals with industry experience to support the company's strategy to grow its two business platforms of regulated energy delivery and construction materials and services.

By tenure, if the nominees are elected, the board will be comprised of four directors who have served from 0-4 years, one director who has served from 5-10 years, and four directors who have served over 11 years. The nominating and governance committee believes this mix of director tenures provides a balance of experience and institutional knowledge with fresh perspectives.

CORPORATE GOVERNANCE AND THE BOARD OF DIRECTORS

Director Independence

The board of directors has adopted guidelines on director independence that are included in our corporate governance guidelines. Our guidelines require that a substantial majority of the board consists of independent directors. In general, the guidelines require that an independent director must have no material relationship with the company directly or indirectly, except as a director. The board determines independence on the basis of the standards specified by the NYSE, the additional standards referenced in our corporate governance guidelines, and other facts and circumstances the board considers relevant. Based on its review, the board has determined that all directors, except for our chief executive officer Mr. Goodin, have no material relationship with the company and are independent.

In determining director independence, the board of directors reviewed and considered information about any transactions, relationships, and arrangements between the non-employee directors and their immediate family members and affiliated entities on the one hand, and the company and its affiliates on the other, and in particular the following transactions, relationships, and arrangements:

> *Charitable contributions by the company and the MDU Resources Foundation (Foundation) to nonprofit organizations where a director or immediate family member served as an officer or director of the organization.* The company and the Foundation made charitable contributions to six such nonprofit organizations that collectively totaled $28,800. None of the contributions made to any of the nonprofit entities exceeded 2% of the relevant entity's consolidated gross revenues.

The board has also determined that all members of the audit, compensation, and nominating and governance committees of the board are independent in accordance with our guidelines and applicable NYSE and Securities Exchange Act of 1934 rules.

Oversight of Sustainability

We are an essential infrastructure company and manage our business with a long-term view toward sustainable operations, focusing on how economic, environmental, and social impacts help the company continue Building a Strong America®. We are committed to strong corporate governance in all areas, including governance of environmental and social responsibility.

Board of Directors. The board of directors is ultimately responsible for oversight with respect to environmental, health, safety, and other social sustainability matters applicable to the company.

Environmental and Sustainability Committee of the Board. In recognition of its responsibility for oversight with respect to environmental, health, safety, and other social sustainability matters, the board of directors in May 2019 formed the environmental and sustainability committee as a standing committee of the board with particular focus on our environmental, workplace health, safety, human capital, and other social sustainability programs and performance. The environmental and sustainability committee assists the board in fulfilling its oversight responsibilities with respect to environmental and social sustainability matters, including oversight and review of:

- **Employee, customer, and contractor safety;**
- **Climate change risks;**
- **Compliance with environmental, health, and safety laws;**
- **Human capital management;**
- **Integration of environmental and social principles into company strategy; and**
- **Significant public disclosures of environmental and sustainability matters.**

Additional oversight responsibilities of our environmental and sustainability committee are discussed on page 32.

Management Policy Committee. The company's management policy committee is comprised of the presidents of the business units and senior company officers. The management policy committee meets monthly, or more frequently as warranted, and is responsible for the management of risks and pursuit of opportunities related to environmental and social sustainability matters, including climate change, health, safety, and other social sustainability matters.

Executive Sustainability Committee. In 2021, the company established an executive sustainability committee, which is comprised of corporate and business unit senior executives. The committee is co-chaired by our vice president, chief accounting officer and controller and a business segment president. The executive sustainability committee responsibilities include:

- Supporting execution of, and making recommendations to advance, the company's environmental and sustainability strategy; and
- Establishing, maintaining, and enhancing the processes, procedures, and controls for the company's environmental and sustainability disclosures.

For information on our sustainability reporting, as well as highlights of our environmental stewardship and social responsibility, see "Sustainability Highlights" in the Proxy Summary.

Stockholder Engagement

The company has an active stockholder outreach program. We believe in providing transparent and timely information to our investors and understand the need to align our priorities with those of our key stakeholders. Each year we routinely engage directly or indirectly with our stockholders, including our largest institutional stockholders. Management regularly attends and presents at investor and financial conferences and holds one-on-one meetings with investors. During 2021, the company held meetings, conference calls, and webcasts with over 200 stockholders and investment firms, including meetings or telephone conferences with a number of our largest institutional investors. Our active stockholder outreach program includes:

WHO WE ENGAGE	HOW WE ENGAGE	WHO PARTICIPATES
Institutional Investors	One-on-One and Group Meetings	Executive Management
Sell-Side Analysts	Quarterly Earnings Conference Calls	Investor Relations
Retail Stockholders	Written and Electronic Communications	Senior Leadership
Pension Funds	Company-Hosted Events and Presentations	Subject Matter Experts
Holders of Bonds	Webcasts with Over 200 Stockholders and Investment Firms	Board Members
Rating Agencies/Firms	Industry and Sell-Side Presentations and Conferences	

KEY ENGAGEMENT RESOURCES	
MDU Resources Website at investor.mdu.com	Sustainability Report
Quarterly Earnings Webcasts	Public Events and Presentations
Annual Proxy Statement	SEC Filings
Annual Report	Disclosures to Various Ratings Assessors
Annual Stockholder Meeting	Press Releases

KEY TOPICS OF ENGAGEMENT
Company Strategy
Executive Compensation
Operational and Financial Updates
Impact of COVID-19 Pandemic
Sustainability
Environmental, Social, and Corporate Governance Practices
Capital Expenditure Forecast/Capital Allocation

OUTCOMES OF STOCKHOLDER ENGAGEMENT	
Expanded disclosure of financial metrics for our business segments to help investors better understand key business drivers	Completed a TCFD-aligned electric generation climate scenario analysis
Enhanced Sustainability Reporting	Created an executive sustainability committee to support execution of the company's environmental and sustainability strategy

Board Leadership Structure

The board separated the positions of chair of the board and chief executive officer in 2006, and our bylaws and corporate governance guidelines currently require that our chair be independent. The board believes this structure provides balance and is currently in the best interest of the company and its stockholders. Separating these positions allows the chief executive officer to focus on the full-time job of running our business, while allowing the chair to lead the board in its fundamental role of providing advice to and independent oversight of management. The chair meets and confers regularly between board meetings with the chief executive officer and consults with the chief executive officer regarding the board meeting agendas, the quality and flow of information provided to the board, and the effectiveness of the board meeting process. The board believes this split structure recognizes the time, effort, and energy the chief executive officer is required to devote to the position in the current business environment as well as the commitment required to serve as the chair, particularly as the board's oversight responsibilities continue to grow and demand more time and attention. The fundamental role of the board of directors is to provide oversight of the management of the company in good faith and in the best interests of the company and its stockholders. Having an independent chair is a means to ensure the chief executive officer is accountable for managing the company in close alignment with the interests of stockholders including with respect to risk management as discussed below. An independent chair is in a position to encourage frank and lively discussions including during regularly scheduled executive sessions consisting of only independent directors and to assure that the company has adequately assessed all appropriate business risks before adopting its final business plans and strategies. The board believes that having separate positions and having an independent outside director serve as chair is the appropriate leadership structure for the company at this time and demonstrates our commitment to good corporate governance.

Board's Role in Risk Oversight

Risk is inherent with every business, and how well a business manages risk can ultimately determine its success. We face a number of risks, including economic risks, strategic risks, operational risks, environmental and regulatory risks, competitive risks, climate and weather conditions, pension plan obligations, cyberattacks or acts of terrorism, and third party liabilities. The board, as a whole and through its committees, has responsibility for the oversight of risk management. In its risk oversight role, the board of directors has the responsibility to satisfy itself that the risk management processes designed and implemented by management are adequate for identifying, assessing, and managing risk. Management is responsible for identifying material risks, implementing appropriate risk management and mitigation strategies, and providing information regarding material risks and risk management and mitigation to the board.

The board believes establishing the right "tone at the top" and full and open communication between management and the board of directors are essential for effective risk management and oversight. Our chair meets regularly with our chief executive officer to discuss strategy and risks facing the company. The chair of the board and chairs of each of the board's standing committees meet quarterly with our chief executive officer, chief financial officer, and general counsel to discuss risks and presentations to the board regarding risks. Senior management attends the quarterly board meetings and is available to address questions or concerns raised by the board on risk management-related and any other matters. Each quarter, the board of directors and its applicable committees receive presentations from senior management on enterprise risk management issues and strategic matters involving our operations. Senior management annually presents an assessment to the board of critical enterprise risks that threaten the company's strategy and business model, including risks inherent in the key assumptions underlying the company's business strategy for value creation. Periodically, the board receives presentations from external experts on matters of strategic importance to the board. At least annually, the board holds strategic planning sessions with senior management to discuss strategies, key challenges, and risks and opportunities for the company.

The Board

While the board is ultimately responsible for risk oversight at our company, our standing board committees assist the board in fulfilling its oversight responsibilities in certain areas of risk.

Audit Committee	Compensation Committee	Nominating and Governance Committee	Environmental and Sustainability Committee
Risk Oversight Responsibilities	Risk Oversight Responsibilities	Risk Oversight Responsibilities	Risk Oversight Responsibilities
✓ Financial Reporting	✓ Executive Compensation	✓ Board Organization	✓ Environmental
✓ Internal Controls	✓ Incentive Plans	✓ Board Membership and Structure	✓ Health and Safety
✓ Cybersecurity	✓ Conflicts of Interest Assessment	✓ Succession Planning	✓ Social Sustainability
✓ Compliance with Legal and Regulatory Requirements	✓ Director Compensation Policy	✓ Corporate Governance	✓ Climate Change Risks

Management

The management policy committee meets monthly, or more frequently as warranted, to receive reports from each business unit on safety, operations, business development, and to discuss the company's challenges and opportunities. Reports are also provided by the company's financial, human resources, legal, and enterprise information technology departments. Special presentations are made by other employees on matters that affect the company's operations. The company has also developed a robust compliance program to promote a culture of compliance, consistent with the right "tone at the top," to mitigate risk. The program includes training and adherence to our code of conduct and legal compliance guide. We further mitigate risk through our internal audit and legal departments.

- **Audit Committee.** The audit committee assists the board in fulfilling its oversight responsibilities with respect to risk management in a general manner and specifically in the areas of financial reporting, internal controls, cybersecurity, compliance with legal and regulatory requirements, and related person transactions, and, in accordance with NYSE requirements, discusses with the board policies with respect to risk assessment and risk management and their adequacy and effectiveness. The audit committee receives regular reports on the company's compliance program, including reports received through our anonymous reporting hotline. It also receives reports and regularly meets with the company's external and internal auditors. During its quarterly meetings in 2021, the audit committee received presentations or reports from management on cybersecurity and the company's mitigation of cybersecurity risks as well as assessment and mitigation reports on other compliance and risk-related topics. The entire board was present for the presentations and had access to the reports. This opens the opportunity for discussions about areas where the company may have material risk exposure, steps taken to manage such exposure, and the company's risk tolerance in relation to company strategy. The audit committee reports regularly to the board of directors on the company's management of risks in the audit committee's areas of responsibility.

- **Compensation Committee.** The compensation committee assists the board in fulfilling its oversight responsibilities with respect to the management of risks arising from our compensation policies and programs.

- **Nominating and Governance Committee.** The nominating and governance committee assists the board in fulfilling its oversight responsibilities with respect to the management of risks associated with board organization, board membership and structure, succession planning for our directors and executive officers, and corporate governance.

- **Environmental and Sustainability Committee.** The environmental and sustainability committee assists the board in fulfilling its oversight responsibilities with respect to the management of risks related to environmental, human capital management, health, safety, and other social and sustainability matters that fundamentally affect the company's business interests and long-term viability. The environmental and sustainability committee responsibilities include reviewing significant risks and exposures to the company regarding current and emerging environmental and social sustainability matters, including climate change risks, and discussing with management and overseeing actions taken by the company in response thereto. The environmental and sustainability committee also reviews the company's efforts to integrate social, environmental, and economic principles, including climate change, greenhouse gas emissions management, energy, water, and waste management, product and service quality, reliability, customer care and satisfaction, public perception, and company reputation, into the company's strategy and operations.

Board Meetings and Committees

During 2021, the board of directors held four regular meetings and one special meeting. Each director attended at least 75% of the combined total meetings of the board and the committees on which the director served during 2021, in each case, during the time period which each director served. Directors are encouraged to attend our annual meeting of stockholders. All directors participated in person or by teleconference at our 2021 Annual Meeting of Stockholders.

The board has standing audit, compensation, nominating and governance, and environmental and sustainability committees which meet at least quarterly. The table below provides current committee membership.

Name	Audit Committee	Compensation Committee	Nominating and Governance Committee	Environmental and Sustainability Committee
Thomas Everist		●	●	
Karen B. Fagg		C		●
Patricia L. Moss		●		C
Dale S. Rosenthal	●		●	
Edward A. Ryan	●		C	
David M. Sparby	C			●
Chenxi Wang	●			●

C - Chair

● - Member

Below is a description of each standing committee of the board. The board has affirmatively determined that each of these standing committees consists entirely of independent directors pursuant to rules established by the NYSE, rules promulgated under the Securities and Exchange Commission (SEC), and the director independence standards established by the board. The board has also determined that each member of the audit committee and the compensation committee is independent under the criteria established by the NYSE and the SEC for audit committee and compensation committee members, as applicable.

Nominating and Governance Committee

Met Four Times in 2021

The nominating and governance committee met four times during 2021. The current committee members are Edward A. Ryan, chair, Thomas Everist, and Dale S. Rosenthal.

The nominating and governance committee is governed by a written charter and provides recommendations to the board with respect to:

- board organization, membership, and function;
- committee structure and membership;
- succession planning for our executive management and directors; and
- our corporate governance guidelines.

The nominating and governance committee assists the board in overseeing the management of risks in the committee's areas of responsibility.

The committee identifies individuals qualified to become directors and recommends to the board the director nominees for the next annual meeting of stockholders. The committee also identifies and recommends to the board individuals qualified to become our principal officers and the nominees for membership on each board committee. The committee oversees the evaluation of the board and management.

In identifying nominees for director, the committee consults with board members, management, executive search firms, consultants, organizational representatives, and other individuals likely to possess an understanding of our business and knowledge concerning suitable director candidates.

In evaluating director candidates, the committee, in accordance with our corporate governance guidelines, considers an individual's:

- background, character, and experience, including experience relative to our company's lines of business;
- skills and experience which complement the skills and experience of current board members;
- success in the individual's chosen field of endeavor;
- skill in the areas of accounting and financial management, banking, business management, human resources, marketing, operations, public affairs, law, technology, risk management, and governance;
- background in publicly traded companies, including service on other public company boards of directors;
- geographic area of residence;
- business and professional experience, skills, gender, and ethnic background, as appropriate in light of the current composition and needs of the board;
- independence, including any affiliation or relationship with other groups, organizations, or entities; and
- compliance with applicable law and applicable corporate governance, code of conduct and ethics, conflict of interest, corporate opportunities, confidentiality, stock ownership and trading policies, and other policies and guidelines of the company.

In addition, our bylaws contain requirements that a person must meet to qualify for service as a director.

The nominating and governance committee assesses these considerations annually in connection with the nomination of directors for election at the annual meeting of stockholders. The committee seeks a collective background of board members to provide a portfolio of experience and knowledge that serves the company's governance and strategic needs and best perpetrates our long-term success. Directors should have demonstrated experience and knowledge that is relevant to the board's oversight role of the company's business. The nominating and governance committee also considers the board's diversity in recommending nominees, including diversity of experience, expertise, ethnicity, gender, and geography. The composition of the current board and the board nominees reflects diversity in business and professional experience, skills, ethnicity, gender, and geography.

Audit Committee — Met Eight Times in 2021

The audit committee is a separately-designated committee established in accordance with Section 3(a)(58)(A) of the Securities Exchange Act of 1934 and is governed by a written charter.

The audit committee met eight times during 2021. The current audit committee members are David M. Sparby, chair, Dale S. Rosenthal, Edward A. Ryan, and Chenxi Wang. The board of directors determined that Mr. Sparby and Ms. Rosenthal are "audit committee financial experts" as defined by SEC rules, and all audit committee members are financially literate within the meaning of the listing standards of the NYSE. All members also meet the independence standard for audit committee members under our director independence guidelines, the NYSE listing standards, and SEC rules.

The audit committee assists the board of directors in fulfilling its oversight responsibilities to the stockholders and serves as a communication link among the board, management, the independent registered public accounting firm, and the internal auditors. The committee reviews and discusses with management and the independent auditors, before filing with the SEC, the annual audited financial statements and quarterly financial statements. The audit committee also:

- assists the board's oversight of:
  - the integrity of our financial statements and system of internal controls;
  - the company's compliance with legal and regulatory requirements and the code of conduct;
  - discussions with management regarding the company's earnings releases and guidance;
  - the independent registered public accounting firm's qualifications and independence;
  - the appointment, compensation, retention, and oversight of the work of the independent registered public accounting firm;
  - the performance of our internal audit function and independent registered public accounting firm; and
  - management of risk in the audit committee's areas of responsibility, including cybersecurity, financial reporting, legal and regulatory compliance, and internal controls.
- arranges for the preparation of and approves the report that SEC rules require we include in our annual proxy statement. See the section entitled "Audit Committee Report" for further information.

Compensation Committee

Met Five Times in 2021

During 2021, the compensation committee met five times. The compensation committee consists entirely of independent directors within the meaning of the company's corporate governance guidelines and the NYSE listing standards and who meet the definitions of non-employee directors for purposes of Rule 16-b under the Exchange Act. Current members of the compensation committee are Karen B. Fagg, chair, Thomas Everist, and Patricia L. Moss.

The compensation committee is governed by a written charter and assists the board of directors in fulfilling its responsibilities relating to the company's compensation policies and programs. It has direct responsibility for determining compensation for our Section 16 officers and for overseeing the company's management of compensation risk in its areas of responsibility. The compensation committee also reviews and recommends any changes to director compensation policies to the board of directors. The authority and responsibility of the compensation committee is outlined in the compensation committee's charter.

The compensation committee uses analysis and recommendations from outside consultants, the chief executive officer, and the human resources department in making its compensation decisions. The chief executive officer, the chief human resources officer, and the general counsel regularly attend compensation committee meetings. The committee meets in executive session as needed. The processes and procedures for consideration and determination of compensation of the Section 16 officers as well as the role of our executive officers are discussed in the "Compensation Discussion and Analysis."

The compensation committee has sole authority to retain compensation consultants, legal counsel, or other advisers to assist in its duties. The committee is directly responsible for the appointment, compensation, and oversight of the work of such advisers. The compensation committee retained an independent compensation consultant, Meridian Compensation Partners, LLC (Meridian), to conduct a competitive analysis on executive compensation for 2021 and an analysis of CEO pay and performance. Prior to retaining an adviser, the compensation committee considered relevant factors to ensure the adviser's independence from management. Annually the compensation committee conducts a potential conflicts of interest assessment raised by the work of any compensation consultant and how such conflicts, if any, should be addressed. The compensation committee requested and received information from Meridian to assist in its potential conflicts of interest assessment. Based on its review and analysis, the compensation committee determined in 2021 that Meridian was independent from management. Meridian does not provide any services other than consultation services to the compensation committee on executive and director compensation matters. Meridian reports directly to the compensation committee and not to management. Meridian participated in executive sessions with the compensation committee without members of management present.

The board of directors determines compensation for our non-employee directors based upon recommendations from the compensation committee. In 2021, the compensation committee retained Meridian to conduct an analysis of the company's compensation for non-employee directors.

Environmental and Sustainability Committee — Met Four Times in 2021

The environmental and sustainability committee was formed by the board of directors in May 2019 and met four times during 2021. The committee is governed by a written charter and consists entirely of independent directors within the meaning of the company's corporate governance guidelines and the listing standards of the NYSE. The current members of the committee are Patricia L. Moss, chair, Karen B. Fagg, David M. Sparby, and Chenxi Wang.

The environmental and sustainability committee oversees and provides recommendations to the board with respect to the company's policies, strategies, public policy positions, programs, and performance related to environmental, workplace health, safety, human capital, and other social sustainability matters that fundamentally affect the company's business interests and long-term viability. The environmental and sustainability committee:

- reviews significant risks and exposures regarding current and emerging environmental and social sustainability matters, including climate change risks, and discusses with management and oversees actions taken by the company in response to such risks and exposures;
- reviews the company's environmental and social sustainability strategies, policies, and performance;
- reviews human capital management related to the company's operations, including employee recruitment and retention, training, wellness, gender pay equity, diversity, and inclusion;
- reviews any fatality, serious injury, or illness involving an employee, customer, contractor, or third-party occurring in connection with the company's operations;
- reviews any material noncompliance by the company with environmental, health, and safety laws and regulations;
- reviews the company's efforts to integrate social, environmental, and economic principles, including climate change, greenhouse gas emissions management, energy, water and waste management, product and service quality, reliability, customer care and satisfaction, public perception, and company reputation with and into the company's strategy and operations;
- reviews the company's communication strategy and significant public disclosures relating to environmental and social sustainability matters;
- considers and advises the compensation committee on the company's performance with respect to incentive compensation metrics relating to environmental and social sustainability matters;
- reports to, advises, and makes recommendations to the board on environmental and social sustainability matters affecting the company; and
- reviews stockholder proposals related to environmental and social sustainability matters.

Stockholder Communications with the Board

Stockholders and other interested parties who wish to contact the board of directors or any individual director, including our non-employee chair or non-employee directors as a group, should address a communication in care of the secretary at MDU Resources Group, Inc., P.O. Box 5650, Bismarck, ND 58506-5650. The secretary will forward all communications.

Additional Governance Features

Board and Committee Evaluations

Our corporate governance guidelines provide that the board of directors, in coordination with the nominating and governance committee, will annually review and evaluate the performance and functioning of the board and its committees. The self-evaluations are intended to facilitate a candid assessment and discussion by the board and each committee of its effectiveness as a group in fulfilling its responsibilities, its performance as measured against the corporate governance guidelines, and areas for improvement. The board and committee members are provided with a questionnaire to facilitate discussion with follow-up interviews by the chair of the nominating and governance committee. The results of the evaluations are reviewed and discussed in executive sessions of the committees and the board of directors. For more detail on our board evaluation process, see "Board Evaluations and Process for Selecting Directors" in the section entitled "Board of Directors."

Executive Sessions of the Independent Directors

The non-employee directors meet in executive session at each regularly scheduled quarterly board of directors meeting. The chair of the board presides at the executive session of the non-employee directors.

Director Resignation Upon Change of Job Responsibility

Our corporate governance guidelines require a director to tender his or her resignation after a material change in job responsibility. In 2021, no directors submitted resignations under this requirement.

Majority Voting in Uncontested Director Elections

Our corporate governance guidelines require that in uncontested elections (those where the number of nominees does not exceed the number of directors to be elected), director nominees must receive the affirmative vote of a majority of the votes cast to be elected to our board of directors. Contested director elections (those where the number of director nominees exceeds the number of directors to be elected) are governed by a plurality of the vote of shares present in person or represented by proxy at the meeting.

The board has adopted a director resignation policy for incumbent directors in uncontested elections. Any proposed nominee for re-election as a director shall, before he or she is nominated to serve on the board, tender to the board his or her irrevocable resignation that will be effective, in an uncontested election of directors only, upon (i) such nominee's receipt of a greater number of votes "against" election than votes "for" election at our annual meeting of stockholders; and (ii) acceptance of such resignation by the board of directors.

Director Overboarding Policy

Our bylaws and corporate governance guidelines state that a director may not serve on more than two other public company boards. Currently, all of our directors are in compliance with this policy.

Board Refreshment

Recognizing the importance of board composition and refreshment for effective oversight, the nominating and governance committee annually considers the composition and needs of the board of directors, reviews potential candidates, and recommends to the board nominees for appointment or election. The nominating and governance committee and the board are committed to identifying individuals with diverse backgrounds whose skills and experiences will enable them to make meaningful contributions to shaping the company's business strategy and priorities. To further board refreshment efforts, the nominating and governance committee engaged an independent global search firm in 2021 to assist with identifying, evaluating and recruiting a diverse pool of potential director candidates. As part of its consideration of director succession, the nominating and governance committee from time to time reviews, including when considering potential candidates, the appropriate skills and characteristics required of board members. The board considers diversity of skills, expertise, race, ethnicity, gender, age, education, geography, cultural background, and professional experiences in evaluating board candidates for expected contributions to an effective board. Independent directors may not serve on the board beyond the next annual meeting of stockholders after attaining the age of 76. Given the breadth of our businesses, we believe the mandatory retirement age allows us to benefit from experienced directors, with industry expertise, company institutional knowledge and historical perspective, stability, and comfort with challenging company management, while maintaining our ability to refresh the board through the addition of new members. Mr. Sparby and Mr. Ryan joined the board in 2018; Ms. Wang joined the board in 2019; and Ms. Rosenthal joined the board in 2021.

Our corporate governance guidelines include our policy on consideration of director candidates recommended to us. We will consider candidates that our stockholders recommend in the same manner we consider other nominees. Stockholders who wish to recommend a director candidate may submit recommendations, along with the information set forth in the guidelines, to the nominating and governance committee chair in care of the secretary at MDU Resources Group, Inc., P.O. Box 5650, Bismarck, ND 58506-5650.

Stockholders who wish to nominate persons for election to our board at an annual meeting of stockholders must follow the applicable procedures set forth in Section 2.08 or 2.10 of our bylaws. Our bylaws are available on our website. See "Stockholder Proposals, Director Nominations, and Other Items of Business for 2023 Annual Meeting" in the section entitled "Information about the Annual Meeting" for further details.

Prohibitions on Hedging/Pledging Company Stock

The director compensation policy prohibits directors from hedging their ownership of common stock, pledging company stock as collateral for a loan, or holding company stock in an account that is subject to a margin call. The executive compensation policy prohibits executives from hedging their ownership of common stock, pledging company stock as collateral for a loan, or holding company stock in an account that is subject to a margin call.

Code of Conduct

We have a code of conduct and ethics, which we refer to as the Leading With Integrity Guide. It applies to all directors, officers, and employees. The Leading With Integrity Guide defines our values, our culture, and our commitments to stakeholders while setting expectations of employee conduct for legal and ethical compliance. We also have a Vendor Code of Conduct setting forth our expectations of vendors including ethical business practices, workplace safety, environmental stewardship, and compliance with applicable laws and regulations. Our Vendor Code of Conduct is available on our company website, which is not part of this proxy statement and is not incorporated by reference into this proxy statement.

We intend to satisfy our disclosure obligations regarding amendments to, or waivers of, any provision of the code of conduct that applies to our principal executive officer, principal financial officer, and principal accounting officer, and that relates to any element of the code of ethics definition in Regulation S-K, Item 406(b), and waivers of the code of conduct for our directors or executive officers, as required by NYSE listing standards, by posting such information on our website.

Proxy Access

Our bylaws allow stockholders to nominate directors for inclusion in our proxy statement subject to the following parameters:

Ownership Threshold:	3% of outstanding shares of our common stock
Nominating Group Size:	Up to 20 stockholders may combine to reach the 3% ownership threshold
Holding Period:	Continuously for three years
Number of Nominees:	The greater of two nominees or 20% of our board

We believe these proxy access parameters reflect a well-designed and balanced approach to proxy access that mitigates the risk of abuse and protects the interests of all of our stockholders. Stockholders who wish to nominate directors for inclusion in our Proxy Statement in accordance with proxy access must follow the procedures in Section 2.10 of our bylaws. See "Stockholder Proposals, Director Nominations, and Other Items of Business for 2023 Annual Meeting."

Cybersecurity Oversight

The audit committee reviewed reports and received presentations at each of its regular quarterly meetings in 2021 concerning cybersecurity-related issues including information security, technology risks, and risk mitigation programs. All members of the board of directors received copies of reports and were present during the presentations. In 2014, the board established a Cyber Risk Oversight Committee (CYROC) consisting of the company's chief information officer and chief financial officer as well as financial and information technology leaders from each of the company's business segments. The CYROC provides management and the audit committee with analyses, appraisals, recommendations, and pertinent information concerning cyber defense of the company's electronic information, information technology, and operation technology systems. The company has implemented a cybersecurity training and compliance program to facilitate initial and continuing education for employees who have contact or potential contact with the company's data. External reviews are conducted to assess company information security programs and practices, including incident management, service continuity, and information security compliance programs. The company has not had an indication of a material cybersecurity breach and has not incurred any expenses, penalties, or settlements arising from a material cybersecurity breach. The company maintains a cyber liability insurance policy providing insurance coverage within the policy limits for liability losses and business interruption events arising from a material cybersecurity breach. The audit committee receives periodic briefings concerning cybersecurity, information security, technology risks, and risk mitigation programs.

Corporate Governance Materials

Stockholders can see our bylaws, corporate governance guidelines, board committee charters, and Leading With Integrity Guide on our website. The information on our website is not part of this Proxy Statement and is not incorporated by reference as part of this Proxy Statement.

Corporate Governance Materials	Website
• Bylaws	investor.mdu.com/governance/governance-documents
• Corporate Governance Guidelines	investor.mdu.com/governance/governance-documents
• Board Committee Charters for the Audit, Compensation, Nominating and Governance, and Environmental and Sustainability Committees	investor.mdu.com/governance/governance-documents
• Leading With Integrity Guide	www.mdu.com/about-us/integrity

Related Person Transaction Disclosure

The board of directors' policy for the review of related person transactions is contained in our corporate governance guidelines. The policy requires the audit committee to review any proposed transaction, arrangement or relationship, or series thereof:

- in which the company was or will be a participant;
- the amount involved exceeds $120,000; and
- a related person had or will have a direct or indirect material interest.

Prior to the company entering into a related person transaction that would be required to be disclosed under the SEC rules, the audit committee will, after a reasonable prior review and consideration of the material facts and circumstances, make a determination or recommendation to the board and appropriate officers of the company with respect to the transactions as the audit committee deems appropriate. The committee will prohibit any such related person transaction if it determines it to be inconsistent with the best interests of the company and its stockholders.

Related persons are directors, director nominees, executive officers, holders of 5% or more of our voting stock, and their immediate family members. Related persons are required promptly to report to our general counsel all proposed or existing related person transactions in which they are involved.

We had no related person transactions in 2021.

COMPENSATION OF NON-EMPLOYEE DIRECTORS

Director Compensation for 2021

MDU Resources' non-employee directors are compensated for their service according to the MDU Resources Group Inc. Director Compensation Policy. Only one company employee, David L. Goodin, the company's president and chief executive officer, serves as a director. Mr. Goodin receives no additional compensation for his service on the board. Director compensation is reviewed annually by the compensation committee. The committee's independent consultant provided an analysis of the company's director compensation for 2021. The analysis included research on market trends in director compensation as well as a review of director compensation practices of companies in our compensation peer group. The independent compensation consultant, Meridian Compensation Partners, LLC, prepared a report on director compensation which indicated the company's average annual cash and equity compensation for the company's non-employee directors was below the 25th percentile of the company's peer group. The compensation committee and board concurred with the independent compensation consultant's recommendations and adjusted the annual compensation of non-executive directors effective June 1, 2021 as follows:

	Prior to June 1, 2021	Effective June 1, 2021
Base Cash Retainer	$85,000	$100,000
Additional Cash Retainers:		
Non-Executive Chair	95,000	112,500
Audit Committee Chair	20,000	20,000
Compensation Committee Chair	15,000	15,000
Nominating and Governance Committee Chair	15,000	15,000
Environmental and Sustainability Committee Chair	15,000	15,000
Annual Stock Grant[1] - Directors (other than Non-Executive Chair)	125,000	140,000
Annual Stock Grant[2] - Non-Executive Chair	150,000	165,000

[1] The annual stock grant is a grant of shares of company common stock equal in value to $140,000.

[2] The annual stock grant is a grant of shares of company common stock equal in value to $165,000.

There are no meeting fees paid to directors.

The following table outlines the compensation paid to our non-employee directors for 2021.

Name	Fees Earned or Paid in Cash ($)	Stock Awards ($)[1]	All Other Compensation ($)[2]	Total ($)
Thomas Everist	93,750	140,000	5,103	238,853
Karen B. Fagg	108,750	140,000	3,703	252,453
Mark A. Hellerstein[3]	35,417	58,333	3,643	97,393
Dennis W. Johnson	198,958	165,000	5,103	369,061
Patricia L. Moss	102,500	140,000	2,603	245,103
Dale S. Rosenthal[4]	65,417	93,333	69	158,819
Edward A. Ryan[5]	108,750	140,000	5,103	253,853
David M. Sparby	113,750	140,000	5,103	258,853
Chenxi Wang	93,750	140,000	103	233,853
John K. Wilson[3]	41,667	58,333	3,643	103,643

[1] Directors receive an annual payment of $140,000 in company common stock, except the non-executive chair who receives $165,000 in company common stock, under the MDU Resources Group, Inc. Non-Employee Director Long-Term Incentive Compensation Plan. Directors serving less than a full year receive a prorated stock payment based on the number of months served. All stock payments are measured in accordance with generally accepted accounting principles for stock-based compensation in Accounting Standards Codification Topic 718. The grant date fair value is based on the purchase price of our common stock on the grant date of November 16, 2021, which was $28.98 per share. The amount paid in cash for fractional shares is included in the amount reported in the stock awards column to this table.

[2] Includes group life insurance premiums and charitable donations made on behalf of the director as applicable. Amounts for life insurance premiums reflect prorated amounts for directors serving less than a full year based on the number of months served.

[3] Messrs. Hellerstein and Wilson did not stand for reelection to the board. Their terms expired on May 11, 2021, the date of the company's 2021 Annual Meeting of Stockholders.

[4] Ms. Rosenthal was elected to the board on May 11, 2021 at the 2021 Annual Meeting of Stockholders.

[5] Mr. Ryan elected to receive shares of our common stock in lieu of $43,500 of his fees earned in cash. He received a total of 1,411 shares of company common stock which was purchased during 2021 on March 31, June 30, September 30, and December 31 at market prices of $31.30, $31.03, $30.03, and $30.85, respectively.

Other Compensation

In addition to liability insurance, we maintain group life insurance in the amount of $100,000 on each non-employee director for the benefit of their beneficiaries during the time they serve on the board. The annual cost per director is $103.20. Directors who contribute to the company's Good Government Fund may designate, dependent on the amount of their contribution, up to four charities to receive donations from the company to match the director's contributions to the Good Government Fund. Directors are reimbursed for all reasonable travel expenses, including spousal expenses in connection with attendance at meetings of the board and its committees. Perquisites, if any, were below the disclosure threshold in 2021.

Deferral of Compensation

Directors may defer all or any portion of the annual cash retainer and any other cash compensation paid for service as a director pursuant to the Deferred Compensation Plan for Directors. Deferred amounts are held as phantom stock with dividend accruals and are paid out in cash over a five-year period after the director leaves the board. For directors who participated in the post-retirement income plan for directors before its termination in May 2001, the net present value of each director's benefit was calculated and converted into phantom stock which will be paid pursuant to the Deferred Compensation Plan for Directors.

Stock Ownership Policy

Our director stock ownership policy contained in our corporate governance guidelines requires each director to beneficially own our common stock equal in value to five times the director's annual cash base retainer. Shares acquired through purchases on the open market and received through our Non-Employee Director Long-Term Incentive Compensation Plan are considered in ownership calculations as well as other beneficial ownership of our common stock by a spouse or other immediate family member residing in the director's household. A director is allowed five years commencing January 1 of the year following the year of the director's initial election to the board to meet the requirements. The level of common stock ownership is monitored with an annual report made to the compensation committee of the board. All directors are in compliance with the stock ownership policy or are within the first five years of their election to the board. For further details on our director's stock ownership, see the section entitled "Security Ownership."

SECURITY OWNERSHIP

Security Ownership Table

The table below sets forth the number of shares of our common stock that each director, each named executive officer, and all directors and executive officers as a group owned beneficially as of February 28, 2022. Unless otherwise indicated, each person has sole investment and voting power (or share such power with his or her spouse) of the shares noted.

Name[1]	Shares of Common Stock Beneficially Owned		Percent of Class
David C. Barney	88,294	2,3	*
Thomas Everist	662,256		*
Karen B. Fagg	87,931		*
David L. Goodin	296,021	2	*
Dennis W. Johnson	120,170	4	*
Nicole A. Kivisto	89,204	2,5	*
Patricia L. Moss	88,816		*
Dale S. Rosenthal	3,220		*
Edward A. Ryan	31,823		*
David M. Sparby	30,559		*
Jeffrey S. Thiede	100,733	2	*
Jason L. Vollmer	48,912	2	*
Chenxi Wang	12,609		*
All directors and executive officers as a group (18 in number)	1,800,586	2,6	*

[*] Less than one percent of the class. Percent of class is calculated based on 203,350,740 outstanding shares as of February 28, 2022.

[1] The table includes the ownership of all current directors, named executive officers, and other executive officers of the company without naming them.

[2] Includes full shares allocated to the officer's account in our 401(k) retirement plan.

[3] The total includes 687 shares owned by Mr. Barney's spouse.

[4] Mr. Johnson disclaims all beneficial ownership of the 163 shares owned by his spouse.

[5] The total includes 531 shares owned by Ms. Kivisto's spouse.

[6] Includes shares owned by a director's or executive's spouse regardless of whether the director or executive claims beneficial ownership.

Hedging Policy

The company's Director Compensation Policy and its Executive Compensation Policy prohibit our directors and executives from hedging their ownership of company stock. The Director Compensation Policy applies to all directors who are not full-time employees of the company. The Executive Compensation Policy applies to the executives of the company designated as an officer for purposes of Section 16 of the Securities Exchange Act of 1934 as well as all other executives of the company and its subsidiaries who participate in its Long-Term Performance-Based Incentive Plan and its Executive Incentive Compensation Plan. Under the policies, directors and executives are prohibited from engaging in transactions that allow them to own stock technically but without the full benefits and risks of such ownership, including, but not limited to, zero-cost collars, equity swaps, straddles, prepaid variable forward contracts, security futures contracts, exchange funds, forward sale contracts, and other financial transactions that allow the director or executive to benefit from the devaluation of the company's stock.

The company policies also prohibit directors, executives, and related persons from holding company stock in a margin account, with certain exceptions, or pledging company securities as collateral for a loan. Company common stock may be held in a margin brokerage account only if the stock is explicitly excluded from any margin, pledge, or security provisions of the customer agreement. "Related person" means an executive officer's or director's spouse, minor child, and any person (other than a tenant or domestic employee) sharing the household of a director or executive officer as well as any entities over which a director or executive officer exercises control.

Greater Than 5% Beneficial Owners

Based solely on filings with the SEC, the table below shows information regarding the beneficial ownership of more than 5% of the outstanding shares of our common stock.

Title of Class	Name and Address of Beneficial Owner	Amount and Nature of Beneficial Ownership	Percent of Class
Common Stock	**The Vanguard Group** 100 Vanguard Blvd. Malvern, PA 19355	22,537,128 [1]	11.08%
Common Stock	**BlackRock, Inc.** 55 East 52nd Street New York, NY 10055	18,020,281 [2]	8.90%
Common Stock	**State Street Corporation** State Street Financial Center One Lincoln Street Boston, MA 02111	13,751,230 [3]	6.76%

[1] Based solely on the Schedule 13G, Amendment No. 10, filed on February 9, 2022, The Vanguard Group reported sole dispositive power with respect to 22,262,310 shares, shared dispositive power with respect to 274,818 shares, and shared voting power with respect to 96,425 shares.

[2] Based solely on the Schedule 13G, Amendment No. 13, filed on February 1, 2022, BlackRock, Inc. reported sole voting power with respect to 17,090,854 shares and sole dispositive power with respect to 18,020,281 shares as the parent holding company or control person of BlackRock Life Limited; Aperio Group, LLC; BlackRock Advisors, LLC; BlackRock (Netherlands) B.V.; BlackRock Fund Advisors; BlackRock Institutional Trust Company, National Association; BlackRock Asset Management Ireland Limited; BlackRock Financial Management, Inc.; BlackRock Asset Management Schweiz AG; BlackRock Investment Management, LLC; BlackRock Investment Management (UK) Limited; BlackRock Asset Management Canada Limited; BlackRock (Luxembourg) S.A., BlackRock Investment Management (Australia) Limited; BlackRock Advisors (UK) Limited; and BlackRock Fund Managers Ltd.

[3] Based solely on the Schedule 13G, filed on February 11, 2022, State Street Corporation reported shared voting power with respect to 13,355,385 shares and shared dispositive power with respect to 13,751,230 shares as the parent holding company or control person of SSGA Funds Management, Inc.; State Street Global Advisors, Limited; State Street Global Advisors, LTD; State Street Global Advisors Europe Limited; State Street Global Advisors, Australia, Limited; State Street Global Advisors Asia, Limited; and State Street Global Advisors Trust Company.

Delinquent Section 16(a) Reports

Section 16 of the Securities Exchange Act of 1934, as amended, requires officers, directors, and holders of more than 10% of our common stock to file reports of their trading in our equity securities with the SEC. Based solely on a review of Forms 3, 4, and 5, and any amendments to these forms furnished to us during and with respect to 2021, or written representations that no Forms 5 were required, all such reports were timely filed, except for Forms 4 for David L. Goodin, David C. Barney, Stephanie A. Barth, Trevor J. Hastings, Anne M. Jones, Nicole A. Kivisto, Karl A. Liepitz, Margaret (Peggy) A. Link, Jeffrey S. Thiede, and Jason L. Vollmer in February 2021 related to the award of restricted stock units that vest on December 31, 2023.

EXECUTIVE COMPENSATION

ITEM 2. ADVISORY VOTE TO APPROVE THE COMPENSATION PAID TO THE COMPANY'S NAMED EXECUTIVE OFFICERS

In accordance with Section 14A of the Securities Exchange Act of 1934 and Rule 14a-21(a), we are asking our stockholders to approve, in an advisory vote, the compensation of our named executive officers as disclosed in this Proxy Statement pursuant to Item 402 of Regulation S-K. As discussed in the Compensation Discussion and Analysis, the compensation committee and board of directors believe the current executive compensation program directly links compensation of the named executive officers to our financial performance and aligns the interests of the named executive officers with those of our stockholders. The compensation committee and board of directors also believe the executive compensation program provides the named executive officers with a balanced compensation package that includes an appropriate base salary along with competitive annual and long-term incentive compensation targets. These incentive programs are designed to reward the named executive officers on both an annual and long-term basis if they attain specified goals.

Our overall compensation program and philosophy for 2021 was built on a foundation of these guiding principles:

- we pay for performance, with nearly 58% of our 2021 total target direct compensation for the named executive officers in the form of performance-based incentive compensation;
- we review competitive compensation data for the named executive officers, to the extent available, and incorporate internal equity in the final determination of target compensation levels;
- we align executive compensation and performance by using annual performance incentives based on criteria that are important to stockholder value, including earnings, earnings per share, and earnings before interest, taxes, depreciation, and amortization (EBITDA); and
- we align executive compensation and performance by using long-term performance incentives based on total stockholder return relative to our peer group and financial measures important to company growth.

We are asking our stockholders to indicate their approval of our named executive officer compensation as disclosed in this Proxy Statement, including the Compensation Discussion and Analysis, the executive compensation tables, and narrative discussion. This vote is not intended to address any specific item of compensation, but rather the overall compensation of our named executive officers for 2021. Accordingly, the following resolution is submitted for stockholder vote at the 2022 Annual Meeting of Stockholders:

> "RESOLVED, that the compensation paid to the company's named executive officers, as disclosed pursuant to Item 402 of Regulation S-K, including the Compensation Discussion and Analysis, compensation tables, and narrative discussion of this Proxy Statement, is hereby approved."

As this is an advisory vote, the results will not be binding on the company, the board of directors, or the compensation committee and will not require us to take any action. The final decision on the compensation of the named executive officers remains with the compensation committee and the board of directors, although the board and compensation committee will consider the outcome of this vote when making future compensation decisions. We intend to hold this advisory vote every year until at least the next stockholder advisory vote on the frequency of this vote.

The board of directors recommends a vote "for" the approval, on a non-binding advisory basis, of the compensation of the company's named executive officers, as disclosed in this Proxy Statement.

Approval of the compensation of the named executive officers requires the affirmative vote of a majority of the common stock present in person or represented by proxy at the meeting and entitled to vote on the proposal. Abstentions will count as votes against this proposal. Broker non-vote shares are not entitled to vote on this proposal and, therefore, are not counted in the vote.

INFORMATION CONCERNING EXECUTIVE OFFICERS

Information concerning the executive officers, including their ages as of December 31, 2021, present corporate positions, and business experience during the past five years, is as follows:

Name	Age	Present Corporate Position and Business Experience
David L. Goodin	60	Mr. Goodin was elected president and chief executive officer of the company and a director effective January 4, 2013. For more information about Mr. Goodin, see the section entitled "Item 1. Election of Directors."
David C. Barney	66	Mr. Barney was elected president and chief executive officer of Knife River Corporation effective April 30, 2013, and president effective January 1, 2012.
Stephanie A. Barth	49	Ms. Barth was elected vice president, chief accounting officer and controller of the company effective September 30, 2017. Prior to that, she was controller of the company effective May 30, 2016, and served as vice president, treasurer and chief accounting officer of WBI Energy, Inc. effective January 1, 2015, and controller effective September 30, 2013.
Trevor J. Hastings	48	Mr. Hastings was elected president and chief executive officer of WBI Energy, Inc. effective October 16, 2017. Prior to that, he was vice president-business development and operations support of Knife River Corporation effective January 11, 2012.
Anne M. Jones	58	Ms. Jones was elected vice president and chief human resources officer effective November 11, 2021. Prior to that, she was vice president-human resources of the company, vice president-human resources, customer service, and safety at Montana-Dakota Utilities Co., Great Plains Natural Gas Co., Cascade Natural Gas Corporation, and Intermountain Gas Company effective July 1, 2013, and director of human resources for Montana-Dakota Utilities Co. and Great Plains Natural Gas Co. effective June 2008.
Nicole A. Kivisto	48	Ms. Kivisto was elected president and chief executive officer of Montana-Dakota Utilities Co., Cascade Natural Gas Corporation, and Intermountain Gas Company effective January 9, 2015. Prior to that, she was vice president of operations for Montana-Dakota Utilities Co. and Great Plains Natural Gas Co. effective January 3, 2014, and vice president, controller and chief accounting officer for the company effective February 17, 2010.
Karl A. Liepitz	43	Mr. Liepitz was elected vice president, general counsel and secretary effective February 6, 2021. Prior to that, he was assistant general counsel and assistant secretary effective January 1, 2017, and senior attorney and assistant secretary effective January 9, 2016. He held legal positions of increasing responsibility with the company since August 2003.
Margaret (Peggy) A. Link	55	Ms. Link was elected vice president and chief information officer effective December 1, 2017. Prior to that, she was chief information officer effective January 1, 2016, assistant vice president-technology and cybersecurity officer effective January 1, 2015, and director shared IT services effective June 2, 2009.
Jeffrey S. Thiede	59	Mr. Thiede was elected president and chief executive officer of MDU Construction Services Group, Inc. effective April 30, 2013, and president effective January 1, 2012.
Jason L. Vollmer	44	Mr. Vollmer was named vice president and chief financial officer effective November 23, 2020. Prior to that, he was vice president, chief financial officer and treasurer effective September 30, 2017, vice president, chief accounting officer and treasurer effective March 19, 2016, treasurer and director of cash and risk management effective November 29, 2014, and manager of treasury services and risk management effective June 30, 2014.

COMPENSATION DISCUSSION AND ANALYSIS

The Compensation Discussion and Analysis describes how our named executive officers were compensated for 2021 and how their 2021 compensation aligns with our pay-for-performance philosophy. It also describes the oversight of the compensation committee and the rationale and processes used to determine the 2021 compensation of our named executive officers including the objectives and specific elements of our compensation program.

The Compensation Discussion and Analysis contains statements regarding corporate performance targets and goals. The targets and goals are disclosed in the limited context of our compensation programs and should not be understood to be statements of management's expectations or estimates of results or other guidance. We specifically caution investors not to apply these statements to other contexts.

Our Named Executive Officers for 2021 were:

David L. Goodin	President and Chief Executive Officer (CEO)
Jason L. Vollmer	Vice President and Chief Financial Officer (CFO)
David C. Barney	President and Chief Executive Officer - Construction Materials and Contracting Segment
Jeffrey S. Thiede	President and Chief Executive Officer - Construction Services Segment
Nicole A. Kivisto	President and Chief Executive Officer - Electric and Natural Gas Distribution Segments

Executive Summary

Compensation Committee Responsibilities and Objectives

The compensation committee is responsible for designing and approving our executive compensation program and setting compensation opportunities for our named executive officers. The objectives of our executive compensation policy for executive officers are to:

- recruit, motivate, reward, and retain high performing executive talent required to create superior shareholder value;
- reward executives for short-term performance as well as for growth in enterprise value over the long-term;
- ensure effective utilization and development of talent by working in concert with other management processes - for example, performance appraisal, succession planning, and management development;
- help ensure that compensation programs do not encourage or reward excessive or imprudent risk taking; and
- provide a competitive package relative to industry-specific and general industry comparisons and internal equity, as appropriate.

During 2020 the compensation committee engaged Meridian Compensation Partners, LLC (Meridian) to review our executive compensation plans and practices. Based on this review and recommendations from Meridian, the compensation committee made the following changes to our executive compensation practices for 2021.

	Prior Executive Compensation Practice	Revised Executive Compensation Practice	Rationale for Change
Annual Incentive for MDU Resources Group, Inc. Corporate Officers	The annual cash incentive award for corporate executives was based on the achievement of the performance measures for each business segment executive and weighted by each business segment's invested capital relative to the company's total invested capital.	100% MDU Resources earnings per share	• Aligns the award with overall corporate responsibility. • Eliminates complex weighting based on invested capital to determine payouts.
Long-Term Incentive	100% Performance Share Awards	25% Time-vesting Restricted Stock Units 75% Performance Share Awards	Awarding 25% of the long-term incentive as time-vesting restricted stock units adds a retention tool to the long-term incentives while still emphasizing performance through 75% performance share awards.
	Three performance measures including: - Relative Total Stockholder Return - EBITDA Growth - Earnings Growth	Two performance measures including: - Relative Total Stockholder Return - Earnings Growth	Eliminates the potential redundancy of two profit-related performance measures. Earnings as a bottom-line performance measure is simple and a comprehensive profit metric.
	Peer group of 21 companies for evaluation of relative Total Stockholder Return.	Peer group expanded to selected companies within the S&P MidCap 400 reflective of the size, value, and risk profile of MDU Resources.	A larger, stable group lessens aberrations.
	Total Stockholder Return of MDU Resources and peer group companies based on single beginning and ending period stock prices.	Total Stockholder Return of MDU Resources and peer group companies based on a 20-day average stock price for beginning and ending points.	Eliminates potential aberrations due to single day spikes or declines in stock prices.

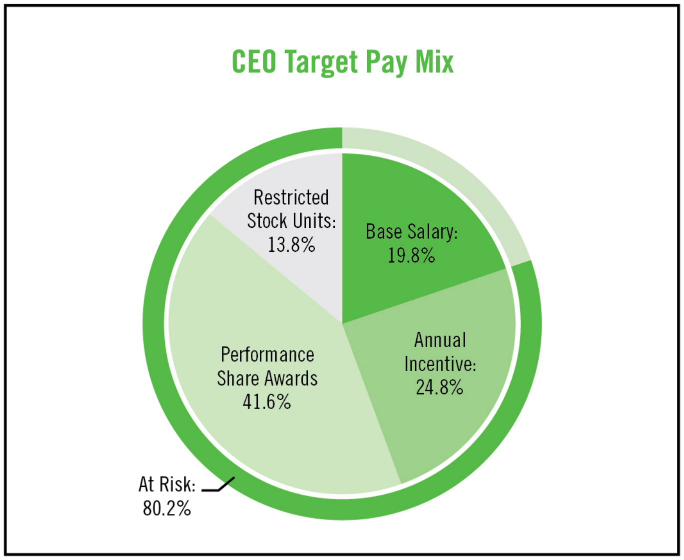
The above revised executive compensation practices are designed to achieve the objectives outlined in our executive compensation policy and directly linked to our business strategy to ensure officers are focused on elements that drive our business strategy and create stockholder value.

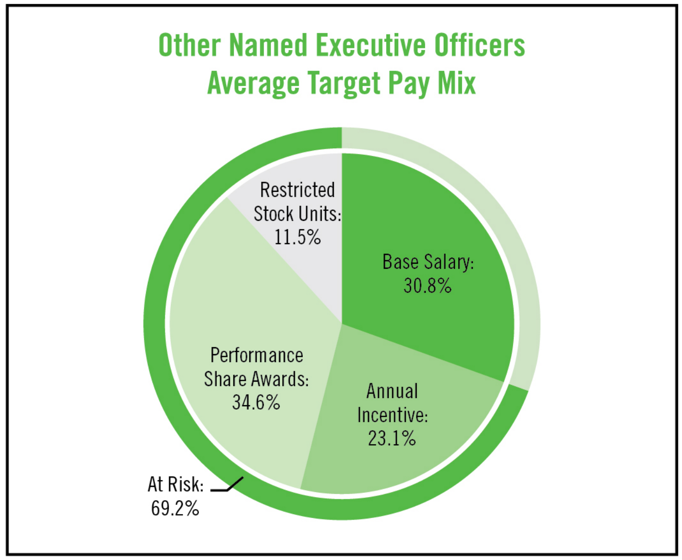
2022 Executive Compensation Preview

In February 2022, the board approved a performance modifier for the 2022 annual incentive award program for executive officers based upon the company's achievement of certain measures to attract, retain, and develop a diverse and inclusive workforce (the "DEI Modifier"). The DEI Modifier includes a focus on representation of diverse employees in executive succession plans, outreach efforts to attract diverse candidates for open positions at the company, implementing enhanced diversity, equity, and inclusion training and mentoring for new employees, and development of enhanced internal employee data dashboards to further support the company's efforts to attract, retain, and develop a diverse and inclusive workforce.

Pay for Performance

To ensure management's interests are aligned with those of our stockholders and the performance of the company, the majority of the CEO's and the other named executive officers' compensation is dependent on the achievement of company performance targets. The charts below show the target pay mix for the CEO and average target pay mix of the other named executive officers, including base salary and the annual and long-term incentives.





Annual Base Salary

We provide our executive officers with base salary at a sufficient level to attract and retain executives with the knowledge, skills, and abilities necessary to successfully execute their job responsibilities. Consistent with our compensation philosophy of linking pay to performance, our executives receive a relatively smaller percentage of their overall target compensation in the form of base salary. In establishing base salaries, the compensation committee considers each executive's individual performance, the scope and complexities of their responsibilities, internal equity, and whether the base salary is competitive as measured against the base salaries of similarly situated executives in our compensation peer group and market compensation data.

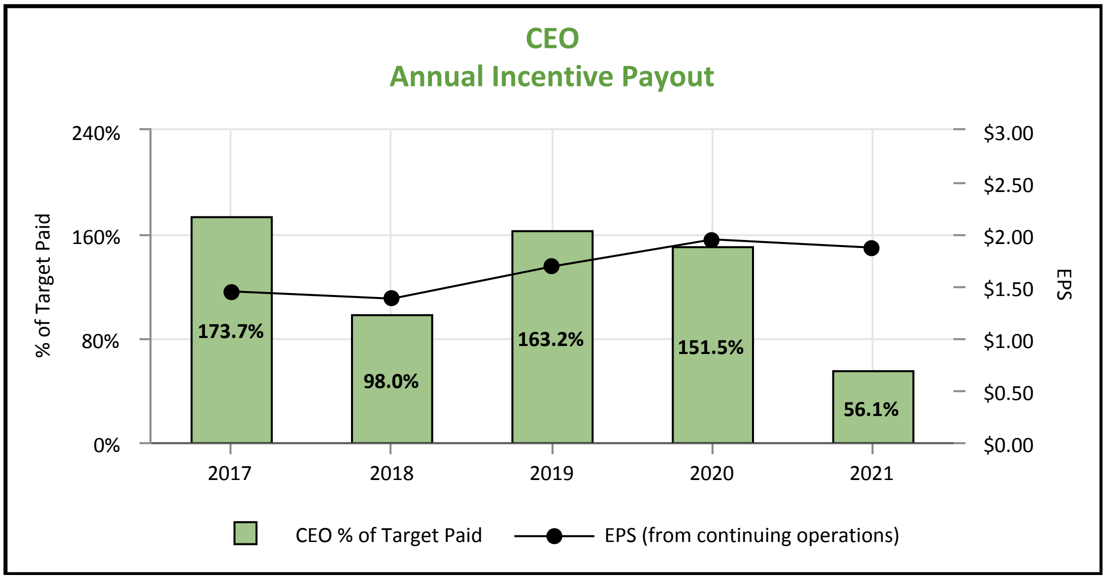
Annual Cash Incentive Awards

The 2021 annual cash incentive awards for our executive officers are linked to performance by rewarding achievement of financial goals and ensuring our executive officers are focused and accountable for our growth and profitability. Each executive was assigned a target annual incentive award based on a percentage of the executive's base salary. The actual annual cash incentive realized was determined by multiplying the target award by the payout percentage associated with the achievement of the executive's performance measures.

Eighty percent of the annual cash incentive award for our business segment executives was based on specific business segment financial performance measures selected by the compensation committee. The other 20% of the business segment executives' annual incentive award was based on the achievement of overall company earnings per share (EPS) as adjusted and as described under the Annual Cash Incentives section in this Proxy Statement. These measures incentivize our business segment executives to focus on the success and performance of the company and the individual business segments.

The annual cash incentive award for corporate executives (including our CEO and CFO) was 100% based on the company's EPS as adjusted and as described under the Annual Cash Incentives section in this Proxy Statement. This incentivizes the corporate executives to assist the business segments in their success and further links executive pay with the performance of the company.

The following chart shows the percentage payout of the annual incentive target realized by our CEO compared to earnings per share from continuing operations for the last five years and demonstrates the alignment between our financial performance and realized annual cash incentive compensation.



The percent of target paid for years 2017 through 2020 was based on adding each business segment's results weighted by its average invested capital compared to the company's total average invested capital. The percent of target paid for 2021 was solely based on the company's EPS.

See the "Annual Incentives" section within this Compensation Discussion and Analysis for further details on our company's annual cash incentive program.

Long-Term Equity-Based Incentive Awards

In February 2021, the compensation committee and the board approved grants of performance shares and restricted stock units which are eligible to vest into company stock plus dividend equivalents at the end of 2023. The performance shares, which comprise 75% of the award, will vest based on the achievement of two equally weighted performance measures, namely the company's total stockholder return relative to a group of peer companies established for long-term incentive purposes and earnings growth over the performance period. The restricted stock units, which comprise 25% of the award, enhance alignment with stockholders and are a retention tool and will vest at the end of 2023 as long as the executive remains continuously employed with the company.

The long-term incentive granted in 2019 by the compensation committee and approved by the board in the form of performance shares vested at the end of 2021. Performance measures associated with the 2019-2021 performance period include earnings from continuing operations growth, earnings before interest, taxes, depreciation, and amortization (EBITDA) from continuing operations growth, and total stockholder return (TSR) relative to our peer group. Earnings growth and EBITDA growth may be adjusted as described in the Vesting of 2019-2021 Performance Share Awards section of this Proxy Statement. These performance measures were selected to align pay and long-term performance goals.

Long-Term Performance Measures
for the 2019 - 2021 Performance Period

TSR Ranking	Earnings Growth	EBITDA Growth
14th Ranking out of 22	**12.1%** Compound Annual Growth Rate	**11.5%** Compound Annual Growth Rate
Target Ranking = 12th out of 22	**Target Growth = 6.5%**	**Target Growth = 6.5%**
Weighting = 50%	Weighting = 25%	Weighting = 25%
Weighted Vesting = 35.6%	**Weighted Vesting = 50.0%**	**Weighted Vesting = 50.0%**

Total Vesting of 135.6%

See the "Long-Term Incentives" section within this Compensation Discussion and Analysis for further details on the company's long-term incentive program.

With the majority of our executive officers' compensation dependent on the achievement of robust performance measures set by the compensation committee, we believe there is substantial alignment between executive pay and the company's performance.

Stockholder Advisory Vote ("Say on Pay")

At our 2021 Annual Meeting of Stockholders, 95.9% of the votes cast on the "Say on Pay" proposal approved the compensation of our named executive officers. The compensation committee viewed the 2021 vote as an expression of the stockholders' general satisfaction with the company's executive compensation programs. The compensation committee reviewed and considered the 2021 vote on "Say on Pay" in setting compensation for 2022 by continuing to link performance-based annual and long-term incentives to company financial performance and stockholder value.

Compensation Practices

Our practices and policies ensure alignment between the interests of our stockholders and our executives as well as effective compensation governance.

What We Do

- ☑ **Pay for Performance** - Annual incentive and the performance share award portion of the long-term incentive are tied to performance measures set by the compensation committee and comprise the largest portion of executive compensation.
- ☑ **Independent Compensation Committee** - All members of the compensation committee meet the independence standards under the New York Stock Exchange listing standards and the Securities and Exchange Commission rules.
- ☑ **Independent Compensation Consultant** - The compensation committee retains an independent compensation consultant to evaluate executive compensation plans and practices.
- ☑ **Competitive Compensation** - Executive compensation reflects executive performance, experience, relative value compared to other positions within the company, relationship to competitive market value compensation, business segment economic environment, and the actual performance of the overall company and the business segments.
- ☑ **Annual Cash Incentive** - Payment of annual cash incentive awards is based on overall company performance measured in terms of earnings per share in addition to business segment performance measured in terms of pre-established annual financial measures for business segment executives.
- ☑ **Long-Term Equity Incentive** - Long-term incentive awards may be earned at the end of a three-year period. Payment of performance share awards, which represent 75% of the executive's long-term incentive, are based on the achievement of pre-established performance measures. Payment of time-vesting restricted stock unit shares, which represent 25% of the executive's long-term incentive, are based on retention of the executive at the end of the three-year period. All long-term incentives are paid through shares of common stock which encourages stock ownership by our executives.
- ☑ **Balanced Mix of Pay Components** - The target compensation mix represents a balance of annual cash and long-term equity-based compensation.
- ☑ **Mix of Financial Goals** - Use of a mixture of financial goals to measure performance prevents overemphasis on a single metric.
- ☑ **Annual Compensation Risk Analysis** - Risks related to our compensation programs are regularly analyzed through an annual compensation risk assessment.
- ☑ **Stock Ownership and Retention Requirements** - Executive officers are required to own, within five years of appointment or promotion, company common stock equal to a multiple of their base salary. Our CEO is required to own stock equal to six times his base salary, and the other named executive officers are required to own stock equal to three times their base salary. The executive officers also must retain at least 50% of the net after-tax shares of stock vested through the long-term incentive plan for the earlier of two years or until termination of employment. Net performance shares must also be held until share ownership requirements are met.
- ☑ **Clawback Policy** - If the company's audited financial statements are restated due to any material noncompliance with the financial reporting requirements under the securities laws, the compensation committee may, or shall if required, demand repayment of some or all incentives paid to our executive officers within the last three years.

What We Do Not Do

- ☒ **Stock Options** - The company does not use stock options as a form of incentive compensation.
- ☒ **Employment Agreements** - Executives do not have employment agreements entitling them to specific payments upon termination or a change of control of the company.
- ☒ **Perquisites** - Executives do not receive perquisites that materially differ from those available to employees in general.
- ☒ **Hedge Stock** - Executives are not allowed to hedge company securities.
- ☒ **Pledge Stock** - Executives are not allowed to pledge company securities in margin accounts or as collateral for loans.
- ☒ **No Dividends or Dividend Equivalents on Unvested Shares** - We do not provide for payment of dividends or dividend equivalents on unvested share awards.
- ☒ **Tax Gross-Ups** - Executives do not receive tax gross-ups on their compensation.

2021 Compensation Framework

Compensation Decision Process for 2021

For 2021, the compensation committee made recommendations to the board of directors regarding compensation of all executive officers, and the board of directors then approved the recommendations. The CEO's role in the process includes the assessment of executive officer performance and recommending base salaries for the executive officers other than himself. The CEO attended all compensation committee meetings but was not present during discussions of his compensation. As it relates to decisions associated with compensation of executive officers for 2021, the compensation committee performed the following activities:

August 2020	November 2020	February 2021	February 2022
Received the market analysis from Meridian regarding executive base salaries and incentives to establish the 2021 salary grade structure and incentive guidelines.	Approved the 2021 salary and incentive compensation targets as recommended by the CEO for each executive officer other than himself.	Approved the 2021 performance metrics for annual and long-term incentives.	Certified the achievement of performance metrics and incentive payouts for the 2021 annual incentive and 2019-2021 performance share award.
	Determined and approved 2021 salary and incentive compensation for the CEO based on recommendations from Meridian.	Approved the 2021-2023 grant of share awards under the Long-Term Performance Based Incentive Plan.	

Compensation Policies and Practices as They Relate to Risk Management

The company completed an annual risk assessment of our 2021 compensation programs. The conclusion of the 2021 risk assessment was that our compensation policies and practices do not create risks which could have a material adverse effect on the company. After review and discussion of the assessment with the general counsel, chief human resources officer, and the CEO, the compensation committee concurred with management's assessment.

In assessing the risks arising from our compensation policies and practices, the company identified the following practices designed to prevent excessive risk taking:

- Business management and governance practices:
  - the use of human capital management systems and processes to attract, recruit, train, develop and retain employees to achieve short- and long-term objectives;
  - risk management is a specific performance competency included in the annual performance assessment of executives;
  - board oversight on capital expenditure and operating plans promotes careful consideration of financial assumptions;
  - board approval on business acquisitions above a specific dollar amount or on any transaction involving the exchange of company common stock;
  - employee integrity training programs and anonymous reporting systems;
  - quarterly risk assessment reports at audit committee meetings; and
  - prohibitions on holding company stock in an account that is subject to a margin call, pledging company stock as collateral for a loan, and hedging of company stock by executive officers and directors.
- Executive compensation practices:
  - active compensation committee review of all executive compensation programs as well as comparison of company performance to its peer group;
  - initial determination of a position's salary grade to be at or near the 50th percentile of base salaries paid to similar positions at peer group companies and/or relevant industry companies;
  - consideration of peer group and/or relevant industry practices to establish appropriate target compensation;

- a balanced compensation mix of base salary as well as annual and long-term incentives tied primarily to the company's financial and stock performance;
- use of interpolation for annual and long-term incentive awards to avoid payout cliffs;
- compensation committee negative discretion to adjust any annual incentive award payment downward;
- use of caps on annual incentive awards with a combined maximum of 200% of target for MDU Resources executives and the regulated energy delivery businesses and a combined maximum of 240% of target for construction materials and services businesses;
- use of caps on long-term incentive stock grant awards with a maximum of 200% of target;
- ability to clawback incentive payments in the event of a financial restatement;
- use of performance shares and restricted stock units, rather than stock options or stock appreciation rights, as an equity component of incentive compensation;
- use of performance shares for 75% of the long-term incentive award opportunity with relative total stockholder return and earnings growth performance measures;
- use of restricted stock units for 25% of the long-term incentive award opportunity to serve as a retention tool;
- use of three-year performance periods for performance shares and restricted stock units to discourage short-term risk-taking;
- substantive annual incentive goals measured primarily by earnings per share for all Section 16 officers in addition to segment earnings or segment EBITDA for business segment presidents, which are measures important to stockholders and encourage balanced performance;
- use of financial performance metrics that are readily monitored and reviewed;
- regular review of companies in the compensation and long-term incentive peer groups to ensure appropriateness and industry match;
- stock ownership requirements for the board and for executives participating in the MDU Resources Long-Term Performance-Based Incentive Plan;
- mandatory holding periods of net after-tax company stock awards to executives until stock ownership requirements are achieved and mandatory holding periods for 50% of any net after-tax shares of stock earned under the long-term incentive awards until the earlier of (1) the end of the two-year period commencing on the date any stock earned under such award is issued, and (2) the executive's termination of employment; and
- use of independent consultants to assist in establishing pay targets and compensation structure.

Components of Compensation

Our executive compensation program is designed to promote sustained long-term profitability and create stockholder value. The components of our executive officers' compensation are selected to drive financial and operational results as well as align the executive officer's interests with those of our stockholders. Pay components and performance measures are considered by the compensation committee as fundamental financial measures of successful company performance and long-term value creation. The components of our 2021 executive compensation included:

Component	Payments	Purpose	How Determined	How it Links to Performance
Base Salary	Assured	Provides sufficient, regularly paid income to attract and retain executives with the knowledge, skills, and abilities necessary to successfully execute their job responsibilities and reflects the individual role, responsibilities, performance, and experience of each named executive officer and the importance of the role to the company.	Based on analysis by the compensation consultant to be within range of the 50th percentile of salary survey data and recommendation from the CEO for executives other than himself and analysis of peer company and industry compensation information. Base salary for the CEO is determined after consideration of input from the independent compensation consultant.	Base salary is a means to attract and retain talented executives capable of driving success and performance.
Annual Cash Incentive	Performance Based At Risk	Provides an opportunity to earn annual incentive compensation to ensure focus on annual financial and operating results and to be competitive from a total remuneration standpoint.	Annual cash incentives are calculated as a percentage of base salary with payout based on the achievement of performance measures established by the compensation committee.	Annual incentive performance measures are tied to the achievement of financial goals aimed to drive the success of the company and the individual business segments.
Performance Shares	Performance Based At Risk	Provides an opportunity to earn long-term compensation to ensure focus on long-term value creation and the company's strategic objectives and to be competitive from a total remuneration standpoint.	Performance share awards represent 75% of total long-term incentive award recommended by the CEO and approved by the compensation committee for executives other than himself and determined by the compensation committee based on input from the independent compensation consultant for the CEO. Vesting of the awards is based on the company's achievement of financial measures established by the compensation committee as well as total stockholder return in comparison to the company's peer group over a three-year performance period.	Fosters ownership in company stock and aligns the executive's interests with those of stockholders in increasing long-term stockholder value.
Time-Vesting Restricted Stock Units	Retention Based At Risk	Provides an opportunity to earn long-term compensation as long as the executive remains an employee of the company through the vesting period.	Time-vesting restricted stock units represent 25% of the total long-term incentive award recommended by the CEO and approved by the compensation committee for executives other than himself and determined by the compensation committee based on input from the independent compensation consultant for the CEO. Vesting of the awards is at the end of a three-year vesting period as long as the executive remains employed with the company through the vesting period.	Fosters continued leadership in the company to achieve company objectives through retention of key executives as well as aligning the executive's interests with those of stockholders in increasing long-term stockholder value.

Allocation of Total Target Compensation for 2021

Total target compensation consists of base salary plus target annual and long-term incentive compensation. Incentive compensation, which consists of annual cash incentive and three-year long-term incentive award opportunities, comprises the largest portion of our named executive officers' total target compensation because:

- equity awards align the interests of the named executive officers with those of stockholders by making a significant portion of their target compensation contingent upon results beneficial to stockholders;
- our named executive officers are in positions of authority to drive, and therefore bear high levels of responsibility for, our corporate performance;
- variable compensation helps ensure focus on the goals that are aligned with overall company strategy; and
- incentive compensation is more variable than base salary and dependent upon company performance and the satisfaction of performance objectives.

The compensation committee generally allocates a higher percentage of total target compensation to the target long-term incentive than to the target annual incentive for our higher level executives because they are in a better position to influence long-term performance. The long-term incentive awards are paid in company common stock. These awards, combined with our stock retention requirements and our stock ownership policy, promote ownership of our stock by the executive officers. As a result, the compensation committee believes the executive officers, as stockholders, will be motivated to deliver long-term value to all stockholders.

Peer Groups

The compensation committee reviews the peer companies used for compensation analysis of executive positions and the company's relative total stockholder return performance periodically to assess their ongoing relevance and credibility. The compensation committee's consultant, Meridian, aids in the selection of appropriate peer companies by evaluating potential peer companies in the construction and engineering, construction materials, utility and other related industries which are similar in size in terms of revenues and market capitalization.

For review of compensation of the CEO and CFO positions, Meridian used market data from 21 peer companies, shown in bold in the table below. For review of compensation of all other executive officer positions, Meridian used compensation data from additional companies in Willis Towers Watson's 2020 General Industry Executive Compensation Survey.

Companies used for compensation peer group included:

2021 Compensation Peer Companies		
Alcoa Corporation	Eastman Chemical Company	**Portland General Electric Company**
Allegheny Technologies Incorporated	Edison International	PPL Corporation
Alliant Energy Corporation	**EMCOR Group, Inc.**	Public Service Enterprise Group Incorporated
Ameren Corporation	Entergy Corporation	**Quanta Services, Inc.**
Ashland Global Holdings, Inc.	**Evergy Inc.**	Scotts Miracle-Gro Company
Atmos Energy Corporation	Eversource Energy	Sealed Air Corporation
Avery Dennison Corporation	**Granite Construction Incorporated**	SNC-Lavalin Group Inc.
Avient Corporation	Graphic Packaging Holding Company	Sonoco Products Company
Axalta Coating Systems LTD.	H.B. Fuller Company	**Southwest Gas Holdings, Inc.**
Ball Corporation	International Flavors & Fragrances, Inc.	Spire Inc.
Berry Global Group, Inc.	**Jacobs Engineering Group, Inc.**	**Summit Materials, Inc.**
Black Hills Corporation	**KBR, Inc.**	UGI Corporation
Cabot Corporation	Kinross Gold Corporation	United States Steel Corporation
Celanese Corporation	**Martin Marietta Materials, Inc.**	Valvoline Inc.
CenterPoint Energy, Inc.	**MasTec, Inc.**	**Vulcan Materials Company**
CF Industries Holdings, Inc.	The Mosaic Company	**WEC Energy Group, Inc.**
The Chemours Company	Newmont Corporation	Westlake Chemical Corporation
Cheniere Energy, Inc.	**NiSource Inc.**	Worthington Industries, Inc.
Cleveland-Cliffs Inc.	OGE Energy Corp.	W.R. Grace & Co.
CMS Energy Corporation	ONE Gas, Inc.	Xcel Energy Inc.
Crown Holdings, Inc.	Owens-Illinois, Inc.	
Dycom Industries, Inc.	**Pinnacle West Capital Corporation**	
Companies shown in bold are the companies used for compensation benchmarking of the CEO and CFO positions.		

To determine relative total stockholder return performance in conjunction with our 2021-2023 performance share award, Meridian recommended, and the compensation committee approved, using a peer group of 49 select companies within the utility, materials and construction and engineering industries from the S&P MidCap 400 Index as it is a stable, robust group of companies reflective of our company's size, value, and risk profile.

2021 Compensation for Our Named Executive Officers

2021 Base Salary and Incentive Targets

At its November 2020 meeting, the compensation committee approved 2021 base salaries as well as the target annual and long-term incentive compensation opportunities for the named executive officers. At its February 2021 meeting, the compensation committee approved the annual and long-term incentive performance measures for our named executive officers. In determining base salaries, target annual cash incentives, target long-term equity incentives, and target total direct compensation for our named executive officers, the compensation committee received and considered company and individual performance, market and peer data, responsibilities, experience, tenure in position, internal equity, and input and recommendations from the CEO, and the independent compensation consultant, Meridian. The following information relates to each named executive officer's 2021 base salary, target annual cash incentive, target long-term equity incentive, and target total direct compensation:

David L. Goodin	2021 ($)	Compensation Component as a % of Base Salary
Base Salary	1,000,000	
Target Annual Cash Incentive Opportunity	1,250,000	125%
Target Long-Term Equity Incentive Opportunity	2,800,000	280%
Target Total Direct Compensation	5,050,000	
The compensation committee considered information provided in Meridian's 2020 compensation study showing Mr. Goodin's base salary, total cash compensation, and long-term incentives were below the median of the compensation peer group and increased Mr. Goodin's base salary by 4.2%. Mr. Goodin's 2021 annual incentive target remained at 125% of his base salary. The compensation committee, based on recommendations from Meridian, set Mr. Goodin's long-term incentive target at $2,800,000, which is an increase from 250% to 280% of his base salary.		

Jason L. Vollmer	2021 ($)	Compensation Component as a % of Base Salary
Base Salary	490,000	
Target Annual Cash Incentive Opportunity	367,500	75%
Target Long-Term Equity Incentive Opportunity	735,000	150%
Target Total Direct Compensation	1,592,500	
Mr. Vollmer received an 11.4% increase in his base salary in 2021. The compensation committee considered information provided in Meridian's 2020 compensation study showing Mr. Vollmer's base salary was below market based on peer group and compensation survey data. The compensation committee maintained Mr. Vollmer's target annual cash incentive opportunity at 75% of base salary but the compensation committee increased his long-term incentive target from 120% to 150% of his base salary.		

David C. Barney	2021 ($)	Compensation Component as a % of Base Salary
Base Salary	512,500	
Target Annual Cash Incentive Opportunity	384,375	75%
Target Long-Term Equity Incentive Opportunity	768,750	150%
Target Total Direct Compensation	1,665,625	
Mr. Barney received a 5.2% increase in base salary for 2021. The compensation committee maintained Mr. Barney's target annual cash incentive opportunity at 75% of his base salary and increased his long-term incentive target from 120% to 150% of his base salary.		

Jeffrey S. Thiede	2021 ($)	Compensation Component as a % of Base Salary
Base Salary	507,500	
Target Annual Cash Incentive Opportunity	380,625	75%
Target Long-Term Equity Incentive Opportunity	761,250	150%
Target Total Direct Compensation	1,649,375	
Mr. Thiede received a 4.2% increase in his base salary for 2021. The compensation committee maintained Mr. Thiede's target annual cash incentive opportunity at 75% of his base salary and increased his long-term incentive target from 120% to 150% of his base salary.		

Nicole A. Kivisto	2021 ($)	Compensation Component as a % of Base Salary
Base Salary	507,500	
Target Annual Cash Incentive Opportunity	380,625	75%
Target Long-Term Equity Incentive Opportunity	761,250	150%
Target Total Direct Compensation	1,649,375	
Ms. Kivisto received a base salary increase of 4.2% for 2021. The compensation committee maintained her target annual cash incentive opportunity at 75% of her base salary and increased her long-term incentive target from 120% to 150% of her base salary.		

Annual Cash Incentives

Annual cash incentive awards are received by business segment executives through the achievement of financial performance measures specific to each business segment plus a performance measure tied to overall company earnings per share. For corporate executives, including our CEO and CFO, the annual cash incentive award was based solely on the achievement of overall company EPS. Through this, our business segment executives are incentivized to primarily focus on the success and performance of their business segments while keeping the overall financial success of the company in mind, whereas our corporate executives are incentivized to assist in the success and performance of all lines of business.

The compensation committee selected objective financial performance measures to ensure that compensation to the executives reflects the success of their respective business segments and the company. The annual incentive performance measures for each business segment president include a corporate earnings per share performance measure representing 20% of the target award opportunity and a business segment financial performance measure representing 80% of the target award opportunity. In February 2021, the compensation committee set performance targets that it believed were rigorous based on the company's capital and business plans, prior year results, and anticipated future market conditions. To incentivize executives to make decisions that have long-term positive impact, even at the expense of short-term results, and to prevent one-time gains and losses from having an undue impact on incentive payments, the compensation committee designed its annual incentive measures to allow for adjustments for certain unplanned events that impact our performance targets but are not indicative of underlying business performance. The following annual incentive performance measures for 2021 were adopted by the compensation committee for the business segment presidents at its February 2021 meeting:

<table>
<tr><th>Measure</th><th>Applies to</th><th>Purpose</th><th>Measurement</th><th>Target</th><th>Weight</th><th>How Target was Selected</th></tr>
<tr><td rowspan="2">MDU Resources Diluted Adjusted Earnings per Share (EPS)</td><td>All Business Segment Presidents</td><td rowspan="2">EPS is a generally accepted accounting principle (GAAP) measurement and is a key driver of stockholder return. This is the basis on which we provide annual performance expectations and consistent with how we report results to the financial community. This goal applies to the presidents of all business segments and corporate officers to engage them as members of the company's management policy committee in the overall success of the company.</td><td rowspan="2">GAAP EPS (diluted) before discontinued operations plus earnings/losses from any operations discontinued after December 31, 2020, and adjustments approved by the compensation committee to remove:
- the effect on earnings at the company level of intersegment earnings eliminations;
- the negative effect on earnings from asset sales/dispositions/ retirements;
- the effect on earnings from withdrawal liabilities relating to multiemployer pension plans;
- the effect on earnings from transaction costs incurred for acquisitions or mergers; and
- the effect on earnings from unanticipated changes and interpretation of tax law.
The positive effect on earnings from asset sales/dispositions/ retirements will be considered for removal if the compensation committee determines such positive effect is not indicative of underlying business performance.</td><td rowspan="2">$2.05</td><td>20%</td><td rowspan="2">Target reflects 2021 financial goal to achieve an estimated return on invested capital of 8.6%. The 2021 target is 29 cents more than the 2020 target and 10 cents more than 2020 actual EPS before discontinued operations (diluted).</td></tr>
<tr><td>MDU Resources Corporate Officers</td><td>100%</td></tr>
<tr><td rowspan="2">Business Segment Earnings</td><td>Electric and Natural Gas Distribution Segments President</td><td rowspan="2">Provides a measure of financial performance and an incentive to drive business results. Regulated entities are valued based on earnings potential and rate base.</td><td rowspan="2">GAAP business segment earnings before discontinued operations plus earnings/losses from any operations discontinued after December 31, 2020, and adjustments approved by the compensation committee to remove:
- the negative effect on earnings from asset sales/dispositions/ retirements;
- the effect on earnings from transaction costs incurred for acquisitions or mergers; and
- the effect on earnings from unanticipated changes and interpretation of tax law.
The positive effect on earnings from asset sales/dispositions/ retirements will be considered for removal if the compensation committee determines such positive effect is not indicative of underlying business performance.</td><td>$104.5 million</td><td>80%</td><td>Target reflects the 2021 financial goal for the business segments to achieve an estimated return on invested capital of 4.9%. The 2021 target is 4.8% above 2020 actual results reflecting continued investment in its infrastructure and regulatory recovery from completed and pending rate cases.</td></tr>
<tr><td>Pipeline Segment President</td><td>$37.5 million</td><td>80%</td><td>Target reflects the 2021 financial goal of the business segment to achieve an estimated return on invested capital of 7.3%. The 2021 target is 1.4% above the 2020 actual results and reflects the business segment's continued execution of pipeline expansion projects.</td></tr>
</table>

<table>
<tr><th>Measure</th><th>Applies to</th><th>Purpose</th><th>Measurement</th><th>Target</th><th>Weight</th><th>How Target was Selected</th></tr>
<tr><td rowspan="2">Business Segment Earnings Before Interest, Tax, Depreciation, and Amortization (EBITDA)</td><td>Construction Materials and Contracting Segment President</td><td rowspan="2">Provides a measure of financial performance common to the industries in which these segments operate. Focusing on EBITDA encourages growth by excluding the impact of decisions regarding interest, taxes, depreciation, and amortization made during the acquisition process.</td><td rowspan="2">EBITDA from continuing operations adjusted plus EBITDA from any operations discontinued after December 31, 2020, and adjustments approved by the compensation committee to remove:
- the negative effect on EBITDA from asset sales/dispositions/ retirements;
- the effect on EBITDA from withdrawal liabilities relating to multiemployer pension plans; and
- the effect on EBITDA from transaction costs incurred for acquisitions or mergers.
The positive effect on earnings from asset sales/dispositions/ retirements will be considered for removal if the compensation committee determines such positive effect is not indicative of underlying business performance.</td><td>$308.6 million</td><td>80%</td><td>Target reflects the 2021 financial goal of the business segment to achieve an estimated return on invested capital of 11.5% and is 0.9% above the actual 2020 EBITDA results. The increase reflects acquisitions completed in 2020 and backlog at 2020 year-end.</td></tr>
<tr><td>Construction Services Segment President</td><td>$183.9 million</td><td>80%</td><td>Target reflects the 2021financial goal of the business segment to achieve an estimated return on invested capital of 26.0% and is 6.1% above the actual 2020 EBITDA results reflecting backlog at 2020 year-end and anticipated organic and acquisition growth.</td></tr>
</table>

Actual performance results are compared to target performance measures to arrive at a percent of target achieved. The percent of target achieved is translated into a payout percentage of the target award opportunity. Achievement of 100% of the target performance measure results in a payout of 100% of the target award opportunity. Achievement of an established threshold is required to receive partial payment of the target award opportunity. Results achieved below the established threshold result in no payout. The threshold and maximum performance as well as the associated payout opportunity are depicted in the following chart:

		Threshold		Maximum	
Measure	**Weighting**	**% of Target**	**Payout %**	**% of Target**	**Payout %**
MDU Resources Diluted Adjusted EPS	20% / 100%	85%	25%	115%	200%
Electric and Natural Gas Distribution Earnings	80%	90%	50%	110%	200%
Pipeline Earnings	80%	85%	25%	115%	200%
Construction Materials and Contracting EBITDA	80%	75%	25%	115%	250%
Construction Services EBITDA	80%	65%	25%	115%	250%

Results achieved between payout levels are calculated using linear interpolation.

2021 Annual Incentive Results

The 2021 performance measure results, percent of target achieved based on those results, and the associated payout percentages reflect the company's 2021 financial performance and are presented below:

Business Segment	Performance Measure	Result	Percent of Performance Measure Achieved	Percent of Award Opportunity Payout	Weight	Weighted Award Opportunity Payout %
MDU Resources Corporate Officers	Earnings per Share	$1.87	91.2%	56.1%	100%	56.1%
All Business Segment Presidents	Earnings per Share	$1.87	91.2%	56.1%	20%	11.2%
Electric and Natural Gas Distribution	Earnings	$103.5 million	99.0%	95.2%	80%	76.2%
Pipeline*	Earnings	$40.9 million	109.0%	159.9%	80%	127.9%
Construction Materials and Contracting*	EBITDA	$295.1 million	95.6%	86.9%	80%	69.5%
Construction Services*	EBITDA	$168.7 million	91.8%	82.4%	80%	65.9%

*The pipeline, construction materials and contracting, and construction services results were adjusted to remove the effect of transaction costs incurred for acquisitions and mergers.

Based on the achievement of the performance targets, the named executive officers received the following 2021 annual incentive compensation:

Name	Target Annual Incentive ($)	Annual Incentive Earned Payout as a % of Target (%)	Annual Incentive Earned Amount ($)
David L. Goodin	1,250,000	56.1	701,250
Jason L. Vollmer	367,500	56.1	206,168
David C. Barney	384,375	80.7	310,191
Jeffrey S. Thiede	380,625	77.1	293,462
Nicole A. Kivisto	380,625	87.4	332,666

Long-Term Incentives

All of our named executive officers participated in the 2021 long-term incentive plan which consists of 75% performance shares that align long-term compensation with the achievement of pre-determined financial goals and 25% time-vesting restricted stock units that incentivize retention of our executives and alignment with the interests of our stockholders. Long-term incentive compensation comprised 55.4% of the CEO's 2021 total target direct compensation and 46.1% of the average of the other named executive officer's total target direct compensation. Stock earned under long-term incentive compensation is subject to our stock retention requirements.

Grant of 2021-2023 Long-Term Equity Incentive Awards

On February 11, 2021, for the 2021-2023 period, the compensation committee determined the target number of performance shares and time-vesting restricted stock units to be granted to each named executive officer by dividing a selected target long-term award amount by the average of the closing prices of our stock from January 1 through January 22, 2021, which was $27.22 per share. Based on this price, the compensation committee awarded 75% of the target long-term incentive shares as performance share opportunities and 25% of the target long-term incentive shares as time-vesting restricted stock units. The following depicts the long-term incentive opportunities for the named executive officers:

Name	Base Salary ($)	Target Long-Term Incentive of Base Salary (%)	Long-Term Incentive Target ($)	Total Target Long-Term Incentive Share Opportunities (#)	75% Performance Share Opportunities (#)	25% Time-Vesting Restricted Stock Unit Opportunities (#)
David L. Goodin	1,000,000	280	2,800,000	102,865	77,149	25,716
Jason L. Vollmer	490,000	150	735,000	27,002	20,252	6,750
David C. Barney	512,500	150	768,750	28,242	21,182	7,060
Jeffrey S. Thiede	507,500	150	761,250	27,966	20,975	6,991
Nicole A. Kivisto	507,500	150	761,250	27,966	20,975	6,991

The performance share portion of the grant may vest at the end of a three-year period between 0% and 200%. Determination of vesting is based on the achievement of two separate performance measures each making up 50% of the award:

- Total stockholder return relative to that of a group of peer companies selected from the S&P 400 MidCap Index is the measure to align with the company's performance relative to our peers;
- Compound annual growth rate in earnings from continuing operations is the measure to encourage continued growth of the company.

Earnings used to calculate earnings growth from continuing operations for the 2021 awards may be adjusted, as such adjustments are approved by the compensation committee, to remove:

- the effect on earnings from losses/impairments on asset sales/dispositions/retirements;
- the effect on earnings from withdrawal liabilities relating to multiemployer pension plans;
- the effect on earnings from costs incurred for acquisitions or mergers; and
- the effect on earnings from unanticipated tax law changes.

Vesting of performance shares and associated dividend equivalents is predicated on achievement of an established threshold associated with each performance measure. We do not disclose actual financial performance targets of our long-term incentive plan as such disclosure could result in competitive harm. Achievement at the threshold level of the performance measure results in vesting of 20% of the associated portion of the performance share award. Actual results of the performance measure achieved below the threshold lead to zero vesting of the associated portion of the performance share award. Maximum performance measure levels have also been established for each performance measure and result in vesting of 200% of the associated portion of the performance share award. Thresholds and maximum payouts as a percentage of target performance for the 2021 measures are:

The Company's Peer TSR Percentile Rank	The Company's Earnings Growth Rate as a Percentage of Target	Vesting Percentage of Award Target
75th or higher	153.8% or higher	200%
50th	Target	100%
25th	46.2%	20%
Less than 25th	less than 46.2%	0%

Vesting for performance falling between the intervals is interpolated.

The time-vesting restricted stock units represent 25% of the long-term incentive opportunity and will vest on December 31, 2024, as long as the executive remains continuously employed with the company.

Vesting of 2019-2021 Performance Share Awards

For the 2019-2021 period, the long-term incentive program consisted solely of performance shares. The performance criteria used for vesting of the 2019-2021 performance share awards was:

- 50% based on our company's total stockholder return as a percentile of the total stockholder return of our peer companies over the three-year performance period;
- 25% based on EBITDA growth over the three-year performance period; and
- 25% based on earnings growth over the three-year performance period.

Performance Criteria	Result	Vesting %	Weighting	Weighted Payout
Relative TSR Percentile Ranking	41st	71.2%	50%	35.6%
EBITDA Growth*	11.5%	200.0%	25%	50.0%
Earnings Growth*	12.1%	200.0%	25%	50.0%
Total Weighted Payout				135.6%

*The 2021 EBITDA and earnings results used in the calculation of EBITDA Growth and Earnings Growth were adjusted to remove the effect of costs incurred for acquisitions and mergers. These adjustments had no impact on the vesting percentages.

The named executive officers received the following long-term compensation for the 2019-2021 performance period:

Name	Target Performance Shares (#)	Performance Shares Vested (#)	Dividend Equivalents ($)
David L. Goodin	98,806	133,980	335,620
Jason L. Vollmer	19,761	26,795	67,121
David C. Barney	24,083	32,656	81,803
Jeffrey S. Thiede	24,083	32,656	81,803
Nicole A. Kivisto	24,083	32,656	81,803

Stock Retention Requirement

The named executive officers must retain 50% of the net after-tax shares vested pursuant to the long-term incentive awards for the earlier of two years from the date the vested shares are issued or the executive's termination of employment. The executive officer is also required to retain all vested share awards net of taxes if the executive has not met the stock ownership requirements under the company's stock ownership policy for executives.

Other Benefits

The company provides post-employment benefit plans and programs in which our named executive officers may be participants. We believe it is important to provide post-employment benefits which approximate retirement benefits paid by other employers to executives in similar positions. The compensation committee periodically reviews the benefits provided to maintain a market-based benefits package. Our named executive officers participated in the following plans during 2021 which are described below:

Plans	David L. Goodin	Jason L. Vollmer	David C. Barney	Jeffrey S. Thiede	Nicole A. Kivisto
Pension Plans	Yes	Yes	No	No	Yes
401(k) Retirement Plan	Yes	Yes	Yes	Yes	Yes
Supplemental Income Security Plan	Yes	No	Yes	No	Yes
Company Credit to MDUR Deferred Compensation Plan	No	Yes	Yes	Yes	No

Pension Plans

Effective in 2006, the defined benefit pension plans were closed to new non-bargaining unit employees and as of December 31, 2009, the defined benefit plans were frozen. For further details regarding the company's pension plans, refer to the section entitled "Pension Benefits for 2021."

401(k) Retirement Plan

The named executive officers as well as employees working a minimum of 1,000 hours per year are eligible to participate in the 401(k) plan and defer annual income up to the IRS limit. The named executive officers receive a company match up to 3% depending on their elected deferral rate. Contributions and the company match are invested in various funds based on the employee's election including company common stock.

In 2010, the company began offering increased company contributions to our 401(k) plan in lieu of pension plan contributions. For non-bargaining unit employees hired after 2006 or employees who were not previously participants in the pension plan, the added retirement contribution is 5% of plan eligible compensation. For non-bargaining unit employees hired prior to 2006 who were participants in the pension plan, the added retirement contributions are based on the employee's age as of December 31, 2009. The retirement contribution is 11.5% for Mr. Goodin, 9.0% for Ms. Kivisto, 7.0% for Mr. Vollmer, and 5.0% for Messrs. Barney and Thiede. These amounts may be reduced in accordance with the provisions of the 401(k) plan to ensure compliance with IRS limits.

Supplemental Income Security Plan

We offered certain key managers and executives benefits under a nonqualified retirement plan referred to as the Supplemental Income Security Plan (SISP). The SISP provides participants with additional retirement income and death benefits payable for 15 years. Effective February 11, 2016, the SISP was amended to exclude new participants to the plan and freeze current benefit levels for existing participants. For further details regarding the company's SISP, refer to the section entitled "Pension Benefits for 2021." Named executive officers participating in the SISP are Messrs. Goodin and Barney and Ms. Kivisto.

The following table reflects our named executive officers' SISP benefits as of December 31, 2021:

	SISP Benefits	
Name	Annual Death Benefit ($)	Annual Retirement Benefit ($)
David L. Goodin	552,960	276,480
Jason L. Vollmer	n/a	n/a
David C. Barney	262,464	131,232
Jeffrey S. Thiede	n/a	n/a
Nicole A. Kivisto	157,728	78,864

Nonqualified Defined Contribution Plan

The company adopted the Nonqualified Defined Contribution Plan (NQDCP) effective January 1, 2012, to provide retirement and deferred compensation for a select group of management and other highly compensated employees. After satisfying a vesting requirement for each contribution, distributions will be made in accordance with the terms of the plan. The Nonqualified Defined Contribution Plan was frozen to new participants and contributions and replaced with the MDU Resources Group, Inc. Deferred Compensation Plan (DCP) effective January 1, 2021. For further details regarding the company's NQDCP, refer to the section entitled "Nonqualified Deferred Compensation for 2021."

MDU Resources Group, Inc. Deferred Compensation Plan

The company adopted the MDU Resources Group, Inc. Deferred Compensation Plan (DCP) effective January 1, 2021, which provides a select group of management and other highly compensated employees the opportunity to defer compensation for retirement and other financial purposes. Participants in the plan may defer a portion of their salary and/or annual incentive. The compensation committee, upon recommendation from the CEO, may approve company contributions for select participants which vest over a three-year period. Company contributions recognize the participant's contributions to the company and serve as a retention tool. After satisfying the vesting requirements, distribution will be made in accordance with the terms of the plan. For further details regarding the company's DCP, refer to the section entitled "Nonqualified Deferred Compensation for 2021."

For 2021, the compensation committee selected and approved company contributions of $49,000 to Mr. Vollmer, $150,000 to Mr. Barney, and $100,000 to Mr. Thiede. The contributions awarded to Messrs. Vollmer, Barney, and Thiede represent 10.0%, 29.3%, and 19.7% of their base salaries, respectively.

Deferral of Annual Incentive Compensation

Through 2020, our executives had the opportunity to defer receipt of earned annual incentives through the Executive Incentive Compensation Plan (EICP). If an executive chose to defer all or part of an annual incentive through the EICP, we credit the deferral with interest at a rate based on an average of the Treasury High Quality Market Corporate Bond Yield Curve for the last business day of each month for the twelve-month period from October to September. For 2021, the interest rate for deferrals was 3.2%. The compensation committee's reasons for using this interest rate recognize incentive deferrals are a low-cost source of capital for the company and are unsecured obligations and, therefore, carry an associated level of risk to the executives. The option to defer incentive compensation under the EICP was eliminated beginning 2021 and replaced by the MDU Resources Group, Inc. Deferred Compensation Plan (DCP). Under the DCP, participants may defer salary and/or annual incentive and choose from a selection of hypothetical investment options. For further details regarding the company's DCP, refer to the section entitled "Nonqualified Deferred Compensation for 2021."

Employment and Severance Agreements

We currently do not have employment or severance agreements with our executives entitling them to specific payments upon termination of employment or a change of control of the company. The compensation committee generally considers providing severance benefits on a case-by-case basis. Any post-employment or change of control benefits available to our executives are addressed within our incentive and retirement plans. Refer to the section entitled "Potential Payments upon Termination or Change of Control."

Compensation Governance

Impact of Tax and Accounting Treatment

The compensation committee may consider the impact of tax or accounting treatment in determining compensation. The compensation committee did not make any adjustments to the 2021 compensation program to address the impact of tax or accounting treatment. The compensation committee may also consider the accounting and cash flow implications of various forms of executive compensation. We expense salaries and annual incentive compensation as earned. For our equity awards, we record the accounting expense in accordance with Accounting Standards Codification Topic 718, which is generally expensed over the vesting period.

Stock Ownership Requirements

Executives participating in our Long-Term Performance-Based Incentive Plan are required within five years of appointment or promotion into an executive level to beneficially own our common stock equal to a multiple of their base salary as outlined in the stock ownership policy. In May 2021, the ownership multiple for our CEO was increased from 4 times to 6 times base salary. Stock owned through our 401(k) plan or by a spouse is considered in ownership calculations. The level of stock ownership compared to the ownership requirement is determined based on the closing sale price of our stock on the last trading day of the year and base salary at December 31 of the same year. The table shows the named executive officers' holdings as a multiple of their base salary.

Name	Ownership Policy Multiple of Base Salary Within 5 Years	Actual Holdings as a Multiple of Base Salary[1]	Ownership Requirement Must Be Met By:
David L. Goodin	6X	9.7	01/01/2018
Jason L. Vollmer	3X	3.4	01/01/2023
David C. Barney	3X	5.7	01/01/2019
Jeffrey S. Thiede	3X	6.4	01/01/2019
Nicole A. Kivisto	3X	5.7	01/01/2020

[1] Includes performance share awards earned net of taxes for the 2019-2021 performance period and unvested restricted stock units granted in February 2021.

Clawback

Our Long-Term Performance-Based Incentive Plan and EICP include provisions commonly referred to as a clawback policy. The compensation committee may, or shall if required, take action to recover incentive-based compensation from specific executives in the event the company is required to restate its financial statements due to material noncompliance with any financial reporting requirements under the securities laws.

Policy Regarding Hedging Stock Ownership

Our executive compensation policy prohibits executive officers, which includes our named executive officers, from hedging their ownership of company common stock. Executives may not enter into transactions that allow the executive to benefit from devaluation of our stock or otherwise own stock technically but without the full benefits and risks of such ownership. See the section entitled "Security Ownership" for our policy on margin accounts and pledging of our stock.

COMPENSATION COMMITTEE REPORT

The compensation committee is primarily responsible for reviewing, approving, and overseeing the company's compensation plans and practices and works with management and the committee's independent compensation consultant to develop the company executive compensation programs. The compensation committee has reviewed and discussed the Compensation Discussion and Analysis required by Regulation S-K, Item 402(b), with management. Based on the review and discussions referred to in the preceding sentence, the compensation committee recommended to the board of directors that the Compensation Discussion and Analysis be included in our Proxy Statement on Schedule 14A.

Karen B. Fagg, Chair
Thomas Everist
Patricia L. Moss

EXECUTIVE COMPENSATION TABLES

Summary Compensation Table for 2021

Name and Principal Position (a)	Year (b)	Salary ($) (c)	Stock Awards ($) (e)[1]	Non-Equity Incentive Plan Compensation ($) (g)	Change in Pension Value and Nonqualified Deferred Compensation Earnings ($) (h)[2]	All Other Compensation ($) (i)[3]	Total ($) (j)
David L. Goodin	2021	1,000,000	3,222,639	701,250	65,571	221,007	5,210,467
President and CEO	2020	960,000	2,974,497	1,818,000	484,134	186,779	6,423,410
	2019	860,000	3,029,392	1,403,520	735,366	116,077	6,144,355
Jason L. Vollmer	2021	490,000	845,942	206,168	—	122,163	1,664,273
Vice President and CFO	2020	440,000	654,388	499,950	6,880	105,928	1,707,146
	2019	400,000	605,877	489,600	8,455	86,049	1,589,981
David C. Barney	2021	512,500	884,789	310,191	—	219,420	1,926,900
President and CEO of	2020	487,000	725,030	804,646	86,980	220,062	2,323,718
Knife River Corporation	2019	468,500	738,389	843,300	174,117	201,771	2,426,077
Jeffrey S. Thiede	2021	507,500	876,148	293,462	—	171,822	1,848,932
President and CEO of	2020	487,000	725,030	852,128	—	170,362	2,234,520
MDU Construction	2019	468,500	738,389	843,300	—	151,751	2,201,940
Services Group, Inc.							
Nicole A. Kivisto	2021	507,500	876,148	332,666	2,645	83,272	1,802,231
President and CEO of	2020	487,000	725,030	436,839	184,058	73,374	1,906,301
Montana-Dakota Utilities Co.,	2019	455,000	738,389	480,139	243,761	54,763	1,972,052
Cascade Natural Gas Corporation,							
and Intermountain Gas Company							

1 Amounts in this column represent the aggregate grant date fair value of performance share award opportunities at target calculated in accordance with generally accepted accounting principles for stock-based compensation in Accounting Standards Codification Topic 718. This column was prepared assuming none of the awards were or will be forfeited. The amounts were calculated as described in Note 13 of our audited financial statements in our Annual Report on Form 10-K for the year ended December 31, 2021. For 2021, the aggregate grant date fair value of outstanding performance share award opportunities assuming the highest level of payout would be as follows:

Name	Aggregate Grant Date Fair Value at Highest Payout ($)
David L. Goodin	5,741,944
Jason L. Vollmer	1,507,271
David C. Barney	1,576,487
Jeffrey S. Thiede	1,561,092
Nicole A. Kivisto	1,561,092

2 Amounts shown for 2021 represent the change in the actuarial present value for the named executive officers' accumulated benefits under the pension plan, SISP, and Excess SISP, collectively referred to as the "accumulated pension change," plus above-market earnings on deferred annual incentives as of December 31, 2021.

Name	Accumulated Pension Change ($)	Above Market Earnings ($)
David L. Goodin	(111,487)	65,571
Jason L. Vollmer	(2,516)	—
David C. Barney	(46,638)	—
Jeffrey S. Thiede	—	—
Nicole A. Kivisto	(73,377)	2,645

3 All Other Compensation for 2021 is comprised of:

Name	401(k) Plan ($)[a]	Nonqualified Deferred Compensation Plan ($)[b]	Life Insurance Premium ($)	Matching Charitable Contributions ($)	Dividend Equivalents ($)[c]	Total ($)
David L. Goodin	42,050	—	774	3,600	174,583	221,007
Jason L. Vollmer	29,000	49,000	759	4,350	39,054	122,163
David C. Barney	23,200	150,000	774	1,200	44,246	219,420
Jeffrey S. Thiede	23,200	100,000	774	3,750	44,098	171,822
Nicole A. Kivisto	34,800	—	774	3,600	44,098	83,272

a Represents company contributions to the 401(k) plan, which includes matching contributions and retirement contributions associated with the frozen pension plans as of December 31, 2009.

b Represents company contribution amounts to the MDU Resources Group, Inc. Deferred Compensation Plan (DCP) which are approved by the compensation committee and the board of directors. The purpose of the plan is to recognize outstanding performance coupled with enhanced retention as the DCP requires a vesting period. For further information, see the section entitled "Nonqualified Deferred Compensation for 2021."

c Represents accrued dividend equivalents for 2021 on the 2021-2023, 2020-2022, and 2019-2021 performance share awards associated with financial performance measures and restricted stock units. The 2021-2023 and 2020-2022 awards are presented at target, and the 2019-2021 performance share awards are presented based on the actual achievement of the performance measures.

Grants of Plan-Based Awards in 2021

Name (a)	Grant Date (b)	Estimated Future Payouts Under Non-Equity Incentive Plan Awards: Threshold ($) (c)	Target ($) (d)	Maximum ($) (e)	Estimated Future Payouts Under Equity Incentive Plan Awards: Threshold (#) (f)	Target (#) (g)	Maximum (#) (h)	All Other Stock Awards: Number of Shares of Stock or Units (#) (i)	Grant Date Fair Value of Stock and Option Awards ($) (l)
David L. Goodin	2/11/2021 [1]	312,500	1,250,000	2,500,000					
	2/11/2021 [2]				15,429	77,149	154,298		2,519,306
	2/11/2021 [3]							25,716	703,333
Jason L. Vollmer	2/11/2021 [1]	91,875	367,500	735,000					
	2/11/2021 [2]				4,050	20,252	40,504		661,329
	2/11/2021 [3]							6,750	184,613
David C. Barney	2/11/2021 [1]	96,094	384,375	922,500					
	2/11/2021 [2]				4,236	21,182	42,364		691,698
	2/11/2021 [3]							7,060	193,091
Jeffrey S. Thiede	2/11/2021 [1]	95,156	380,625	913,500					
	2/11/2021 [2]				4,195	20,975	41,950		684,944
	2/11/2021 [3]							6,991	191,204
Nicole A. Kivisto	2/11/2021 [1]	171,281	380,625	761,250					
	2/11/2021 [2]				4,195	20,975	41,950		684,944
	2/11/2021 [3]							6,991	191,204

[1] Annual incentive for 2021 granted pursuant to the MDU Resources Group, Inc. Executive Incentive Compensation Plan.

[2] Performance shares for the 2021-2023 performance period granted pursuant to the MDU Resources Group, Inc. Long-Term Performance-Based Incentive Plan.

[3] Restricted Stock Units for the 2021-2023 period granted pursuant to the MDU Resources Group, Inc. Long-Term Performance-Based Incentive Plan.

Narrative Discussion Relating to the Summary Compensation Table and Grants of Plan-Based Awards Table

Annual Incentive

The compensation committee recommended the 2021 annual cash incentive award opportunities for our named executive officers and the board approved these opportunities at its meeting on February 11, 2021. The award opportunities at threshold, target, and maximum are reflected in columns (c), (d), and (e), respectively, of the Grants of Plan-Based Awards Table. The actual amount paid with respect to 2021 performance is reflected in column (g) of the Summary Compensation Table.

As described in the "Annual Incentives" section of the "Compensation Discussion and Analysis," payment of annual award opportunities is dependent upon achievement of performance measures; actual payout may range from 0% to 200% of the target except for the construction materials and contracting and construction services segments which may range from 0% to 240%.

All our named executive officers were awarded their annual incentive opportunities pursuant to the MDU Resources Group, Inc. Executive Incentive Compensation Plan. Under the Executive Incentive Compensation Plan, executives who retire during the year at or after age 65 remain eligible to receive a prorated award, but executives who terminate employment for other reasons are not eligible for an award. The compensation committee generally does not modify the performance measures; however, if in years of unusually adverse or favorable external conditions or other unforeseen significant factors beyond the control of management, the compensation committee may modify the performance measures. No performance measures were modified in determining 2021 annual incentives. The compensation committee has full discretion to determine the extent to which goals have been achieved, the payment level, and whether to adjust payment of awards downward based upon individual performance. For further discussion of the specific 2021 incentive plan performance measures and results, see the "Annual Incentives" section in the "Compensation Discussion and Analysis."

Long-Term Incentive

The compensation committee recommended long-term incentive award opportunities for the named executive officers in the form of 75% performance shares and 25% time-vesting restricted stock units, and the board approved the award opportunities at its meeting on February 11, 2021. The portion of the long-term incentive opportunities associated with performance shares are presented as the number of performance shares at threshold, target, and maximum in columns (f), (g), and (h) of the Grants of Plan-Based Awards Table. The value of the long-term performance-based incentive opportunities is based on the aggregate grant date fair value and is included in the amount recorded in column (e) of the Summary Compensation Table and column (l) of the Grant of Plan-Based Awards Table.

Depending on the achievement of the performance measures associated with our 2021-2023 performance period, executives will receive from 0% to 200% of the target performance share awards in February 2024. We also will pay dividend equivalents in cash on the number of shares actually vested for the performance period. The dividend equivalents will be paid in 2024 if and to the extent they vest and at the same time as the performance share awards are settled.

The portion of the long-term incentive opportunities associated with time-vesting restricted stock units are presented as the number of units in column (i) of the Grants of Plan-Based Awards Table. The value of the time-vesting restricted stock units is based on the aggregate grant date value and is included in the amount recorded in column (e) of the Summary Compensation Table and column (l) of the Grant of Plan-Based Awards Table.

Salary and Bonus in Proportion to Total Compensation

The following table shows the proportion of salary and bonus to total compensation as presented in the Summary Compensation Table. Bonuses for purposes of this table and the Summary Compensation Table refer to discretionary payments to executive officers outside of our executive incentive plans as described above. No bonuses were paid to the executive officers in 2021.

Name	Salary ($)	Bonus ($)	Total Compensation ($)	Salary and Bonus as a % of Total Compensation
David L. Goodin	1,000,000	—	5,210,467	19.2%
Jason L. Vollmer	490,000	—	1,664,273	29.4%
David C. Barney	512,500	—	1,926,900	26.6%
Jeffrey S. Thiede	507,500	—	1,848,932	27.4%
Nicole A. Kivisto	507,500	—	1,802,231	28.2%

Outstanding Equity Awards at Fiscal Year-End 2021

	Stock Awards			
Name (a)	Number of Unearned Shares, Units or Other Rights That Have Not Vested (#) (g)[1]	Market or Payout Value of Unearned Shares, Units or Other Rights That Have Not Vested ($) (h)[2]	Equity Incentive Plan Awards: Number of Unearned Shares, Units or Other Rights That Have Not Vested (#) (i)[3]	Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Other Rights That Have Not Vested ($) (j)[2]
David L. Goodin	25,716	793,081	356,952	11,008,400
Jason L. Vollmer	6,750	208,170	77,856	2,401,079
David C. Barney	7,060	217,730	89,382	2,756,541
Jeffrey S. Thiede	6,991	215,602	89,175	2,750,157
Nicole A. Kivisto	6,991	215,602	89,175	2,750,157

1 Below is the breakdown by year of the outstanding restricted stock unit awards:

Name	2021-2023 Grant (#)	Total (#)
David L. Goodin	25,716	25,716
Jason L. Vollmer	6,750	6,750
David C. Barney	7,060	7,060
Jeffrey S. Thiede	6,991	6,991
Nicole A. Kivisto	6,991	6,991

2 Value based on the number of performance shares and restricted stock units reflected in columns (g) and (i) multiplied by $30.84, the year-end per share closing stock price for 2021.

3 Below is a breakdown by year of the outstanding performance share awards:

Name	2019-2021 Award (#)	2020-2022 Award (#)	2021-2023 Award (#)	Total (#)
David L. Goodin	197,612	82,191	77,149	356,952
Jason L. Vollmer	39,522	18,082	20,252	77,856
David C. Barney	48,166	20,034	21,182	89,382
Jeffrey S. Thiede	48,166	20,034	20,975	89,175
Nicole A. Kivisto	48,166	20,034	20,975	89,175

Performance shares for the 2019 award are shown at the maximum level (200%) based on results for the 2019-2021 performance period being between threshold and target.

Performance shares for the 2020 award are shown at the target level (100%) based on results for the first two years of the 2020-2022 performance period being between threshold and target.

Performance shares for the 2021 award are shown at the target level (100%) based on results for the first year of the 2021-2023 performance period being above target.

While for purposes of the Outstanding Equity Awards at Fiscal Year-End 2021 Table, the number of shares and value shown for the 2019-2021 performance period is at 200% of target, the actual results for the performance period certified by the compensation committee and settled on February 16, 2022, was 135.6% of target. For further information, see the "Long-Term Incentives" section of the "Compensation Discussion and Analysis."

Option Exercises and Stock Vested During 2021

Name (a)	Stock Awards: Number of Shares Acquired on Vesting (#) (d)[1]	Stock Awards: Value Realized on Vesting ($) (e)[2]
David L. Goodin	105,921	3,155,916
Jason L. Vollmer	21,581	643,006
David C. Barney	39,477	1,176,217
Jeffrey S. Thiede	39,477	1,176,217
Nicole A. Kivisto	26,516	790,044

[1] Reflects performance shares for the 2018-2020 performance period ended December 31, 2020, and restricted stock units for Messrs. Barney and Thiede, all of which were settled February 11, 2021.

[2] Reflects the value of vested performance shares based on the closing stock price of $27.35 per share on February 11, 2021, and the dividend equivalents paid on the vested shares.

Pension Benefits for 2021

Name (a)	Plan Name (b)	Number of Years Credited Service (#) (c)[1]	Present Value of Accumulated Benefit ($) (d)
David L. Goodin	Pension	26	1,409,516
	Basic SISP	10	3,120,841
	Excess SISP [2]	26	45,034
Jason L. Vollmer	Pension	4	33,676
	Basic SISP [2]	n/a	—
	Excess SISP [2]	n/a	—
David C. Barney	Pension [2]	n/a	—
	Basic SISP	10	1,663,746
	Excess SISP [2]	n/a	—
Jeffrey S. Thiede	Pension [2]	n/a	—
	Basic SISP [2]	n/a	—
	Excess SISP [2]	n/a	—
Nicole A. Kivisto	Pension	14	324,230
	Basic SISP	10	673,647
	Excess SISP [2]	n/a	—

[1] Years of credited service related to the pension plan reflects the years of participation in the plan as of December 31, 2009, when the pension plan was frozen. Years of credited service related to the Basic SISP reflects the years toward full vesting of the benefit which is 10 years. Years of credited service related to Excess SISP reflects the same number of credited years of service as the pension plan.

[2] Messrs. Barney and Thiede are not eligible to participate in the pension plans. Messrs. Vollmer and Thiede do not participate in the SISP. Mr. Goodin is the only named executive officer eligible to participate in the Excess SISP.

The amounts shown for the pension plan, Basic SISP, and Excess SISP represent the actuarial present values of the executives' accumulated benefits accrued as of December 31, 2021, calculated using:

- a 2.38% discount rate for the Basic SISP and Excess SISP;
- a 2.60% discount rate for the pension plan;
- the Society of Actuaries Pri-2012 Total Dataset Mortality with Scale MP-2021 (post commencement only); and
- no recognition of pre-retirement mortality.

The actuary assumed a retirement age of 60 for the pension, Basic SISP, and Excess SISP benefits and assumed retirement benefits commence at age 60 for the pension and Excess SISP and age 65 for Basic SISP benefits.

Pension Plan

The MDU Resources Group, Inc. Pension Plan for Non-Bargaining Unit Employees (pension plan) applies to employees hired before 2006 and was amended to cease benefit accruals as of December 31, 2009. The benefits under the pension plan are based on a participant's average annual salary over the 60 consecutive month period where the participant received the highest annual salary between 1999 and 2009. Benefits are paid as straight life annuities for single participants and as actuarially reduced annuities with a survivor benefit for married participants unless they choose otherwise.

Supplemental Income Security Plan

The Supplemental Income Security Plan (SISP), a nonqualified defined benefit retirement plan, was offered to select key managers and executives. SISP benefits are determined by reference to levels defined within the plan. Our compensation committee, after receiving recommendations from our CEO, determined each participant's level within the plan. On February 11, 2016, the SISP was amended to exclude new participants to the plan and freeze current benefit levels for existing participants.

Basic SISP Benefits

Basic SISP is a supplemental retirement benefit intended to augment the retirement income provided under the pension plans. SISP benefits are payable to the participant or their beneficiary for a period of 15 years. The Basic SISP benefits are subject to a vesting schedule where participants are 100% vested after ten years of participation in the plan.

Participants can elect to receive the Basic SISP as:

- monthly retirement benefits only;
- monthly death benefits paid to a beneficiary only; or
- a combination of retirement and death benefits, where each benefit is reduced proportionately.

Regardless of the election, if the participant dies before the SISP retirement benefit commences, only the SISP death benefit is provided.

Excess SISP Benefits

Excess SISP is an additional retirement benefit relating to Internal Revenue Code limitations on retirement benefits provided under the pension plans. Excess SISP benefits are equal to the difference between the monthly retirement benefits that would have been payable to the participant under the pension plans absent the limitations under the Internal Revenue Code and the actual benefits payable to the participant under the pension plans. Participants are only eligible for the Excess SISP benefits if the participant is fully vested under the pension plan, their employment terminates prior to age 65, and benefits under the pension plan are reduced due to limitations under the Internal Revenue Code on plan compensation.

In 2009, the SISP was amended to limit eligibility for the Excess SISP benefit. Mr. Goodin is the only named executive officer eligible for the Excess SISP benefit. Benefits generally commence six months after the participant's employment terminates and continue to age 65 or until the death of the participant, if prior to age 65.

Both Basic and Excess SISP benefits are forfeited if the participant's employment is terminated for cause.

Nonqualified Deferred Compensation for 2021

Deferred Annual Incentive Compensation

Executives participating in the Executive Incentive Compensation Plan could elect to defer up to 100% of their annual incentive awards which would accrue interest at a rate determined each year based on an average of the Treasury High Quality Market Corporate Bond Yield Curve for the last business day of each month for the twelve month period from October to September. The interest rate in effect for 2021 was 3.2%. Payment of deferred amounts is in accordance with the participant's election either as lump sum or in monthly installments not to exceed 120 months, following termination of employment or beginning in the fifth year following the year the award was earned. In the event of a change of control, all amounts deferred would immediately become payable. For purposes of deferred annual incentive compensation, a change of control is defined as:

- an acquisition during a 12-month period of 30% or more of the total voting power of our stock;
- an acquisition of our stock that, together with stock already held by the acquirer, constitutes more than 50% of the total fair market value or total voting power of our stock;
- replacement of a majority of the members of our board of directors during any 12-month period by directors whose appointment or election is not endorsed by a majority of the members of our board of directors; or
- acquisition of our assets having a gross fair market value at least equal to 40% of the gross fair market value of all of our assets.

The deferred compensation provision of the Executive Incentive Compensation Plan was frozen to new contributions effective January 1, 2021.

Nonqualified Defined Contribution Plan

The company adopted the Nonqualified Defined Contribution Plan, effective January 1, 2012, to provide deferred compensation for a select group of employees. Company contributions to participant accounts were approved by the compensation committee and constitute an unsecured promise of the company to make such payments. Participant accounts capture the hypothetical investment experience based on the participant's elections. Participants may select from a group of investment options including fixed income, balance/asset allocation, and various equity offerings. Contributions made prior to 2017 vest four years after each contribution while contributions made in and after 2017 vest ratably over a three-year period in accordance with the terms of the plan. Participants may elect to receive their vested contributions and investment earnings either in a lump sum upon separation from service with the company or in annual installments over a period of years upon the latter of (i) separation from service and (ii) age 65. Plan benefits become fully vested if the participant dies while actively employed. Benefits are forfeited if the participant's employment is terminated for cause. The Nonqualified Defined Contribution Plan was frozen to new participants and contributions effective January 1, 2021.

MDU Resources Group, Inc. Deferred Compensation Plan

The company adopted the MDU Resources Group, Inc. Deferred Compensation Plan, effective January 1, 2021, to replace the option to defer annual incentive payments available under the Executive Incentive Compensation Plan and company contributions to participants' accounts through the Nonqualified Defined Contribution Plan. Under the MDU Resources Group, Inc. Deferred Compensation Plan, participants can defer up to 80% of base salary and up to 100% of their annual incentive payment. The company provides discretionary credits to select individuals recommended by the CEO and approved by the compensation committee, similar to the prior Nonqualified Defined Contribution Plan. Participants are 100% vested in their contributions of salary and/or annual incentive but vesting of discretionary employer credits occurs ratably over three years. Participants can establish one or more retirement or in-service accounts which capture the hypothetical investment experience based on a suite of investment options similar to the Nonqualified Defined Contribution Plan. Participants may elect to receive their vested contributions and investment earnings either in a lump sum or in annual installments over a period of years upon a qualifying distribution event. Plan benefits become fully vested if the participant dies or becomes disabled while actively employed. Benefits are forfeited if the participant's employment is terminated for cause.

The table below includes individual contributions and company contributions made during 2021 under the MDU Resources Group, Inc. Deferred Compensation Plan as well as elections under the Executive Incentive Compensation Plan to defer any 2020 annual incentive. Aggregate earnings and the balance represent the combined participant earnings and participant balances under all three nonqualified plans.

Name (a)	Executive Contributions in Last FY ($) (b)	Registrant Contributions in Last FY ($) (c)	Aggregate Earnings in Last FY ($) (d)	Aggregate Withdrawals/ Distributions ($) (e)	Aggregate Balance at Last FYE ($) (f)
David L. Goodin	909,000	—	115,788	—	3,820,617 [1]
Jason L. Vollmer	22,615	49,000	38,864	—	304,486 [2]
David C. Barney	—	150,000	71,867	—	1,012,863 [3]
Jeffrey S. Thiede	—	100,000	157,981	—	1,374,780 [4]
Nicole A. Kivisto	—	—	4,669	—	148,255

[1] Mr. Goodin deferred 50% of his 2020 annual incentive compensation paid in 2021 which was $1,818,000 as reported in the Summary Compensation Table for 2020.

[2] Mr. Vollmer deferred 5% of his base salary and received company credit of $49,000 under the MDU Resources Group, Inc. Deferred Compensation Plan for 2021. Mr. Vollmer's balance also includes contributions of $44,000, $40,000, $35,000, and $22,550 for 2020, 2019, 2018, and 2017, respectively to the Nonqualified Defined Contribution Plan. Each of these amounts are reported in column (i) of the Summary Compensation Table for its respective year, where applicable.

[3] Mr. Barney received $150,000 under the MDU Resources Group, Inc. Deferred Compensation Plan for 2021. Mr. Barney's balance also includes contributions of $150,000 for each of 2020, 2019, 2018, and 2017 to the Nonqualified Defined Contribution Plan. Each of these amounts are reported in column (i) of the Summary Compensation Table for its respective year.

[4] Mr. Thiede received $100,000 under the MDU Resources Group, Inc. Deferred Compensation Plan for 2021. Mr. Thiede's balance also includes contributions of $100,000 for each of 2020, 2019, 2018, 2017, and 2016; $150,000 for 2015; $75,000 for 2014; and $33,000 for 2013 to the Nonqualified Defined Contribution Plan. Each of these amounts was reported in column (i) of the Summary Compensation Table in the Proxy Statement for its respective year, where applicable.

Potential Payments upon Termination or Change of Control

The Potential Payments upon Termination or Change of Control Table shows the payments and benefits our named executive officers would receive in connection with a variety of employment termination scenarios or upon a change of control. The scenarios include:

- Voluntary or Not for Cause Termination;
- Death;
- Disability;
- Change of Control with Termination; and
- Change of Control without Termination.

For the named executive officers, the information assumes the terminations or the change of control occurred on December 31, 2021.

The table excludes compensation and benefits our named executive officers would earn during their employment with us whether or not a termination or change of control event had occurred. The tables also do not include benefits under plans or arrangements generally available to all salaried employees and that do not discriminate in favor of the named executive officers, such as benefits under our qualified defined benefit pension plan (for employees hired before 2006), accrued vacation pay, continuation of health care benefits, and life insurance benefits. The tables also do not include deferred compensation under our Executive Incentive Compensation Plan, Nonqualified Defined Contribution Plan, or MDU Resources Group, Inc. Deferred Compensation Plan. These amounts are shown and explained in the "Nonqualified Deferred Compensation for 2021" Table.

Compensation

None of our named executive officers have employment or severance agreements entitling them to their base salary, some multiple of base salary or severance upon termination or change of control. Our compensation committee generally considers providing severance benefits on a case-by-case basis. Because severance payments are discretionary, no amounts are presented in the tables.

All our named executive officers were granted their 2021 annual incentive award under the Executive Incentive Compensation Plan (EICP) which has no change of control provision in regards to annual incentive compensation other than for deferred compensation. The EICP requires participants to remain employed with the company through the service year to be eligible for a payout unless otherwise determined by the compensation committee for executive officers or employment termination after age 65. All our scenarios assume a termination or change in control event on December 31st. In these scenarios, the named executive officers would be considered employed for the entire performance period and would be eligible to receive their annual incentive award based on the level that the performance measures were achieved. Therefore, no amounts are shown for annual incentives in the tables for our named executive officers, as they would be eligible to receive their annual incentive award with or without a termination or change of control on December 31, 2021.

All named executive officers received their equity share awards under the Long-Term Performance-Based Incentive Plan (LTIP) which consist of performance share awards for the 2019-2021, 2020-2022, and 2021-2023 vesting periods and restricted stock units for the 2021-2023 vesting period.

Upon a change of control (with or without termination), the performance share and restricted stock unit awards would be deemed fully earned and vest at their target levels for the named executive officers. For this purpose, the term "change of control" is defined in the LTIP as:

- the acquisition by an individual, entity, or group of 20% or more of our outstanding common stock;
- a majority of our board of directors whose election or nomination was not approved by a majority of the incumbent board members;
- consummation of a merger or similar transaction or sale of all or substantially all of our assets, unless our stockholders immediately prior to the transaction beneficially own more than 60% of the outstanding common stock and voting power of the resulting corporation in substantially the same proportions as before the merger, no person owns 20% or more of the resulting corporation's outstanding common stock or voting power except for any such ownership that existed before the merger and at least a majority of the board of the resulting corporation is comprised of our directors; or
- stockholder approval of our liquidation or dissolution.

For termination scenarios other than a change of control which include voluntary or not for cause termination, death or disability, our performance share award agreements provide that performance share awards are forfeited if the participant's employment terminates before the participant has reached age 55 and completed 10 years of service. If a participant's employment terminates other than for cause after reaching age 55 and completing 10 years of service, performance share awards are prorated as follows:

- termination of employment during the first year of the vesting period = equity shares awards are forfeited;
- termination of employment during the second year of the vesting period = equity shares awards earned are prorated based on the number of months employed during the vesting period; and
- termination of employment during the third year of the vesting period = full amount of any equity shares awards earned are received.

Under the termination scenarios, Messrs. Goodin, Barney, and Thiede would receive performance shares as they have each reached age 55 and have 10 or more years of service. The number of performance shares received would be based on the following:

- 2019-2021 performance shares would vest based on the achievement of the performance measure for the period ended December 31, 2021, which was 135.6%;
- 2020-2022 performance shares would be prorated at 24 out of 36 months (2/3) of the vesting period and vest based on the actual achievement of the performance measure for the period ended December 31, 2022. For purposes of the Potential Payments upon Termination or Change of Control Table, the performance achievement for the performance period is shown at target; and
- 2021-2023 performance shares would be forfeited.

Neither Ms. Kivisto nor Mr. Vollmer have reached age 55; therefore, they are not eligible for vesting of performance shares in the event of their termination.

For termination scenarios other than a change of control, our restricted share award agreement provides that restricted stock unit share awards are forfeited if the participant's employment terminates for situations other than death or disability before the participant has reached age 55 and completed 10 years of service. If a participant's employment terminates after reaching age 55 and completing 10 years of service, restricted stock unit share awards are prorated as follows:

- termination of employment during the first year of the vesting period = restricted stock unit awards are forfeited;
- termination of employment during the second year of the vesting period = restricted stock unit awards earned are prorated based on the number of months employed during the vesting period; and
- termination of employment during the third year of the vesting period = full amount of any restricted stock unit awards earned are received.

In situations of death or disability, the restricted stock unit awards earned would be prorated based on the number of full months of employment completed from the grant date through the date of death or disability.

For 2021, our restricted stock unit awards are all in the first year of the vesting period. In the case of termination other than for cause, death or disability, our named executive officers would forfeit their 2021-2023 restricted stock units. In the case of termination due to death or disability, our named executive officers would receive 1/3 of the granted shares based on 12 out of 36 months of the vesting period.

For purposes of calculating the performance share and restricted stock unit award value shown in the Potential Payments upon Termination or Change of Control Table, the number of vesting shares was multiplied by the average of the high and low stock price for the last market day of the year, which was December 31, 2021. Dividend equivalents based on the number of vesting shares are also included in the amounts presented.

Benefits and Perquisites

Supplemental Income Security Plan

As described in the "Pension Benefits for 2021" section, the Basic SISP provides a benefit of payments for 15 years commencing at the latter of retirement or age 65. Of the named executive officers, only Messrs. Goodin, Barney, and Ms. Kivisto participate in the Basic SISP benefits and are 100% vested in their benefit.

Under all scenarios except death and change of control without termination, the payment represents the present value of the vested Basic SISP benefit as of December 31, 2021, using the monthly retirement benefit shown in the table below and a discount rate of 2.38%. In the event of death, Messrs. Goodin, Barney, and Ms. Kivisto's beneficiaries would receive monthly death benefit payments for 15 years. The Potential Payments upon Termination or Change of Control Table shows the present value calculations of the monthly death benefit using the 2.38% discount rate.

	Monthly SISP Retirement Payment ($)	Monthly SISP Death Payment ($)
David L. Goodin	23,040	46,080
David C. Barney	10,936	21,872
Nicole A. Kivisto	6,572	13,144

Because the plan requires a participant to be no longer actively employed by the company in order to be eligible for payments, we do not show benefits for the change of control without termination scenario.

Mr. Goodin is the only named executive officer eligible for the Excess SISP. Benefits generally commence six months after the participant's employment terminates and continue to age 65 or until the death of the participant, if prior to age 65. As explained in the "Pension Benefits for 2021", Excess SISP benefits are equal to the difference between the monthly retirement benefits that would have been payable to the participant under the pension plans absent the limitations under the Internal Revenue Code and the actual benefits payable to the participant under the pension plans. Under all scenarios except death or change of control without termination, the payment represents the present value of the monthly Excess SISP benefit discounted using a rate of 2.38%

Disability

We provide disability benefits to some of our salaried employees equal to 60% of their base salary, subject to a salary limit of $200,000 for officers and $100,000 for other salaried employees. For all eligible employees, disability payments continue until age 65 if disability occurs at or before age 60 and for five years if disability occurs between the ages of 60 and 65. Disability benefits are reduced for amounts paid as retirement benefits. The disability payments in the Potential Payments upon Termination or Change of Control Table reflect the present value of the disability benefits attributable to the additional $100,000 of base salary recognized for executives under our disability program, subject to the 60% limitation, after reduction for amounts that would be paid as retirement benefits. For Messrs. Goodin and Vollmer and Ms. Kivisto, who participate in the pension plan, the amount represents the present value of the disability benefit after reduction for retirement benefits using a discount rate of 2.60%. Because Mr. Goodin's retirement benefit is greater than the disability benefit, the amount shown is zero. For Messrs. Barney and Thiede, who do not participate in the pension plan, the amount represents the present value of the disability benefit without reduction for retirement benefits using the discount rate of 2.38%, which is considered a reasonable rate for purposes of the calculation.

Potential Payments upon Termination or Change of Control Table

Executive Benefits and Payments upon Termination or Change of Control	Voluntary or Not for Cause Termination ($)	Death ($)	Disability ($)	Change of Control (With Termination) ($)	Change of Control (Without Termination) ($)
David L. Goodin					
Compensation:					
Performance Shares	6,249,068	6,249,068	6,249,068	8,412,306	8,412,306
Restricted Stock Units	271,647	271,647	271,647	814,940	814,940
Benefits and Perquisites:					
Basic SISP	3,112,653	—	3,112,653	3,112,653	—
Excess SISP	45,965	—	45,965	45,965	—
SISP Death Benefits	—	6,983,444	—	—	—
Disability Benefits	—	—	—	—	—
Total	**9,679,333**	**13,504,159**	**9,679,333**	**12,385,864**	**9,227,246**
Jason L. Vollmer					
Compensation:					
Performance Shares	—	—	—	1,888,735	1,888,735
Restricted Stock Units	71,303	71,303	71,303	213,908	213,908
Benefits and Perquisites:					
Disability Benefits	—	—	926,791	—	—
Total	**71,303**	**71,303**	**998,094**	**2,102,643**	**2,102,643**
David C. Barney					
Compensation:					
Performance Shares	1,500,583	1,500,583	1,500,583	2,217,723	2,217,723
Restricted Stock Units	74,567	74,567	74,567	223,731	223,731
Benefits and Perquisites:					
Basic SISP	1,657,355	—	1,657,355	1,657,355	—
SISP Death Benefits	—	3,314,711	—	—	—
Disability Benefits	—	—	283,134	—	—
Total	**3,232,505**	**4,889,861**	**3,515,639**	**4,098,809**	**2,441,454**
Jeffrey S. Thiede					
Compensation:					
Performance Shares	1,045,241	1,045,241	1,045,241	1,894,948	1,894,948
Restricted Stock Units	73,838	73,838	73,838	221,545	221,545
Benefits and Perquisites:					
Disability Benefits	—	—	287,574	—	—
Total	**1,119,079**	**1,119,079**	**1,406,653**	**2,116,493**	**2,116,493**
Nicole A. Kivisto					
Compensation:					
Performance Shares	—	—	—	2,221,104	2,221,104
Restricted Stock Units	73,838	73,838	73,838	221,545	221,545
Benefits and Perquisites:					
Basic SISP	670,124	—	670,124	670,124	—
SISP Death Benefits	—	1,991,979	—	—	—
Disability Benefits	—	—	676,057	—	—
Total	**743,962**	**2,065,817**	**1,420,019**	**3,112,773**	**2,442,649**

CEO Pay Ratio Disclosure

As required by Section 953(b) of the Dodd-Frank Wall Street Reform and Consumer Protection Act and Item 402(u) of Regulation S-K, we are providing information regarding the relationship of the annual total compensation of David L. Goodin, our president and chief executive officer, to the annual total compensation of our median employee.

Our employee workforce fluctuates during the year largely depending on the seasonality, number, and size of construction project activity conducted by our businesses. Approximately 51% of our employee workforce is employed under union bargained labor contracts which define compensation and benefits for participants which may include payments made by the company associated with employee participation in union benefit and pension plans.

We identified the median employee by examining the 2021 taxable wage information for all individuals on the company's payroll records as of December 31, 2021, excluding Mr. Goodin and the employees of Baker Rock Resources and Oregon Mainline Paving which were acquired by our construction materials and contracting business segment during the fourth quarter. Because of the timing of these acquisitions and their integration, payroll records were not available to include in the pay ratio analysis. Baker Rock Resources and Oregon Mainline Paving reported 119 employees which represented less than 1% of the company's employee population as of December 31, 2021. All of the company's employees are located in the United States. We made no adjustments to annualize compensation for individuals employed for only part of the year. We selected taxable wages as reported to the Internal Revenue Service on Form W-2 for 2021 to identify the median employee as it includes substantially all of the compensation for our median employee and provided a reasonably efficient and cost-effective manner for the identification of the median employee. Our median employee works for a subsidiary of our construction materials and contracting segment with compensation consisting of wages, bonus, company 401(k) matching contributions, life insurance premiums, car allowance, and a healthy living credit.

Once identified, we categorized the median employee's compensation using the same methodology as the compensation components reported in the Summary Compensation Table. For 2021, the total annual compensation of Mr. Goodin as reported in the Summary Compensation Table included in this Proxy Statement was $5,210,467, and the total annual compensation of our median employee was $78,907. Based on this information, the 2021 ratio of annual total compensation of Mr. Goodin to the median employee was 66 to 1.

AUDIT MATTERS

ITEM 3: RATIFICATION OF THE APPOINTMENT OF DELOITTE & TOUCHE LLP AS THE COMPANY'S INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM FOR 2022

The audit committee at its February 2022 meeting appointed Deloitte & Touche LLP as our independent registered public accounting firm for fiscal year 2022. The board of directors concurred with the audit committee's decision. Deloitte & Touche LLP has served as our independent registered public accounting firm since fiscal year 2002.

Although your ratification vote will not affect the appointment or retention of Deloitte & Touche LLP for 2022, the audit committee will consider your vote in determining its appointment of our independent registered public accounting firm for the next fiscal year. The audit committee, in appointing our independent registered public accounting firm, reserves the right, in its sole discretion, to change an appointment at any time during a fiscal year if it determines that such a change would be in our best interests.

A representative of Deloitte & Touche LLP will be present at the annual meeting and will be available to respond to appropriate questions. We do not anticipate that the representative will make a prepared statement at the annual meeting; however, he or she will be free to do so if he or she chooses.

The board of directors recommends a vote "for" the ratification of the appointment of Deloitte & Touche LLP as our independent registered public accounting firm for fiscal year 2022.

Ratification of the appointment of Deloitte & Touche LLP as our independent registered public accounting firm for 2022 requires the affirmative vote of a majority of our common stock present in person or represented by proxy at the annual meeting and entitled to vote on the proposal. Abstentions will count as votes against this proposal.

Annual Evaluation and Selection of Deloitte & Touche LLP

The audit committee annually evaluates the performance of its independent registered public accounting firm, including the senior audit engagement team, and determines whether to re-engage the current independent accounting firm or consider other firms. Factors considered by the audit committee in deciding whether to retain the current independent accounting firm include:

- Deloitte & Touche LLP's capabilities considering the complexity of our business and the resulting demands placed on Deloitte & Touche LLP in terms of technical expertise and knowledge of our industry and business;
- the quality and candor of Deloitte & Touche LLP's communications with the audit committee and management;
- Deloitte & Touche LLP's independence;
- the quality and efficiency of the services provided by Deloitte & Touche LLP, including input from management on Deloitte & Touche LLP's performance and how effectively Deloitte & Touche LLP demonstrated its independent judgment, objectivity, and professional skepticism;
- the workload capacity and resources of Deloitte & Touche LLP's senior audit engagement team;
- external data on audit quality and performance, including recent Public Company Accounting Oversight Board reports on Deloitte & Touche LLP and its peer firms; and
- the appropriateness of Deloitte & Touche LLP's fees, tenure as our independent auditor, including the benefits of a longer tenure, and the controls and processes in place that help ensure Deloitte & Touche LLP's continued independence.

Based on this evaluation, the audit committee and the board believe that retaining Deloitte & Touche LLP to serve as our independent registered public accounting firm for the fiscal year ending December 31, 2022, is in the best interests of our company and its stockholders.

The audit committee also oversees the process for, and ultimately approves, the selection of our independent registered public accounting firm's lead engagement partner at the five-year mandatory rotation period. Prior to the mandatory rotation period in 2022, the audit committee and members of company management were presented a summary of various candidates selected by Deloitte & Touche LLP to be considered for the lead engagement partner role. After discussing the qualifications of the proposed lead engagement partner, the audit committee chair met with the leading candidate, who was also known to other audit committee members due to prior Deloitte & Touche LLP engagement work for the company, and the audit committee then considered the appointment and voted as an audit committee on the selection. The change in lead engagement partner after the current five-year rotation period occurred in February 2022.

Audit Fees and Non-Audit Fees

The following table summarizes the aggregate fees that our independent registered public accounting firm, Deloitte & Touche LLP, billed or is expected to bill us for professional services rendered for 2020 and 2021:

	2020	2021
Audit Fees [1]	$ 2,798,015	$ 2,910,640
Audit-Related Fees	—	—
Tax Fees	—	—
All Other Fees	—	—
Total Fees [2]	$ 2,798,015	$ 2,910,640
Ratio of Tax and All Other Fees to Audit and Audit-Related Fees	0 %	0 %

[1] Audit fees for 2020 and 2021 consisted of fees for the annual audit of our consolidated financial statements and internal control over financial reporting, statutory and regulatory audits, reviews of quarterly financial statements, comfort letters in connection with securities offerings, and other filings with the SEC.

[2] Total fees reported above include out-of-pocket expenses related to the services provided of $85,000 for 2020 and $100,000 for 2021.

Policy on Audit Committee Pre-Approval of Audit and Permissible Non-Audit Services of the Independent Registered Public Accounting Firm

The audit committee pre-approved all services Deloitte & Touche LLP performed in 2021 in accordance with the pre-approval policy and procedures the audit committee adopted in 2003. This policy is designed to achieve the continued independence of Deloitte & Touche LLP and to assist in our compliance with Sections 201 and 202 of the Sarbanes-Oxley Act of 2002 and related rules of the SEC.

The policy defines the permitted services in each of the audit, audit-related, tax, and all other services categories, as well as prohibited services. The pre-approval policy requires management to submit annually for approval to the audit committee a service plan describing the scope of work and anticipated cost associated with each category of service. At each regular audit committee meeting, management reports on services performed by Deloitte & Touche LLP and the fees paid or accrued through the end of the quarter preceding the meeting. Management may submit requests for additional permitted services before the next scheduled audit committee meeting to the designated member of the audit committee, currently David M. Sparby, for approval. The designated member updates the audit committee at the next regularly scheduled meeting regarding any services approved during the interim period. At each regular audit committee meeting, management may submit to the audit committee for approval a supplement to the service plan containing any request for additional permitted services.

In addition, prior to approving any request for audit-related, tax, or all other services of more than $50,000, Deloitte & Touche LLP will provide a statement setting forth the reasons why rendering of the proposed services does not compromise Deloitte & Touche LLP's independence. This description and statement by Deloitte & Touche LLP may be incorporated into the service plan or included as an exhibit thereto or may be delivered in a separate written statement.

AUDIT COMMITTEE REPORT

The audit committee assists the board in fulfilling its oversight responsibilities and serves as a communication link among the board, management, the independent auditors, and the internal auditors. The audit committee (a) assists the board's oversight of (i) the integrity of the company's financial reporting process and system of internal controls, (ii) the company's compliance with legal and regulatory requirements and the code of conduct, (iii) the independent auditors' qualifications and independence, (iv) the performance of the company's internal audit function and independent auditors, and (v) the company's management of risks in the audit committee's areas of responsibility; (b) arranges for the preparation of and approves the report that SEC rules require be included in the company's annual proxy statement; and (c) is also responsible for the appointment, compensation, retention, and oversight of the independent auditors including pre-approval of all audit and non-audit services by the independent auditors. The audit committee acts under a written charter which it reviews at least annually and a copy of which is available on our website.

Management has primary responsibility for the company's financial statements and the reporting process, including the systems of internal control over financial reporting. The independent auditors are responsible for performing an independent audit of the company's consolidated financial statements, issuing an opinion on the conformity of those audited financial statements with generally accepted accounting principles, and assessing the effectiveness of the company's internal controls over financial reporting. The audit committee oversees the company's financial reporting process and internal controls on behalf of the board.

In performing its oversight responsibilities in connection with our financial statements for the year ended December 31, 2021, the audit committee:

- reviewed and discussed the audited financial statements with management;
- discussed with the independent auditors the matters required to be discussed by the applicable requirements of the Public Company Accounting Oversight Board and the SEC; and
- received the written disclosures and the letter from the independent auditors required by applicable requirements of the Public Company Accounting Oversight Board regarding the independent auditors' communications with the audit committee concerning independence and discussed with the independent auditors their independence.

Based on the review and discussions referred to above, the audit committee recommended to the board of directors, and the board of directors has approved, that the audited financial statements be included in our Annual Report on Form 10-K for the year ended December 31, 2021, for filing with the SEC. The audit committee has appointed Deloitte & Touche LLP as the company's independent auditors for 2022. Stockholder ratification of this appointment is included as Item 3 in these proxy materials.

David M. Sparby, Chair

Dale S. Rosenthal

Edward A. Ryan

Chenxi Wang

INFORMATION ABOUT THE ANNUAL MEETING

Who Can Vote?	Stockholders of record at the close of business on March 11, 2022, are entitled to vote each share they owned on that date on each matter presented at the meeting and any adjournment(s) thereof. As of March 11, 2022, we had 203,350,740 shares of common stock outstanding each entitled to one vote per share.
Distribution of Our Proxy Materials Using Notice and Access	We distributed proxy materials to certain of our stockholders via the Internet under the SEC's "Notice and Access" rules to reduce our costs and decrease the environmental impact of our proxy materials. Using this method of distribution, on or about March 25, 2022, we mailed a Notice Regarding the Availability of Proxy Materials (Notice) that contains basic information about our 2022 annual meeting and instructions on how to view all proxy materials, and vote electronically, on the Internet. If you received the Notice and prefer to receive a paper copy of the proxy materials, follow the instructions in the Notice for making this request and the materials will be sent promptly to you via your preferred method.
How to Vote	**You are encouraged to vote in advance of the meeting using one of the following voting methods, even if you are planning to attend the 2022 Annual Meeting of Stockholders.** **Registered Stockholders:** Stockholders of record who hold their shares directly with our stock registrar can vote any one of four ways: **By Internet**: Go to the website shown on the Notice or Proxy Card, if you received one, and follow the instructions. **By Telephone:** Call the telephone number shown on the Notice or Proxy Card, if you received one, and follow the instructions given by the voice prompts. Voting via the Internet or by telephone authorizes the named proxies to vote your shares in the same manner as if you marked, signed, dated, and returned the Proxy Card by mail. Your voting instructions may be transmitted up until 11:59 p.m. Eastern Time on May 9, 2022. **By Mail:** If you received a paper copy of the Proxy Statement, Annual Report, and Proxy Card, mark, sign, date, and return the Proxy Card in the postage-paid envelope provided. **In Person:** Attend the annual meeting, or send a personal representative with an appropriate proxy, to vote by ballot at the meeting. **Beneficial Stockholders:** Stockholders whose shares are held beneficially in the name of a bank, broker, or other holder of record (sometimes referred to as holding shares "in street name"), will receive voting instructions from said bank, broker, or other holder of record. **If you wish to vote in person at the meeting, you must obtain a legal proxy from your bank, broker, or other holder of record of your shares and present it at the meeting.** **See discussion below regarding the MDU Resources Group, Inc. 401(k) Plan for voting instructions for shares held under our 401(k) plan.**
Revoking Your Proxy or Changing Your Vote	You may change your vote at any time before the proxy is exercised. **Registered Stockholders:** • *If you voted by mail*: you may revoke your proxy by executing and delivering a timely and valid later dated proxy, by voting by ballot at the meeting, or by giving written notice of revocation to the corporate secretary. • *If you voted via the Internet or by telephone*: you may change your vote with a timely and valid later Internet or telephone vote, as the case may be, or by voting by ballot at the meeting. • Attendance at the meeting will not have the effect of revoking a proxy unless (1) you give proper written notice of revocation to the corporate secretary before the proxy is exercised, or (2) you vote by ballot at the meeting. **Beneficial Stockholders:** Follow the specific directions provided by your bank, broker, or other holder of record to change or revoke any voting instructions you have already provided. Alternatively, you may vote your shares by ballot at the meeting if you obtain a legal proxy from your bank, broker, or other holder of record and present it at the meeting.

Discretionary Voting Authority

If you complete and submit your proxy voting instructions, the individuals named as proxies will follow your instructions. If you are a stockholder of record and you submit proxy voting instructions but do not direct how to vote on each item, the individuals named as proxies will vote as the board recommends on each proposal. The individuals named as proxies will vote on any other matters properly presented at the annual meeting in accordance with their discretion. Our bylaws set forth requirements for advance notice of any nominations or agenda items to be brought up for voting at the annual meeting, and we have not received timely notice of any such matters, other than the items from the board of directors described in this Proxy Statement.

Voting Standards

A majority of outstanding shares of stock entitled to vote must be present in person or represented by proxy to hold the meeting. Abstentions and broker non-votes are counted for purposes of determining whether a quorum is present at the annual meeting.

If you are a beneficial holder and do not provide specific voting instruction to your broker, the organization that holds your shares will not be authorized to vote your shares, which would result in broker non-votes, on proposals other than the ratification of the selection of our independent registered public accounting firm for 2022.

The following chart describes the proposals to be considered at the annual meeting, the vote required to elect directors and to adopt each other proposal, and the manner in which votes will be counted:

Item No.	Proposal	Voting Options	Vote Required to Adopt the Proposal	Effect of Abstentions	Effect of "Broker Non-Votes"
1	Election of Directors	For, against, or abstain on each nominee	A nominee for director will be elected if the votes cast for such nominee exceed the votes cast against such nominee.	No effect	No effect
2	Advisory Vote to Approve the Compensation Paid to the Company's Named Executive Officers	For, against, or abstain	The affirmative vote of a majority of the shares of common stock represented at the annual meeting and entitled to vote thereon	Same effect as votes against	No effect
3	Ratification of the Appointment of Deloitte & Touche LLP as the Company's Independent Registered Public Accounting Firm for 2022	For, against, or abstain	The affirmative vote of a majority of the shares of common stock represented at the annual meeting and entitled to vote thereon	Same effect as votes against	Brokers have discretion to vote

Proxy Solicitation

The board of directors is furnishing proxy materials to solicit proxies for use at the Annual Meeting of Stockholders on May 10, 2022, and any adjournment(s) thereof. Proxies are solicited principally by mail, but directors, officers, and employees of MDU Resources Group, Inc. or its subsidiaries may solicit proxies personally, by telephone, or by electronic media, without compensation other than their regular compensation. Okapi Partners, LLC, additionally will solicit proxies for approximately $9,000 plus out-of-pocket expenses. We will pay the cost of soliciting proxies and will reimburse brokers and others for forwarding proxy materials to stockholders.

Electronic Delivery of Proxy Statement and Annual Report Documents

For stockholders receiving proxy materials by mail, you can elect to receive an email in the future that will provide electronic links to these documents. Opting to receive your proxy materials online will save the company the cost of producing and mailing documents to your home or business and will also give you an electronic link to the proxy voting site.

- **Registered Stockholders:** If you vote on the Internet, simply follow the prompts for enrolling in the electronic proxy delivery service. You may also enroll in the electronic proxy delivery service at any time in the future by going directly to http://enroll.icsdelivery.com/mdu to request electronic delivery. You may revoke an electronic delivery election at this site at any time.
- **Beneficial Stockholders:** If you hold your shares in a brokerage account, you may also have the opportunity to receive copies of the proxy materials electronically. You may enroll in the electronic proxy delivery service at any time by going directly to http://enroll.icsdelivery.com/mdu to request electronic delivery. You may also revoke an electronic delivery election at this site at any time. In addition, you may also check the information provided in the proxy materials mailed to you by your bank or broker regarding the availability of this service or contact your bank or broker to request electronic delivery.

Householding of Proxy Materials

In accordance with a Notice sent to eligible stockholders who share a single address, we are sending only one Annual Report to Stockholders and one Proxy Statement to that address unless we received instructions to the contrary from any stockholder at that address. This practice, known as "householding," is designed to reduce our printing and postage costs. However, if a stockholder of record wishes to receive a separate Annual Report to Stockholders and Proxy Statement in the future, he or she may contact the Office of the Treasurer at MDU Resources Group, Inc., P.O. Box 5650, Bismarck, ND 58506-5650, Telephone Number: (701) 530-1000. Eligible stockholders of record who receive multiple copies of our Annual Report to Stockholders and Proxy Statement can request householding by contacting us in the same manner. Stockholders who own shares through a bank, broker, or other nominee can request householding by contacting the nominee.

We will promptly deliver, upon written or oral request, a separate copy of the Annual Report to Stockholders and Proxy Statement to a stockholder at a shared address to which a single copy of the document was delivered.

MDU Resources Group, Inc. 401(k) Plan

This Proxy Statement is being used to solicit voting instructions from participants in the MDU Resources Group, Inc. 401(k) Plan with respect to shares of our common stock that are held by the trustee of the plan for the benefit of plan participants. If you are a plan participant and also own other shares as a registered stockholder or beneficial owner, you will separately receive a Notice or proxy materials to vote those other shares you hold outside of the MDU Resources Group, Inc. 401(k) Plan. If you are a plan participant, you must instruct the plan trustee to vote your shares by utilizing one of the methods described on the voting instruction form that you receive in connection with shares held in the plan. If you do not give voting instructions, the trustee generally will vote the shares allocated to your personal account in accordance with the recommendations of the board of directors. Your voting instructions may be transmitted up until 11:59 p.m. Eastern Time on May 5, 2022.

Annual Meeting Admission and Guidelines

Admission: All stockholders as of the record date of March 11, 2022, are cordially invited to attend the annual meeting. **You must request an admission ticket to attend.** If you are a stockholder of record and plan to attend the meeting, please contact MDU Resources by email at CorporateSecretary@mduresources.com or by telephone at 701-530-1010 to request an admission ticket. A ticket will be sent to you by mail.

If your shares are held beneficially in the name of a bank, broker, or other holder of record, and you plan to attend the annual meeting, you will need to submit a written request for an admission ticket by mail to: Investor Relations, MDU Resources Group, Inc., P.O. Box 5650, Bismarck, ND 58506 or email at CorporateSecretary@mduresources.com. The request must include proof of stock ownership as of March 11, 2022, such as a bank or brokerage firm account statement or a legal proxy from the bank, broker, or other holder of record confirming ownership. A ticket will be sent to you by mail.

Requests for admission tickets must be received no later than May 3, 2022. You must present your admission ticket and state-issued photo identification, such as a driver's license, to gain admittance to the meeting.

Guidelines: The use of cameras or sound recording equipment is prohibited except by the media or those employed by the company to provide a record of the proceedings. The use of cell phones and other personal communication devices is also prohibited during the meeting. All devices must be turned off or muted. No firearms or weapons, banners, packages, or signs will be allowed in the meeting room. MDU Resources Group, Inc. reserves the right to inspect all items, including handbags and briefcases, that enter the meeting room.

Annual Meeting Admission and Guidelines (continued)

Public Health Concerns: We are actively monitoring the public health and travel safety concerns relating to COVID-19 and the advisories or mandates that federal, state, and local governments and related agencies may issue. In the event it is not possible or advisable to hold our annual meeting as currently planned, we will issue a press release and make a public filing with the SEC announcing any changes to the annual meeting. This may include a change in venue or holding the meeting solely by remote communication. If you are planning to attend our meeting, you may also check our company website at www.mduproxy.com for updates on meeting and public health safety protocols that may be required. As always, we encourage you to vote your shares prior to the annual meeting.

Conduct of the Meeting

Neither the board of directors nor management intends to bring before the meeting any business other than the matters referred to in the Notice of Annual Meeting and this Proxy Statement. We have not been informed that any other matter will be presented at the meeting by others. However, if any other matters are properly brought before the annual meeting, or any adjournment(s) thereof, your proxies include discretionary authority for the persons named in the proxy to vote or act on such matters in their discretion.

Stockholder Proposals, Director Nominations, and Other Items of Business for 2023 Annual Meeting

Stockholder Proposals for Inclusion in Next Year's Proxy Statement: To be included in the proxy materials for our 2023 annual meeting, a stockholder proposal must be received by the corporate secretary no later than November 25, 2022, unless the date of the 2023 annual meeting is more than 30 days before or after May 10, 2023, in which case the proposal must be received a reasonable time before we begin to print and mail our proxy materials. The proposal must also comply with all applicable requirements of Rule 14a-8 under the Securities Exchange Act of 1934.

Director Nominations From Stockholders for Inclusion in Next Year's Proxy Statement: If a stockholder or group of stockholders wishes to nominate one or more director candidates to be included in our proxy statement for the 2023 annual meeting through our proxy access bylaw provision, we must receive proper written notice of the nomination not later than 120 days or earlier than 150 days before the anniversary date that the definitive proxy statement was first released to stockholders in connection with the annual meeting, or between October 26, 2022 and November 25, 2022. In the event that the 2023 annual meeting is more than 30 days before or after May 10, 2023, the notice must be delivered no earlier than the 150th day prior to such meeting and no later than the 120th day prior to such meeting or the 10th day following the date on which public announcement of the meeting date is first made. In addition, the nomination must otherwise comply with the requirements in our bylaws. In addition, to comply with the universal proxy rules, stockholders who intend to solicit proxies in support of director nominees other than our nominees must provide notice that sets forth the information required by Rule 14a-19 under the Exchange Act no later than March 11, 2023. The requirements of such notice can be found in our bylaws, a copy of which is on our website, at https://investor.mdu.com/governance/governance-documents.

Director Nominations and Other Stockholder Proposals Raised From the Floor at the 2023 Annual Meeting of Stockholders: Under our bylaws, if a stockholder intends to nominate a person as a director, or present other items of business at an annual meeting, the stockholder must provide written notice of the director nomination or stockholder proposal within 90 to 120 days prior to the anniversary of the most recent annual meeting. Notice of director nominations or stockholder proposals for our 2023 annual meeting must be received between January 10, 2023 and February 9, 2023, and meet all the requirements and contain all the information, including the completed questionnaire for director nominations, provided by our bylaws. The requirements for such notice can be found in our bylaws, a copy of which is on our website, at https://investor.mdu.com/governance/governance-documents.

We will make available to our stockholders to whom we furnish this Proxy Statement a copy of our Annual Report on Form 10-K, excluding exhibits, for the year ended December 31, 2021, which is required to be filed with the SEC. You may obtain a copy, without charge, upon written or oral request to the Office of the Treasurer of MDU Resources Group, Inc., 1200 West Century Avenue, Mailing Address: P.O. Box 5650, Bismarck, North Dakota 58506-5650, Telephone Number: (701) 530-1000. You may also access our Annual Report on Form 10-K through our website at www.mdu.com.

By order of the Board of Directors,

Karl A. Liepitz
Secretary
March 25, 2022