

**KNIFE RIVER CORPORATION**  
**CORPORATE GOVERNANCE GUIDELINES**

(Adopted May 3, 2023; Effective as of 11:59 p.m. on May 31, 2023)

**1. Director Independence Standards**

**A. Policy**

The expertise and perspective of independent directors is of great value and benefit to Knife River Corporation (“Knife River”) and its stockholders. Accordingly, and in keeping with the other high standards of corporate governance which the Knife River Board of Directors (the “Board”) has established, the listing standards of the New York Stock Exchange (“NYSE”), and laws and regulations applicable to Knife River, the Board has established the following standards on director independence and for determining whether its members are independent.

**B. General**

The Board believes that a substantial majority of its members should satisfy these standards for independence. The Board will review the independence of each non-employee director annually.

No director may be deemed independent unless the Board affirmatively determines, after due deliberation, that the director has no material relationship with Knife River either directly or as a partner, stockholder or officer of an organization that has a relationship with Knife River. In determining independence, the Board will broadly consider all relevant facts and circumstances, including the commercial, industrial, banking, consulting, legal, accounting, and charitable relationships that a director (or an organization with which the director is affiliated) or his or her immediate family has with Knife River. Trivial or *de minimis* affiliations or connections to Knife River will not generally be cause for the Board to determine that the director is not independent. In addition a director is not independent if:

- (1) The director is, or has been within the last three years, an employee, or has an immediate family member who is, or has been within the last three years, an executive officer, of Knife River; provided, however, that a director’s employment as an interim Chair or Chief Executive Officer or other executive officer shall not disqualify the director from being considered independent following such employment.
- (2) The director has received, or has an immediate family member who has received, during any twelve month period within the last three years, more than \$120,000 in direct compensation from Knife River, other than director and committee fees and pension or other forms of deferred compensation for prior service (provided such compensation is not contingent in any way on continued service); provided, however, that compensation received by a director for former service as an interim

Chair or Chief Executive Officer or other executive officer and compensation received by an immediate family member for service as an employee of Knife River (other than as an executive officer) need not be considered by the Board in this determination.

- (3) (a) The director is a current partner or employee of a firm that is Knife River's internal or external auditor; (b) the director has an immediate family member who is a current partner of such a firm; (c) the director has an immediate family member who is a current employee of such a firm and personally works on Knife River's audit; or (d) the director or an immediate family member was within the last three years a partner or employee of such a firm and personally worked on Knife River's audit within that time.
- (4) The director or an immediate family member of the director is, or has been within the last three years, employed as an executive officer of another company where any of Knife River's present executive officers at the same time serves or served on that company's compensation committee.
- (5) The director is a current employee, or an immediate family member is a current executive officer, of a company that has made payments to, or received payments from, Knife River for property or services in an amount which in any of the last three fiscal years exceeds the greater of \$1 million, or 2 percent of such other company's consolidated gross revenues. In applying the foregoing, both the payments and the consolidated gross revenues to be measured will be those reported in the last completed fiscal year. Contributions to tax exempt organizations are not considered "payments" for purposes of this paragraph 5.

Relationships involving a director's affiliation with another company that account for lesser amounts than those specified in this paragraph 5 will not be considered to be material relationships that would impair the director's independence, provided that the related payments for goods or services or in connection with other contractual arrangements (a) are made in the ordinary course of business and on substantially the same terms as those prevailing at the time for comparable transactions with non-affiliated parties; or (b) involve the rendering of services as a public utility at rates or charges fixed in conformity with law or governmental authority.

- (6) The director (or an immediate family member of the director) serves as an officer, director or trustee of a not-for-profit organization, and, within the organization's preceding three fiscal years, Knife River's contributions in any single year to the organization exceed 2 percent of that organization's consolidated gross revenues, or \$1 million, whichever is greater.
- (7) The director is (or is affiliated with an organization that is) a significant advisor, counsel or consultant to Knife River.

The ownership of stock of Knife River by directors is encouraged and substantial stock ownership (not involving control) will not affect the independence status of a director.

As used in this guideline, the term “immediate family member” includes a person’s spouse, parents, children, siblings, mothers and fathers-in-law, sons and daughters-in-law, brothers and sisters-in-law, and anyone (other than domestic employees) who shares such person’s home.

For relationships that are not covered by these Corporate Governance Guidelines, the determination of whether the relationship is material or not, and therefore whether the director would be independent or not, shall be made by the directors who are (i) independent pursuant to these Corporate Governance Guidelines and (ii) not implicated in the applicable transaction subject to such independence determination.

### **C. Audit Committee**

No director who is a member of the Audit Committee of the Board may accept any consulting, advisory or compensatory fee from Knife River, or from any of its subsidiary companies, other than in that director’s capacity as a member of the Board or any of the Board’s several committees.

In addition, no director who is a member of the Audit Committee may be an affiliated person of Knife River or any of its subsidiary companies apart from affiliation occasioned by the director’s service as a member of the Board or any of the Board’s several committees. A director would be deemed an affiliated person of Knife River if that director directly or indirectly, through one or more intermediaries, controls, or is controlled by, or is under common control with Knife River.

### **D. Compensation Committee**

Each director serving on the Compensation Committee must satisfy the compensation committee member independence requirements under applicable laws, regulations, NYSE listing standards and Knife River’s director independence standards in these Corporate Governance Guidelines.

## **2. Director Qualifications**

The Nominating and Governance Committee is responsible for reviewing with the Board the requisite skills and characteristics for Board members, as well as the composition of the Board as a whole. In assessing possible candidates for nomination to the Board, the Nominating and Governance Committee will consider the background, experience, skills, character, individual success in the director’s chosen field, background in public companies, geographic area of residence, diversity, and independence of candidates. In considering diversity, the Nominating and Governance Committee will take into account diversity of business and professional experience, skills, gender and ethnic background, as appropriate in light of the current composition and needs of the Board. Prospective nominees for director will be identified and recommended by

the Nominating and Governance Committee in accordance with the policies and criteria established from time to time by the Board.

The policy of the Nominating and Governance Committee is to consider director candidates recommended to it, including candidates recommended by stockholders. Stockholders wishing to make recommendations with respect to director candidates should submit to the Chair of the Nominating and Governance Committee, in care of the Corporate Secretary at Knife River Corporation, 1150 West Century Avenue, Bismarck, ND 58503, the following information: (a) the candidate's name, age, business address, residence address and telephone number; (b) the candidate's principal occupation; (c) the class and number of shares of Knife River stock owned by the candidate; (d) a description of the candidate's qualifications to be a director; (e) whether the candidate would be an independent director; and (f) any other information the stockholder deems relevant with respect to the recommendation.

In identifying director candidates, the Nominating and Governance Committee consults with members of the Board, Knife River management, consultants, and other individuals likely to possess an understanding of Knife River's business and knowledge of suitable director candidates.

In evaluating director candidates, the Nominating and Governance Committee considers an individual's:

- (a) background, character, and experience, including experience relative to Knife River's lines of business;
- (b) skills and experience which complement the skills and experience of current Board members;
- (c) success in chosen field of endeavor;
- (d) skill in the areas of accounting and financial management, banking, business management, human resources, marketing, operations, public affairs, law, technology, risk management, and governance;
- (e) background in publicly traded companies including service on other public company boards of directors;
- (f) geographic area of residence;
- (g) diversity of business and professional experience, skills, gender and ethnic background, as appropriate in light of the current composition and needs of the Board;
- (h) independence, including any affiliation or relationship with other groups, organizations or entities; and

- (i) prior and future compliance with applicable law and all 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 Knife River.

There will be no differences in the manner in which the Nominating and Governance Committee evaluates director candidates recommended by stockholders from those recommended by others. Ultimately, the decision whether to recommend a director candidate is within the discretion of the Nominating and Governance Committee.

These Corporate Governance Guidelines provide information to stockholders who wish to recommend candidates for director for consideration by the Nominating and Governance Committee. Stockholders who wish to actually nominate persons for election to the Board must follow the procedures set forth in Knife River's amended and restated bylaws (the "Bylaws"). Copies of the Bylaws may be obtained by writing or calling the Corporate Secretary at Knife River Corporation, 1150 West Century Avenue, Bismarck, ND 58503, Telephone Number: (701) 530-1400 or on the Internet at [www.kniferiver.com](http://www.kniferiver.com).

Knife River's amended and restated certificate of incorporation (the "Charter") provides that the number of directors will be fixed from time to time exclusively pursuant to a resolution adopted by the affirmative vote of a majority of the Board.

Each director will reasonably manage his or her commitments in order that they do not preclude devoting adequate time and attention to the performance of his or her duties as a member of the Board and its committees.

Directors are required to retire from the Board when they reach the age of 76; a Director elected to the Board prior to his or her 76th birthday may continue to serve until the annual stockholder meeting coincident with or next following his or her 76th birthday. Directors will not be nominated for election or re-election to the Board after their 76th birthday, although the full Board may nominate candidates over the age of 76 for election or re-election for what it considers special circumstances. The Board believes, however, that any exceptions should be rare.

Although the Board has not established term limits, the Nominating and Governance Committee will review each director's continuation on the Board coincident with that director being considered for re-nomination.

### **3. Policy on Majority Voting for Directors**

Article 2, Section 5(a) of the Knife River Bylaws provides that, except as otherwise provided in the Bylaws, each director shall be elected by the vote of the majority of the votes cast with respect to the director at any meeting for the election of directors at which a quorum is present, provided that if the number of candidates for election as directors exceeds the number of directors to be elected, with the determination thereof being made by the Secretary as of the later of (i) the close of the applicable notice of nomination period and (ii) the last day on which a nomination notice may be delivered in accordance with the procedures set forth in the Bylaws, the directors

shall be elected by a plurality of the votes of the shares present in person or represented by proxy at any such meeting and entitled to vote on the election of directors. For purposes of this section, a majority of votes cast means that the number of shares voted “for” a director’s election exceeds fifty percent (50%) of the number of votes cast with respect to that director’s election. In addition, votes cast shall include votes against in each case and exclude abstentions and broker non-votes with respect to that director’s election.

Furthermore, 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 Knife River’s meeting of stockholders; and (ii) acceptance of such resignation by the Board. The resignation letter shall be sent to the Chair of the Nominating and Governance Committee.

After the stockholder meeting, following certification of the stockholder vote, the Nominating and Governance Committee shall promptly recommend to the Board whether or not to accept the tendered resignation. In considering whether to recommend that the Board accept or reject the tendered resignation, the Nominating and Governance Committee will consider all factors deemed relevant by the members of the Nominating and Governance Committee including, without limitation, the stated reasons why stockholders voted “against” the election of such director, the length of service and qualifications of the director, the director’s contributions to Knife River, and these Corporate Governance Guidelines.

The Board will act on the Nominating and Governance Committee’s recommendation no later than 90 days following the date of the stockholders’ meeting where the election occurred. In considering the Nominating and Governance Committee’s recommendation, the Board will consider the factors considered by the Nominating and Governance Committee and such additional information and factors the Board believes to be relevant. Following the Board’s decision on the Nominating and Governance Committee’s recommendation, Knife River will promptly publicly disclose the Board’s decision whether to accept the resignation as tendered (providing a full explanation of the process by which the decision was reached and, if applicable, the reasons for not accepting the tendered resignation) in a Form 8-K filed with the Securities and Exchange Commission.

To the extent that one or more directors’ resignations are accepted by the Board, the Nominating and Governance Committee will recommend to the Board whether to fill such vacancy or vacancies or to reduce the size of the Board.

Any director who receives a greater number of votes “against” election than votes “for” election at the same meeting of stockholders will not participate in the Nominating and Governance Committee recommendation or Board consideration regarding whether or not to accept the tendered resignation. If a majority of the members of the Nominating and Governance Committee received a greater number of votes “against” their election than votes “for” their election at the same meeting, then the independent directors on the Board who did not receive a greater number of votes “against” their election than votes “for” their election will appoint a Board committee amongst themselves solely for the purpose of considering the tendered resignations and

will recommend to the Board whether to accept or reject them. This Board committee may, but need not, consist of all the independent directors who did not receive a greater number of votes “against” their election than votes “for” their election.

This majority voting policy will be summarized or included in each proxy statement relating to an election of directors of Knife River. The Board shall fill director vacancies and new directorships only with candidates who agree to tender, before their appointment to the Board, the same form of resignation tendered by other directors in accordance with this provision.

#### **4. Director Resignation Upon Change of Job Responsibility**

A director shall tender to the Board an irrevocable resignation within 30 days after (a) a material change in job responsibility from the job responsibility held at the time of such director’s original nomination as a director or (b) the relinquishment, whether by resignation, retirement or otherwise, of the position held in connection with his or her principal occupation at the time of such director’s original nomination as a director. The resignation shall be submitted to the Chair of the Nominating and Governance Committee. In considering whether to accept or reject the tendered resignation, the Nominating and Governance Committee will consider all factors deemed relevant by the directors on the Nominating and Governance Committee, including, without limitation, the reason for relinquishment of the position and/or the director’s new position (if any), the length of service and qualifications of the director, the director’s contributions to Knife River, and these Corporate Governance Guidelines. The Nominating and Governance Committee will promptly recommend to the Board whether or not to accept the resignation. In considering the Nominating and Governance Committee’s recommendation, the Board will consider the factors considered by the Nominating and Governance Committee and such additional information and factors the Board believes to be relevant. The director will be given the opportunity to meet with the Nominating and Governance Committee and the Board, but may not participate in the Nominating and Governance Committee recommendation or Board consideration. If the Board accepts the resignation, the Board shall determine the date on which it becomes effective.

#### **5. Director Responsibilities**

The business and affairs of Knife River are under the direction of the Board. The Board elects a Chief Executive Officer and other officers of Knife River who have those powers and duties regarding the day-to-day operations of Knife River as are specified in Knife River’s Bylaws or as otherwise determined by the Board. In discharging their obligations, directors will be entitled reasonably to rely on Knife River’s employees and its outside advisors and auditors. Directors are expected to attend meetings of the Board and of committees on which they serve, and to spend whatever time is necessary, including time to review materials distributed in advance of Board or committee meetings, to properly discharge their responsibilities.

The Chair of the Board (the “Chair”) and the Chief Executive Officer shall be filled by the same person or by different persons based upon the circumstances. If the positions of the Chair and the Chief Executive Officer are filled by the same person, or if the Chair is not an independent director pursuant to the director independent standards in these Corporate Governance Guidelines, the independent directors will designate a Lead Independent Director. The Chair, or the Lead

Independent Director, if one has been appointed, shall consult with the Chief Executive Officer regarding the Board's meeting agendas, the quality and flow of information provided to the Board and the effectiveness of the Board meeting process.

When a Lead Independent Director has been appointed, the Lead Independent Director shall be an independent director and shall be elected annually by a vote of the independent directors. The Lead Director has the following duties and responsibilities:

- presides at meetings of the Board (including executive sessions) and shareholders in the Chair's absence;
- serves as the liaison between the Chair and the independent directors;
- approves meeting agendas, schedules and materials for the Board;
- has the authority to call meetings of the Board and independent Directors; and
- is available to engage with stockholders upon request and as appropriate.

Except as may otherwise be determined by the Board or provided in these Corporate Governance Guidelines, even when not named a standing member of a committee, the Lead Independent Director shall have the right to attend and participate in all meetings of any committee of the Board as if he or she were a member of such committee, including having the right to vote on any matter brought before the committee and being counted for the purpose of determining whether a quorum of the committee is present, subject to all applicable laws, regulations and standards.

The non-management directors of Knife River shall meet in executive session without management on a regularly scheduled basis. "Non-management" directors are those directors who are not executive officers, and include directors who are not independent. If any of Knife River's non-management directors are not independent directors, an executive session will be held at least once each year with only those non-management directors who are independent directors. The Board Chair, or the Lead Independent Director, if one has been appointed, shall preside at executive sessions of the non-management directors. The Board Chair, the Lead Independent Director, if one has been appointed, or another independent director shall preside at executive sessions of the independent directors.

The directors will be entitled to have Knife River purchase reasonable directors' liability insurance on their behalf, to the benefits of indemnification to the fullest extent permitted by law and Knife River's Charter, Bylaws and any indemnification agreements, and to exculpation as provided by state law and Knife River's Charter.

## **6. Board Committees**

The Board will have at all times an Audit Committee, a Compensation Committee, and a Nominating and Governance Committee. No employee of Knife River will be a member of any of these committees, and all of the members of these committees will meet the independence and other eligibility requirements set forth in Section 1 of these Corporate Governance Guidelines.



Committee members will be appointed by the Board upon recommendation of the Nominating and Governance Committee with consideration of the desires of individual directors. It is the sense of the Board that consideration should be given to rotating committee members periodically.

Each committee will have a written charter that sets forth the purposes, goals and responsibilities of the committee, as well as qualifications for committee membership, procedures for committee member appointment and removal, committee structure and operations, and process for committee reporting to the Board. Each charter will address annual performance evaluations of the committee. Each committee's charter is posted on Knife River's website.

The Chair of each committee, in consultation with the committee members, will determine the frequency and length of committee meetings, consistent with any requirements of the committee's charter. The Chair of each committee, in consultation with the members of the committee and management, will develop the committee's agenda. The schedule of meetings for each committee will be furnished to all directors.

The Audit Committee is directly responsible for the appointment, compensation, retention and oversight of the work of Knife River's independent auditors engaged (including resolution of disagreements between management and the independent auditors regarding financial reporting) for the purpose of preparing and issuing an audit report or other attest services, and the independent auditors shall report directly to the Audit Committee. The appointment of Knife River's independent auditors shall be submitted for stockholder ratification at the next stockholders' annual meeting following the auditors' appointment.

The Compensation Committee will determine if the work of any compensation consultant has raised any conflict of interest and how to address any such conflict. In making its determination, the Compensation Committee will consider the factors set forth in Rule 10C-1(b)(4)(i)-(vi) of the the Securities Exchange Act of 1934, as amended, and such other factors as may be determined by the Compensation Committee.

The Board has ultimate responsibility for the oversight of risk at Knife River. The Audit Committee, the Compensation Committee and the Nominating and Governance Committee, respectively, assist the Board in fulfilling its risk oversight responsibilities in the respective committee's areas of responsibility.

The Board may, from time to time, appoint new committees as the need may arise, or disband a current committee, except as otherwise provided for by applicable law and regulations, the requirements of the NYSE or Knife River's Charter.

The Board and the committees each have the authority to hire and fire independent legal, financial or other advisors as they may deem necessary, and to establish the terms and conditions of the particular engagement.

## **7. Director Access to Officers, Employees and Outside Advisors**

Directors have full and free access to officers and employees of Knife River and, as necessary, outside advisors. In making any contact with an officer, employee or advisor, the director will take into account the potential effect of any such contact on the orderly conduct of Knife River's affairs.

The Board welcomes regular attendance at Board meetings of senior executives of Knife River. The Chief Executive Officer shall consult with the Chair, or if a Lead Independent Director has been appointed, with the Lead Independent Director, with respect to the attendance of other executives, employees or advisors to Knife River.

## **8. Director Compensation**

A director who also is an officer of Knife River shall not receive additional compensation for service as a director.

The Compensation Committee will review the directors' compensation policies and recommend changes, as appropriate, from time to time to the Board. The Compensation Committee will consider the relationship of director compensation and perquisites to customary levels for comparable companies. The Compensation Committee will consider director compensation in light of the applicable definitions of "independence."

## **9. Director Stock Ownership Policy**

The Board believes that directors of Knife River should own and hold Knife River Common Stock to align their interests with the long-term interests of stockholders and promote a commitment to sound corporate governance. Each non-management director is required to beneficially own Knife River Common Stock equal in value to five (5) times the director's annual cash retainer. For purposes of this policy, the annual cash retainer shall include the additional cash retainer paid to the Board Chair, or the Lead Independent Director, if one has been appointed, for services in that position but shall not include the additional cash retainer paid for serving as a chair of any committee of the Board. Each director shall have up to five (5) years to fulfill target ownership expectations, such five-year period commencing January 1 of the year following the director's initial election to the Board. Directors may not sell any net shares received as a stock payment from Knife River for service as a director until the required ownership level has been met. After achievement of the ownership level, directors must continue to retain enough shares to maintain such level while serving as a director. If a director becomes subject to a greater ownership amount due to an increase in the annual cash retainer, the director is expected to meet the higher ownership threshold within three (3) years from commencement of the increase to the annual cash retainer.

Beneficial stock ownership for purposes of this policy will include:

- (a) Shares owned directly including shares acquired through purchases on the open market, received as a stock payment through a director stock compensation plan, and vested restricted shares.
- (b) Shares owned indirectly, if the director has an economic interest in the shares including shares that would be beneficially owned and reported for purposes of the stock ownership table in Knife River's proxy statement and shares beneficially owned and reportable on Table 1 of Forms 3, 4 or 5 under the Securities Exchange Act (excluding shares subject to a right to acquire and shares of which the director disclaims beneficial ownership).
- (c) Investment Units obtained through the deferral of annual cash retainers under the Deferred Compensation Plan for Directors.

The level of stock ownership will be monitored annually with a report to the Compensation Committee of the Board based on the value of share ownership as of the last trading day of the year. In the event there is a decline in Knife River's stock price that causes a director's holdings to fall below the applicable threshold after it was met the previous monitoring date, the director shall not be required to purchase additional shares to meet the threshold, but the director shall not sell or transfer any shares until the threshold has again been achieved except shares sold to satisfy tax withholding obligations arising from stock payments to the director. The stock ownership guidelines may be waived or temporarily suspended for a director at the discretion of the Compensation Committee, if compliance would create a hardship or prevent a director from compliance with a court order as in the case of a divorce settlement. It is expected that these instances of waiver or suspension will be rare.

## **10. Director Orientation and Continuing Education**

All new directors are expected to participate in Knife River's orientation program. Director orientation will include presentations by senior management to familiarize new directors with Knife River's corporate culture, strategic plans, significant financial, accounting and risk management policies and issues, compliance programs, the code of conduct and ethics policy (Leading With Integrity Guide), principal executives, and internal and independent auditors. In addition, director orientation will include visits to Knife River's headquarters and, to the extent practicable, the headquarters of Knife River's significant business units. Director orientation is open to all directors.

All directors are responsible for keeping current their knowledge of Knife River's business and the environment in which it operates.

All directors are encouraged to attend continuing education programs approved by the Nominating and Governance Committee to maintain an appropriate level of expertise and knowledge regarding responsibilities as a director.

## **11. Chief Executive Officer Evaluation and Management Succession**

The Compensation Committee will conduct an annual review of the Chief Executive Officer's performance and, either as a committee or together with other independent directors (as directed by the Board), determine and approve the compensation level of the Chief Executive Officer based on such review. The Board Chair or the Lead Independent Director, if one has been appointed, will communicate with the Chief Executive Officer regarding results of the Chief Executive Officer's annual performance review.

The Nominating and Governance Committee will periodically report to the Board on succession planning, including principles and policies for Chief Executive Officer selection and performance review, as well as policies regarding succession planning in the event of an emergency or the retirement of the Chief Executive Officer.

## **12. Annual Performance Evaluation**

The Board, in coordination with the Nominating and Governance Committee, annually will review and evaluate the performance and functioning of the Board and its committees.

## **13. Board Positions With Other Public Companies**

The number of boards on which a director may sit may be reviewed on a case-by-case basis by the Nominating and Governance Committee. However, a director shall not serve on the board of directors of more than three (3) public companies in total, including Knife River. Moreover, the Chief Executive Officer and other executive officers shall not be members of more than one (1) board of another public company. Service on another public company's board of directors should not create a conflict of interest, compromise independence, or impair the director's or the executive officer's ability to provide sufficient time to carry out his or her duties as a director of Knife River.

## **14. Review of Related Persons Transactions**

Transactions that (a) involve directors, director nominees, executive officers, significant shareholders or other "related persons" in which Knife River is or will be a participant; and (b) are of the type required to be reported under Item 404(a) of Regulation S-K of the Securities and Exchange Commission shall be subject to prior review by the Audit Committee for the purpose of determining whether such transactions are in the best interests of Knife River.

"Transactions" for this purpose are any transactions since the beginning of Knife River's last fiscal year, or any currently proposed transaction, in which Knife River was or is to be a participant, the amount involved exceeds \$120,000, and in which any related person had or will have a direct or indirect material interest, with exceptions as set forth in the Instructions to Item 404(a) of Regulation S-K. "Transactions" include but are not limited to any financial transaction, arrangement or relationship (including any indebtedness or guarantee of indebtedness) or any series of similar transactions, arrangements or relationships.

“Executive officer” means any of those persons identified as executive officers in Knife River’s most recent proxy statement and those persons succeeding into those positions subsequent to the filing of the proxy statement.

“Related person” means any director, director nominee, executive officer, and any holder of five (5) percent or more of Knife River’s Common Stock and any immediate family member thereof which shall include any child, stepchild, parent, stepparent, spouse, sibling, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law, or sister-in-law, and any person (other than a tenant or employee) sharing the household of such director, director nominee, executive officer, or security holder.

It shall be the responsibility of the individual directors, director nominees, executive officers, and any holder of five percent or more of Knife River’s Common Stock to promptly report to the General Counsel of Knife River all proposed or existing Transactions in which Knife River and they, or persons related to them, are parties or participants, and to provide such information with respect to such Transactions as Knife River may request.

The General Counsel shall furnish to the Chair of the Audit Committee any such report relating to a Transaction that, in the General Counsel’s judgment, may require reporting pursuant to Item 404 of Regulation S-K, together with a memorandum from the General Counsel (or his or her designee) setting forth the material facts and circumstances of the Transaction.

Prior to Knife River entering into the type of transaction required to be reported under Item 404(a) of Regulation S-K of the Securities and Exchange Commission, the Audit Committee shall, after a reasonable prior review of the report and memorandum from the General Counsel, and after consideration of the material facts and circumstances, and such consultation with legal counsel and other advisors as it deems advisable, make such determination or recommendation to the Board and appropriate officers of Knife River with respect to such Transaction as the Audit Committee deems appropriate. The Audit Committee shall prohibit such a transaction if it determines it to be inconsistent with the best interests of Knife River and its stockholders.

Upon receipt of the Audit Committee’s recommendation, the Board or officers, as the case may be, shall take such action as deemed appropriate in light of their respective responsibilities under applicable laws and regulations.

The provisions of this section of the Corporate Governance Guidelines do not add to, and are not otherwise intended to affect, application of the provisions of Section 144 of the Delaware General Corporation Law with respect to contracts or transactions entered into by Knife River that involve one or more of Knife River’s directors or officers.