

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 8-K

CURRENT REPORT

**PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934**

Date of Report (Date of earliest event reported): **February 14, 2018**

MDU Resources Group, Inc.

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of incorporation)

1-03480

(Commission
File Number)

41-0423660

(I.R.S. Employer
Identification No.)

1200 West Century Avenue

P.O. Box 5650

Bismarck, North Dakota 58506-5650

(Address of principal executive offices)
(Zip Code)

Registrant's telephone number, including area code: **(701) 530-1000**

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (CFR §230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (CFR §240.12b-2 of this chapter). Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

ITEM 5.02 Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

2018 Long-Term Incentive Awards

Revised Performance Share Award Agreement

On February 14, 2018, the Compensation Committee (the "Committee") approved a revised Performance Share Award Agreement (the "Performance Share Agreement") to be used for awards of performance shares under the Long-Term Performance-Based Incentive Plan (the "LTIP"). The form of Agreement is filed as Exhibit 10.1 hereto and incorporated herein by reference.

Revisions to the Performance Share Agreement include revised performance measures (the "Performance Measures") for determining payout percentages of performance share awards. The Committee added as Performance Measures the Company's compound annual growth rate in earnings from continuing operations ("Earnings Growth Rate"), and the Company's compound annual growth rate in earnings from continuing operations before interest, taxes, depreciation, depletion and amortization ("EBITDA Growth Rate"), for the performance period, each weighted at 25%, in addition to the Performance Measure based on total shareholder return ("TSR") ranking relative to the Company's peer group as used in prior years which will be weighted at 50% rather than 100% as was done previously. The Performance Share Agreement also includes a revised peer group for determining TSR. No changes were made to the percentile ranking used for determining the TSR Performance Measure. The Performance Measures are measured over a three-year period. Payout percentages for each of the Performance Measures can range from 0 to 200 percent. The total payout percentage for the performance share awards is the sum of the payout percentages for each Performance Measure multiplied by the weighting percentage for the measure.

Payout percentages for results between the stated performance levels will be determined by linear interpolation.

2018 Performance Share Awards

On February 14, 2018, the Committee established 2018 long-term incentive award opportunities in the form of performance shares with dividend equivalents for the named executive officers (NEOs) and other eligible employees of the Company. The Board approved the award opportunities at its meeting on February 15, 2018.

The 2018 long-term incentive award opportunities for the NEOs are set forth in the 2018 Performance Share Award Opportunity Chart, which is filed as Exhibit 10.2 and incorporated herein by reference.

2018 Restricted Stock Unit Awards

Restricted Stock Unit Award Agreement

On February 14, 2018, the Committee approved a Restricted Stock Unit Award Agreement (the "Restricted Stock Unit Agreement") to be used for awards of restricted stock units ("RSUs") under the LTIP. The form of Restricted Stock Unit Agreement is filed as Exhibit 10.3 hereto and incorporated herein by reference.

The Restricted Stock Unit Agreement provides for awards of RSUs which, when vested, will entitle the recipient to receive one share of common stock of the Company and dividend equivalents. Vesting will occur on December 31, 2020, provided the recipient remains employed by the Company and/or an affiliate and subject to the other provisions of the Restricted Stock Unit Agreement and the LTIP.

2018 Restricted Stock Unit Awards

On February 14, 2018, the Committee awarded 11,419 RSUs to each of Messrs. David C. Barney and Jeffrey S. Thiede. The Board approved the award opportunities at its meeting on February 15, 2018.

ITEM 9.01 Financial Statements and Exhibits

(d) Exhibits.

[10.1 Form of Performance Share Award Agreement under the Long-Term Performance-Based Incentive Plan](#)

[10.2 MDU Resources Group, Inc. 2017 Performance Share Award Opportunity Chart](#)

[10.3 Form of Restricted Stock Unit Agreement under the Long-Term Performance-Based Incentive Plan](#)

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Date: February 21, 2018.

MDU RESOURCES GROUP, INC.

By: /s/ Daniel S. Kuntz

Daniel S. Kuntz
Vice President, General Counsel
and Secretary

EXHIBIT INDEX

**Exhibit
Number**

Description of Exhibit

- | | |
|-----------------------------|---|
| <u>10.1</u> | <u>Form of Performance Share Award Agreement under the Long-Term Performance-Based Incentive Plan</u> |
| <u>10.2</u> | <u>MDU Resources Group, Inc. 2017 Performance Share Award Opportunity Chart</u> |
| <u>10.3</u> | <u>Form of Restricted Stock Unit Agreement under the Long-Term Performance-Based Incentive Plan</u> |

**MDU RESOURCES GROUP, INC.
LONG-TERM PERFORMANCE-BASED INCENTIVE PLAN
PERFORMANCE SHARE AWARD AGREEMENT**

February 15, 2018

{Participant Name}

In accordance with the terms of the MDU Resources Group, Inc. Long-Term Performance-Based Incentive Plan (the "Plan"), pursuant to action of the Compensation Committee of the Board of Directors of MDU Resources Group, Inc. (the "Committee"), MDU Resources Group, Inc. (the "Company") hereby grants to you (the "Participant") Performance Shares (the "Award"), subject to the terms and conditions set forth in this Award Agreement (including Annexes A and B hereto and all documents incorporated herein by reference), as set forth below:

Target Award:	{No. of Shares} Performance Shares (the "Target Award")
Performance Period:	January 1, 2018 through December 31, 2020 (the "Performance Period")
Date of Grant:	February 15, 2018
Dividend Equivalents:	Yes

THESE PERFORMANCE SHARES ARE SUBJECT TO FORFEITURE AS PROVIDED HEREIN. THIS AWARD AND AMOUNTS RECEIVED IN CONNECTION WITH THIS AWARD ARE ALSO SUBJECT TO FORFEITURE, RECAPTURE OR OTHER ACTION IN THE EVENT OF AN ACCOUNTING RESTATEMENT, AS PROVIDED IN THE PLAN.

Further terms and conditions of the Award are set forth in Annexes A and B hereto, which are integral parts of this Award Agreement.

You must accept this Award Notice by logging onto your account with Fidelity Investments and accepting this grant agreement. If you fail to do so, the award will be null and void. By accepting this Award, you agree to be bound by all of the provisions set forth in this Award Notice, the Agreement, and the Plan.

Attachments:

Annex A: Performance Share Award Agreement

Annex B

ANNEX A

TO

**MDU RESOURCES GROUP, INC.
LONG-TERM PERFORMANCE-BASED INCENTIVE PLAN**

PERFORMANCE SHARE AWARD AGREEMENT

It is understood and agreed that the Award of Performance Shares evidenced by the Award Agreement to which this is annexed is subject to the following additional terms and conditions.

1. **Nature of Award.** The Target Award represents the opportunity to receive shares of Company common stock, \$1.00 par value ("Shares") and Dividend Equivalents on such Shares. The number of Shares that may be earned under this Award shall be determined pursuant to Section 4 hereof. The amount of Dividend Equivalents that may be earned under this Award shall be determined pursuant to Section 6 hereof. Except for Dividend Equivalents, which are paid in cash, Awards will be paid in Shares.

2. **Performance Measures**

The following performance measures will be used to determine the Payout Percentage.

- Fifty percent (50%) of the Award is based on the Company's total shareholder return ("TSR") relative to that of the Peer Group listed on Annex B (the "Percentile Rank") for the Performance Period.
- Twenty-five percent (25%) of the Award is based on the Company's compound annual growth rate in Earnings from continuing operations before Interest, Taxes, Depreciation, Depletion and Amortization (EBITDA) for the Performance Period.
- Twenty-five percent (25%) of the Award is based on the Company's compound annual growth rate in Earnings (income from continuing operations) for the Performance Period.

(a) The achievement of the relative TSR performance measure will be determined in accordance with the following table:

Percentile Rank	Payout Percentage (% of Target Award)
[]th or []	[]
[]th	[]
[]th	[]
less than []th	[]

If the Company achieves a Percentile Rank between the []th and []th percentiles, the Payout Percentage shall be equal to []%, plus []% for each Percentile Rank whole percentage above the []th percentile. If the Company achieves a Percentile Ranking between the []th and []th percentiles, the Payout Percentage shall be equal to []%, plus []% for each Percentile Rank whole percentage above the []th percentile.

If the Company's TSR for the Performance Period is negative, the number of shares otherwise earned attributable to the payout percentage of the TSR portion of the Award, if any, for the Performance Period will be reduced in accordance with the following table:

TSR	Reduction In Award
[]% through []%	[]%
[]% through []%	[]%
[]% through []%	[]%
[]% through []%	[]%
[]% through []%	[]%
[]% or []	[]%

The Percentile Rank of a given company's TSR is defined as the percentage of the Peer Group companies' returns falling at or below the given company's TSR. The formula for calculating the Percentile Rank follows:

$$\text{Percentile Rank} = (n - r + 1)/n \times 100$$

Where:

n = total number of companies in the Peer Group, including the Company

r = the numeric rank of the Company's TSR relative to the Peer Group, where the highest return in the group is ranked number 1

To illustrate, if the Company's TSR is the third highest in the Peer Group comprised of 20 companies, its Percentile Rank would be 90.

The calculation is:

$$(20 - 3 + 1)/20 \times 100 = 90.$$

The Percentile Rank shall be rounded to the nearest whole percentage.

If the common stock of a company in the Peer Group ceases to be traded during the Performance Period, the company will be deleted from the Peer Group. Percentile Rank will be calculated without regard to the return of the deleted company.

If the Company or a company in the Peer Group spins off a segment of its business, the shares of the spun-off entity will be treated as a cash dividend that is reinvested in the Company or the company in the Peer Group.

Total shareholder return is the percentage change in the value of an investment in the common stock of a company from the initial investment made on the last trading day in the calendar year preceding the beginning of the performance period through the last trading day in the final year of the performance period. It is assumed that dividends are reinvested in additional shares of common stock at the frequency paid.

(b) The achievement of the EBITDA growth performance measure will be determined in accordance with the following table:

EBITDA Compound Annual Growth Rate	Payout Percentage (% of Target Award)
Less than []%	[]%
[]%	[]%
[]%	[]%
[]%	[]%

Payout percentages for results achieved between the stated performance levels will be determined by linear interpolation.

For purposes of calculating EBITDA, Earnings will be Income from continuing operations at the beginning and end of the performance period. Interest, taxes and depreciation, depletion, and amortization expenses used in the calculation of EBITDA will also be from continuing operations at the beginning and end of the performance period. Earnings used to determine EBITDA will be adjusted to remove:

- []
- []
- []

For calculation of the 2018-2020 performance period, the beginning performance period EBITDA used in the denominator (base year) will be the 2017 EBITDA of \$[] million [].

The EBITDA compound annual growth rate (EBITDA CAGR) for the performance period will be determined by the following formula:

$$\text{EBITDA CAGR} = (\text{EV} / \text{BV})^{1/n} - 1$$

Where:

EV = EBITDA at the end of the performance period (12/31/2020)

BV = EBITDA at the beginning of the performance period (12/31/2017)

N = number of years in the performance period (i.e. 3)

To illustrate, if the Company's EBITDA at the end of 2017 was \$600 million and the Company's EBITDA at the end of 2020 was \$700 million, the compound annual growth rate at the end of the 3 year period would be 5.3%. The calculation is:

$$5.3\% = (700 / 600)^{1/3} - 1$$

(c) The achievement of the Earnings growth performance measure will be determined in accordance with the following table:

Earnings Compound Annual Growth Rate	Payout Percentage (% of Target Award)
Less than []%	[]%
[]%	[]%
[]%	[]%
[]%	[]%

Payout percentages for results achieved between the stated performance levels will be determined by linear interpolation.

For purposes of calculating Earnings growth, Earnings will be Income from continuing operations at the beginning and end of the performance period. Earnings will be adjusted to remove:

- []
- []
- []

For calculation of the 2018-2020 performance period, the beginning performance period Earnings used in the denominator (base year) will be the 2017 earnings from continuing operations of \$[] million [].

The Earnings compound annual growth rate (Earnings CAGR) for the performance period will be determined by the following formula:

$$\text{Earnings CAGR} = (\text{EV} / \text{BV})^{1/n} - 1$$

Where:

- EV = Earnings at the end of the performance period (12/31/2020)
- BV = Earnings at the beginning of the performance period (12/31/2017)
- N = number of years in the performance period (i.e. 3)

To illustrate, if the Company's Earnings at the end of 2017 was \$250 million and the Company's Earnings at the end of 2020 was \$300 million, the compound annual growth rate at the end of the 3 year period would be 6.3%. The calculation is:

$$6.3\% = (300 / 250)^{1/3} - 1$$

3. Total Percentage Payout

The Total Percentage Payout is the sum of the payout percentages for each of the performance measures multiplied by the weighting percentage for such performance measure.

i.e.

$$\text{Total Percentage Payout} = (50\% \times \text{relative TSR payout}) + (25\% \times \text{EBITDA growth payout}) + (25\% \times \text{Earnings growth payout})$$

4. Determination of Number of Shares Earned. The number of Shares earned, if any, for the Performance Period shall be determined in accordance with the following formula:

$$\# \text{ of Shares} = \text{Total Payout Percentage} \times \text{Target Award}$$

All Performance Shares that are not earned for the Performance Period shall be forfeited.

5. Issuance of Shares and Mandatory Holding Period. Subject to any restrictions on distributions of Shares under the Plan, and subject to Section 6 of this Annex A, the Shares earned under the Award, if any, shall be issued to the Participant as soon as practicable (but no later than the next March 10) following the close of the Performance Period. The Participant shall retain 50% of the net after-tax Shares that are earned under this Award until the earlier of (i) the end of the two-year period commencing on the date any Shares earned under this Award are issued and (ii) the Participant's termination of employment. Executives are required to own Shares at designated multiples of their base salary. If a Participant has not achieved an applicable stock ownership requirement, the Company may require the Participant to hold Shares received under this award until the requirement is met.

6. Dividend Equivalents. Dividend Equivalents shall be earned with respect to any Shares issued to the Participant pursuant to this Award. The amount of Dividend Equivalents earned shall be equal to the total dividends declared on a Share between the Date of Grant of this Award and the last day of the Performance Period, multiplied by the number of Shares issued to the Participant pursuant to the Award Agreement. Any Dividend Equivalents earned shall be paid in cash to the Participant when the Shares to which they relate are issued or as soon as practicable thereafter, but no later than the next March 10 following the close of the Performance Period. If the Award is forfeited or if no Shares are issued, no Dividend Equivalents shall be paid.

7. Termination of Employment.

(a) If the Participant's employment with the Company is terminated during the Performance Period (i) for "Cause" (as defined below) at any time or (ii) for any reason other than "Cause" before the Participant, as of the effective date of termination, has reached age 55 and completed 10 "Years of Service" (as defined below), all Performance Shares (and related Dividend Equivalents) shall be forfeited.

(b) If the Participant's employment with the Company is terminated for any reason other than "Cause" after the Participant, as of the effective date of termination, has reached age 55 and completed 10 "Years of Service" (i) during the first year of the Performance Period, all Performance Shares (and related Dividend Equivalents) shall be forfeited; (ii) during the second year of the Performance Period, determination of the Company's Percentile Rank for the Performance Period will be made by the Committee at the end of the Performance Period, and Shares (and related Dividend Equivalents) earned, if any, will be paid based on the Payout Percentage, prorated for the number of full months elapsed from and including the month in which the Performance Period began to and including the month in which the termination of employment occurs; and (iii) during the third year of the Performance Period, determination of the Company's Percentile Rank for the Performance Period will be made by the Committee at the end of the Performance Period, and Shares (and related Dividend Equivalents) earned, if any, will be paid based on the Payout Percentage without prorating.

(c) For purposes of the Award Agreement, the term "Cause" shall mean the Participant's fraud or dishonesty that has resulted or is likely to result in material economic damage to the Company or a Subsidiary, or the Participant's willful nonfeasance if such nonfeasance is not cured within ten days of written notice from the Company or a Subsidiary, as determined in good faith by a vote of at least two-thirds of the non-employee directors of the Company at a meeting of the Board at which the Participant is provided an opportunity to be heard. For purposes of the Award Agreement, the term "Years of Service" shall mean the years a Participant is employed by the Company and/or a Subsidiary.

8. Tax Withholding. Pursuant to Article 16 of the Plan, the Committee shall have the power and the right to deduct or withhold, or require the Participant to remit to the Company, an amount sufficient to satisfy any Federal, state and local taxes (including the Participant's FICA obligations) required by law to be withheld with respect to the Award. The Committee may condition the delivery of Shares upon the Participant's satisfaction of such withholding obligations. The Participant may elect to satisfy all or part of such withholding requirement by tendering previously-owned Shares or by having the Company withhold Shares having a Fair Market Value equal to the minimum statutory withholding that could be imposed on the transaction (based on minimum statutory withholding rates for Federal, state and local tax purposes, as applicable, including payroll taxes, that are applicable to such supplemental taxable income). Such election shall be irrevocable, made in writing, signed by the Participant, and shall be subject to any restrictions or limitations that the Committee, in its sole discretion, deems appropriate.

9. Ratification of Actions. By accepting the Award or other benefit under the Plan, the Participant and each person claiming under or through him or her shall be conclusively deemed to have indicated the Participant's acceptance and ratification of, and consent to, any action taken under the Plan or the Award by the Company, its Board of Directors, or the Committee.

10. Notices. Any notice hereunder to the Company shall be addressed to its office, 1200 West Century Avenue, P.O. Box 5650, Bismarck, North Dakota 58506; Attention: Corporate Secretary, and any notice hereunder to the Participant shall be addressed to him or her at the address specified on the Award Agreement, subject to the right of either party to designate at any time hereafter in writing some other address.

11. Definitions. Capitalized terms not otherwise defined herein or in the Award Agreement shall have the meanings given them in the Plan.

12. Governing Law and Severability. To the extent not preempted by Federal law, the Award Agreement will be governed by and construed in accordance with the laws of the State of Delaware, without regard to conflicts of law provisions. In the event any provision of the Award Agreement shall be held illegal or invalid for any reason, the illegality or invalidity shall not affect the remaining parts of the Award Agreement, and the Award Agreement shall be construed and enforced as if the illegal or invalid provision had not been included.

13. No Rights to Continued Employment. The Award Agreement is not a contract of employment. Nothing in the Plan or in the Award Agreement shall interfere with or limit in any way the right of the Company or any Subsidiary to terminate the Participant's employment at any time, for any reason or no reason, or confer upon the Participant the right to continue in the employ of the Company or a Subsidiary.

ANNEX B

TO

**MDU RESOURCES GROUP, INC.
LONG-TERM PERFORMANCE-BASED INCENTIVE PLAN**

PERFORMANCE SHARE AWARD AGREEMENT

PEER GROUP COMPANIES

ALLETE, Inc.
Alliant Energy Corporation
Atmos Energy Corporation
Black Hills Corporation
EMCOR Group, Inc.
Granite Construction Incorporated
IDACORP, Inc.
Martin Marietta Materials, Inc.
MasTec, Inc.
MYR Group Inc.
Northwest Natural Gas Company
NorthWestern Corporation
Otter Tail Corporation
Portland General Electric Company
Southwest Gas Holdings, Inc.
Spire Inc.
Summit Materials Inc.
U.S. Concrete, Inc.
Vectren Corporation
Vulcan Materials Company

MDU Resources Group, Inc.
2018 Performance Share Award Opportunity Chart

Name	Title	Threshold	Target	Maximum
		Shares (#)	Shares (#)	Shares (#)
David L. Goodin	President and Chief Executive Officer of the Company	15,692	78,460	156,920
Jason L. Vollmer	Vice President, Chief Financial Officer and Treasurer of the Company	3,197	15,987	31,974
David C. Barney	President and Chief Executive Officer of construction materials and contracting segment	4,157	20,784	41,568
Jeffrey S. Thiede	President and Chief Executive Officer of construction services segment	4,157	20,784	41,568
Nicole A. Kivisto	President and Chief Executive Officer of electric and gas utility segment	3,928	19,642	39,284

MDU RESOURCES GROUP, INC.
RESTRICTED STOCK UNIT AWARD NOTICE

This Award Notice evidences the award of restricted stock units (each, an “*RSU*” or collectively, the “*RSUs*”) that have been granted to, (_____), by MDU Resources Group, Inc., a Delaware corporation (the “*Company*”), subject to your acceptance of the terms of this Award Notice, the Restricted Stock Unit Award Agreement, which is attached hereto (the “*Agreement*”) and the MDU Resources Group, Inc. Long-Term Performance-Based Incentive Plan (the “*Plan*”). When vested, each RSU entitles you to receive one share of common stock of the Company (the “*Shares*”). The RSUs are granted pursuant to the terms of the Plan.

This Award Notice constitutes part of, and is subject to the terms and provisions of, the Agreement and the Plan, which are incorporated by reference herein. Capitalized terms used but not defined in this Award Notice shall have the meanings set forth in the Agreement or in the Plan.

Grant Date:	February 15, 2018
Number of RSUs:	11,419, subject to adjustment as provided under Section 4.2 of the Plan.
Vesting Schedule:	Subject to the provisions of the Agreement and the Plan and provided that you remain continuously employed by the Company and/or an Affiliate through the respective vesting dates set forth below, the RSUs shall vest on December 31, 2020. Except for termination of employment due to death or disability or a Change of Control as defined in the Plan, any unvested portion of the Award will be forfeited and/or cancelled on the date you cease to be an employee of the Company or an Affiliate.
Settlement Date:	Each vested RSU will be settled in Shares as soon as practicable following vesting but in no event later than 60 days after such RSUs vest.
Acceleration on Death or Disability:	A portion of the unvested RSUs will vest based on the ratio of the number of full months of employment completed during the period from the Grant Date of this Award to the date of your death or disability divided by the total number of months from the Grant Date until the Award would have been fully vested.
Dividend Equivalents:	Yes

THESE RESTRICTED STOCK UNITS ARE SUBJECT TO FORFEITURE AS PROVIDED HEREIN. THIS AWARD AND AMOUNTS RECEIVED IN CONNECTION WITH THIS AWARD ARE SUBJECT TO FORFEITURE, RECAPTURE OR OTHER ACTION IN THE EVENT OF AN ACCOUNTING RESTATEMENT, AS PROVIDED IN THE PLAN.

Further terms and conditions of the Award are set forth in Annex A hereto, which is an integral part of the Agreement.

You must accept this Award Notice by logging onto your account with Fidelity Investments and accepting this grant agreement. If you fail to do so, the RSUs will be null and void. By accepting the RSUs granted to you in this Award, you agree to be bound by all of the provisions set forth in this Award Notice, the Agreement, and the Plan.

Attachments:

Annex A: Restricted Stock Unit Award Agreement

Annex A
RESTRICTED STOCK UNIT AWARD AGREEMENT
UNDER THE MDU RESOURCES GROUP, INC.
LONG-TERM PERFORMANCE-BASED INCENTIVE PLAN

MDU Resources Group, Inc. (the “*Company*”) has granted to you an Award consisting of restricted stock units, subject to the terms and conditions set forth herein and in the Restricted Stock Unit Award Notice (the “*Award Notice*”). The Award has been granted to you pursuant to the MDU Resources Group, Inc. Long-Term Performance-Based Incentive Plan (the “*Plan*”). The decisions and interpretations of the Compensation Committee of the Company’s Board of Directors (the “*Committee*”) are binding, conclusive and final upon any questions arising under the Award Notice, this Restricted Stock Unit Award Agreement (the “*Agreement*”) or the Plan. Unless otherwise defined herein or in the Award Notice, capitalized terms shall have the meanings assigned to such terms in the Plan.

1. **Grant of RSUs.** On the Grant Date, you were awarded the number of RSUs set forth in the Award Notice.
 2. **Vesting of RSUs.** The RSUs shall become vested and nonforfeitable in accordance with the Vesting Schedule set forth in the Award Notice. Vesting may be accelerated only as described in the Award Notice.
 3. **Termination of employment.** Except for termination of employment due to death, disability or a Change of Control as defined in the Plan, any unvested portion of the Award will be forfeited and/or cancelled on the date you cease to be an employee of the Company or an Affiliate.
 4. **Settlement of RSU.** Each RSU, at the discretion of the Committee, will be settled in Shares as soon as practicable after the Vesting Date but in no event later than 60 days after unvested RSUs become vested RSUs. You shall retain 50% of the net after-tax Shares that are earned under this Award until the earlier of (i) the end of the two-year period commencing on the date any Shares earned under this Award are issued and (ii) your termination of employment. Executives are required to own Shares at designated multiples of their base salary. If you have not achieved an applicable stock ownership requirement, the Company may require you to hold all Shares received under this Award until the requirement is met.
 5. **Voting Rights.** Since RSUs do not represent actual Shares, no voting rights or other rights as a stockholder of the Company arise with respect to the RSUs until Shares have been delivered to you upon settlement of the RSUs.
 6. **Dividend Equivalents.** Dividend Equivalents will be earned with respect to any Shares issued pursuant to the Award. The amount of Dividend Equivalents earned shall be equal to the total dividends declared on a Share between the Grant Date of this Award and the vesting date of the RSUs, multiplied by the number of Shares issued pursuant to the vesting of the RSUs awarded in the Award Agreement. Any Dividend Equivalents earned shall be paid in cash when the Shares to which they relate are issued or as soon thereafter as practicable, but no later than 60 days after
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the Shares are issued. No Dividend Equivalents will be issued for unvested or forfeited RSUs.

7. **Withholding Taxes.** Pursuant to Article 14 of the Plan, the Committee shall have the power and the right to deduct or withhold, or require the Participant to remit to the Company, an amount sufficient to satisfy any Federal, state and local taxes (including the Participant's FICA obligations) required by law to be withheld with respect to the Award. The Committee may condition the delivery of Shares upon the Participant's satisfaction of such withholding obligations. The Participant may elect to satisfy all or part of such withholding requirement by tendering previously-owned Shares or by having the Company withhold Shares having a Fair Market Value equal to the minimum statutory withholding that could be imposed on the transaction (based on minimum statutory withholding rates for Federal, state and local tax purposes, as applicable, including payroll taxes, that are applicable to such supplemental taxable income). Such election shall be irrevocable, made in writing, signed by the Participant, and shall be subject to any restrictions or limitations that the Committee, in its sole discretion, deems appropriate.

8. **Non-Guarantee of Employment Relationship or Future Awards.** Nothing in the Plan, the Award Notice or this Agreement will alter your at-will or other employment status with the Company or an Affiliate, nor be construed as a contract of employment between you and the Company or an Affiliate, or as a contractual right for you to continue in the employ of the Company or an Affiliate for any period of time, or as a limitation of the right of the Company or an Affiliate to discharge you at any time with or without cause or notice and whether or not such discharge results in the forfeiture of any of your RSUs, or as a right to any future Awards.

9. **Non-transferability of RSUs.** No RSUs granted under the Plan may be sold, transferred, pledged, assigned, or otherwise alienated or hypothecated, otherwise than by will or by the laws of descent and distribution.

10. **Personal Information.** You agree the Company and its suppliers or vendors may collect, use and disclose your personal information for the purposes of the implementation, management, administration and termination of the Plan.

11. **Amendment.** The Committee may amend, alter, modify, suspend or terminate the Award Notice or this Agreement at any time and from time to time, in whole or in part; provided, however, no amendment, alteration, modification, suspension or termination of the Award Notice or Agreement shall adversely affect in any material way the Award Notice or this Agreement, without your written consent, except to the extent such amendment, alteration, modification, suspension or termination is reasonably determined by the Committee in its sole discretion to be necessary to comply with applicable laws, rules, regulations, or is necessary for such approvals by any governmental agencies or national securities exchanges as may be required.

12. **Binding Effect.** This Agreement shall inure to the benefit of the successors and assigns of the Company and, subject to the restrictions on transfer set forth herein, be binding upon you and your heirs, beneficiaries, executors, legal representatives, successors and assigns.

13. **Integrated Agreement.** The Award Notice, this Agreement and the Plan constitute the entire understanding and agreement between you and the Company with respect to the subject

matter contained herein or therein and supersedes any prior agreements, understandings, restrictions, representations, or warranties between you and the Company with respect to such subject matter other than those as set forth or provided for herein or therein.

14. **Ratification of Actions.** By accepting the Award or other benefit under the Plan, you and each person claiming under or through you shall be conclusively deemed to have indicated your acceptance and ratification of, and consent to, any action taken under the Plan or the Award by the Company, its Board of Directors, or the Committee.

15. **Notices.** Any notice hereunder to the Company shall be addressed to its office, 1200 West Century Avenue, P.O. Box 5650, Bismarck, North Dakota 58506; Attention: Corporate Secretary, and any notice hereunder to you shall be addressed to you at the address specified on the Award Agreement, subject to the right of either party to designate at any time hereafter in writing some other address.

16. **Governing Law.** To the extent not preempted by Federal law, the Award Notice and this Agreement shall be governed and construed in accordance with the laws of the State of Delaware, without regard to conflicts of law provisions. In the event any provision of the Award Agreement shall be held illegal or invalid for any reason, the illegality or invalidity shall not affect the remaining parts of the Award Agreement, and the Award Agreement shall be construed and enforced as if the illegal or invalid provision had not been included.

17. **Construction.** Captions and titles contained in this Agreement are for convenience only and shall not affect the meaning or interpretation of any provision of this Agreement. Except when otherwise indicated by the context, the singular shall include the plural and the plural shall include the singular. Use of the term "or" is not intended to be exclusive, unless the context clearly requires otherwise.

18. **Conformity.** This Agreement is intended to conform in all respects with, and is subject to all applicable provisions of, the Plan. Any conflict between the terms of the Award Notice, this Agreement and the Plan shall be resolved in accordance with the terms of the Plan. In the event of any ambiguity in the Award Notice or this Agreement or any matters as to which the Award Notice and this Agreement are silent, the Plan shall govern. Any conflict between the terms of the Award Notice and the Agreement shall be resolved in accordance with the terms of the Agreement.