

MDU RESOURCES GROUP, INC.

BOARD OF DIRECTORS' FINANCE COMMITTEE

CHARTER

Members

Robert L. Nance, Chairman
Thomas Everist
Dennis W. Johnson
Patricia L. Moss
Sister Thomas Welder
John K. Wilson

Purpose

The Finance Committee shall review corporate financial policies, procedures, objectives, and corporate financing plans and provide advice to management and recommendations to the Board. The Finance Committee shall carry out the directives of the Board in issuing equity and debt securities.

Authority and Responsibilities

The Finance Committee has been granted the power and authority to:

1. Exercise all the powers and authority of the Board of Directors in connection with financial matters, except those specifically reserved to the Board of Directors by resolution (see November 16, 2000, Meeting minutes pertaining to the Board's acquisition policy, as may be amended from time to time), the Certificate of Incorporation or the Bylaws.
2. Authorize the issuance of Preferred Stock, Common Stock, First Mortgage Bonds, Debentures or other securities (collectively "Securities").
3. Fix the terms and conditions upon which all or a portion of the Securities may be issued and sold, including without limitation the consideration received for such Securities.
4. Authorize the method or methods of offering the Securities.

5. Authorize the execution and delivery of one or more underwriting, purchase, agency, acquisition or other forms of such agreements, with the purchasers of the Securities or parties to divestitures.
6. Approve acquisitions when Common Stock will be used, in whole or in part, as consideration and the consideration (including assumption of debt, but excluding working capital adjustments and any other adjustments) does not exceed \$30 million, such process to include:
 - (i) Question the management of the Company or of any subsidiary and consult with outside experts concerning any proposed acquisition, merger, or consolidation or divestiture,
 - (ii) Authorize the execution and delivery of one or more agreement(s) of acquisition, merger or consolidation,
 - (iii) Fix the terms and conditions upon which any Securities may be issued in connection with such proposed acquisition, merger or consolidation (including without limitation the consideration received for such Securities) or authorize the Company to make a capital contribution and/or loan or advance to any such subsidiary to be used as consideration in such acquisition, merger or consolidation pursuant to the terms and conditions set forth in such agreement(s),
 - (iv) Approve, ratify and confirm all actions taken by the officers of the Company or of any subsidiary in furtherance of such acquisition, merger, or consolidation or divestiture, and
 - (v) Authorize the officers of the Company or of any subsidiary to do any and all acts and things in their opinions necessary or desirable in furtherance of such acquisition, merger or consolidation or divestiture.
7. Revise the consolidated Capital Expenditures Budget of the Company.

In carrying out its responsibilities, the Finance Committee shall:

8. Review operating budgets, financial forecasts and capital appropriations, provide financial advice thereon to management and act thereon or recommend to the Board the appropriate action to be taken.
9. Review derivatives policy and the policies of the Company for the short and intermediate-term investment of surplus and reserve funds and act thereon or make timely recommendations thereon to the Board.
10. Review the financial and operating feasibility of, and make timely recommendations to the Board with respect to, any disposition by the Company or any of its subsidiaries of interests in any of their respective businesses (excluding inventory, equipment, materials, other products and interests in the ordinary course of business, and excluding intercompany transactions or arrangements between or among the Company and/or its subsidiaries) (each a "Disposition"), where the consideration for any Disposition, including assumption of debt, but excluding working capital adjustments or any other adjustments, shall exceed \$30 million.
11. Review corporate financial policies, procedures and objectives and act thereon or make timely recommendations thereon to the Board.
12. Review corporate financing plans in the overall context of operations and act thereon or make timely recommendations to the Board on the issuance and sale of specific securities.
13. Report to the Board on a quarterly basis all actions taken regarding the issuance of Securities.
14. Meet at such times and report to the Board regarding its deliberations, as necessary.
15. Review and evaluate the performance of the Finance Committee on an annual basis.

16. Retain and discharge, and approve fees and other terms and conditions for retention of, consultants for the Finance Committee.
17. Direct any officer or employee of the Company or request any employee of the Company's advisors, consultants or counsel or such other individual as it may deem appropriate to attend Committee meetings or meet with any Committee members.

Composition

The Finance Committee is a standing committee of the Board of Directors. The Finance Committee shall consist of not less than three members of the Board, each of whom satisfies the requirements for independence pursuant to the listing standards of the New York Stock Exchange with respect to members of the Board of Directors. Committee members shall serve at the pleasure of the Board and for such term or terms as the Board may determine.

Resources

The Finance Committee shall have the resources and appropriate funding, as determined by the Committee, to discharge its duties and responsibilities.

Date of Creation

August 2, 1979 as the Financing Committee, later redesignated the Finance Committee.

Charter Adopted

August 2, 1979; later expanded and restated on August 4, 1983; February 9, 1989; May 6, 1993; May 16, 1996; May 14, 1998; February 11, 1999, November 16, 2000, May 15, 2003, and November 13, 2003.

Date Issued

November 13, 2003