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Statement of Policy

It is the policy of NorthWestern Energy to establish a comprehensive Business Continuity Program that provides for a formal, integrated Emergency Response process to ensure that the planning, mitigation, response and recovery of business operations is incorporated into the daily operations of the corporation.

Objective

The Business Continuity Policy (BCP) will define the obligations and responsibilities of the officers, managers and the Enterprise Risk Management Consultant in regards to organizational roles, emergency management responsibilities and day-to-day contingency planning obligations.

Scope

This policy applies to all company business processes and systems.

Definitions

- A. Business Continuity - corporate level planning, oversight, coordination and management of emergency response and recovery operations.
- B. Disaster Recovery- department level planning to address local and or specific business process needs during response and recovery operations.
- C. Emergency Response - the actions taken during or immediately following an emergency to ensure protection of personnel, mobilization of first responders and notifications to company managers.
- D. Enterprise Risk Management - The culture, capabilities, and practices, integrated with strategy setting and its execution, that organizations rely on to manage risk in creating, preserving, and realizing value.

Policy Provisions

- A. A Business Continuity program will be maintained as a formal business process to meet the following business objectives:
 - i. Create a policy directive to incorporate Disaster Recovery planning into ongoing business operations,
 - ii. Integrate department level Disaster Recovery plans into the corporate Business Continuity program,
 - iii. Facilitates the resolution of operational and departmental planning issues such as:



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- a. utility infrastructure protection,
 - b. business facility protection and improvements,
 - c. information security and records protection, and
 - d. other asset protection measures, as appropriate.
- iv. Minimizes the impacts of its requirements on daily operations and company resources,
 - v. Provides technical guidance and assistance to departmental disaster recovery plans including dependencies on critical vendors, service providers and other similar business partnerships,
 - vi. Coordinates responsibilities with local/state/federal all-hazards planning programs,
 - vii. Prioritizes critical business needs,
 - viii. Assists in providing verification and justification for Business Continuity/Disaster Recovery expenditures,
 - ix. Coordinates a training and exercise programs for employees with emergency response responsibilities,
 - x. Integrates continuity planning with the corporate Enterprise Risk Management program,
 - xi. Inform and educate Executives and the Audit Committee of the Board of Directors of the annual objectives and progress of Business Continuity,
 - xii. Develop in-house expertise to ensure program continuity and in-house emergency response skill-sets.
- B. Executive Officers are responsible to ensure the Disaster Recovery capabilities of their individual areas are completed, reviewed and tested.
- C. Managers or directors of business processes are responsible to:
- i. Prepare and annually review a departmental Disaster Recovery Plan,
 - ii. Designate an Emergency Response point-of-contact within their area,
 - iii. Ensure that appropriate mitigation actions are taken to lessen the impacts of disaster in their business area, and
 - iv. Budget and justify appropriate annual expenditures for plan development, training and a biennial exercise.



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- D. The Enterprise Risk Management Consultant is responsible to:
 - i. Facilitate policy, plans and Business Continuity program development,
 - ii. Monitor the ongoing maintenance of departmental Disaster Recovery Plans,
 - iii. Identify Business Continuity issues as part of the Enterprise Risk Management program.
- E. The Enterprise Risk Management Committee will provide senior management sponsorship and guidance for Business Continuity program objectives.
- F. An ongoing process is in place to identify and categorize corporate servers, applications, and data into disaster recovery tiers. Each of the three tiers includes estimated recovery times and determines whether or not computing infrastructure needs to be readily available in the remote data center. This process assists in planning for a disaster/emergency and the subsequent recovery efforts.
- G. Departmental Disaster Recovery plans should be maintained in conjunction with, and integrated into a formal Continuity of Operations Plan that maximizes resource utilization and facilitates the coordination of Emergency Response actions.

Corporate Policy Provisions

- A. Nothing in this policy is intended to limit an employee's rights under the National Labor Relations Act (NLRA).
- B. If any of the provisions of this policy conflict with federal or state law, the provisions of the federal or state law prevail.
- C. If any of the provisions of this policy conflict with those of a collective bargaining agreement (CBA) for covered employees, the provisions of the CBA will prevail.
- D. All employees are expected to comply with this policy. Failure to do so may result in disciplinary action up to and including termination of employment.
- E. The existence of this policy does not create a contract or vested right of employment implied or otherwise. NorthWestern Energy is an at will employer in South Dakota, Nebraska, and Wyoming.
- F. NorthWestern Energy reserves the right to amend, terminate, or otherwise modify this Policy at any time. The effect of any amendment or modification, however, will be prospective, not retroactive.