

<p style="text-align: center;">Form 5500</p> <p style="font-size: small;">Department of the Treasury Internal Revenue Service</p> <hr/> <p style="font-size: small;">Department of Labor Employee Benefits Security Administration</p> <hr/> <p style="font-size: x-small;">Pension Benefit Guaranty Corporation</p>	<p>Annual Return/Report of Employee Benefit Plan</p> <p style="font-size: x-small;">This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6057(b) and 6058(a) of the Internal Revenue Code (the Code).</p> <p style="text-align: center;">▶ Complete all entries in accordance with the instructions to the Form 5500.</p>	<p style="font-size: x-small;">OMB Nos. 1210-0110 1210-0089</p> <hr/> <p style="font-size: large; text-align: center;">2022</p> <hr/> <p style="text-align: center;">This Form is Open to Public Inspection</p>
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Part I Annual Report Identification Information	
For calendar plan year 2022 or fiscal plan year beginning 01/01/2022 and ending 12/31/2022	
<p>A This return/report is for:</p> <p><input type="checkbox"/> a multiemployer plan</p> <p><input checked="" type="checkbox"/> a single-employer plan</p> <p>B This return/report is:</p> <p><input type="checkbox"/> the first return/report</p> <p><input type="checkbox"/> an amended return/report</p> <p>C If the plan is a collectively-bargained plan, check here. ▶ <input checked="" type="checkbox"/></p> <p>D Check box if filing under:</p> <p><input checked="" type="checkbox"/> Form 5558</p> <p><input type="checkbox"/> special extension (enter description)</p> <p>E If this is a retroactively adopted plan permitted by SECURE Act section 201, check here. ▶ <input type="checkbox"/></p>	<p><input type="checkbox"/> a multiple-employer plan (Filers checking this box must attach a list of participating employer information in accordance with the form instructions.)</p> <p><input type="checkbox"/> a DFE (specify) ____</p> <p><input type="checkbox"/> the final return/report</p> <p><input type="checkbox"/> a short plan year return/report (less than 12 months)</p> <p><input type="checkbox"/> automatic extension</p> <p><input type="checkbox"/> the DFVC program</p>

Part II Basic Plan Information —enter all requested information	
<p>1a Name of plan NORTHWESTERN ENERGY FLEXIBLE COMPENSATION PLAN</p> <p>2a Plan sponsor's name (employer, if for a single-employer plan) Mailing address (include room, apt., suite no. and street, or P.O. Box) City or town, state or province, country, and ZIP or foreign postal code (if foreign, see instructions) NORTHWESTERN CORPORATION DBA NORTHWESTERN ENERGY</p> <p>11 EAST PARK STREET BUTTE, MT 59701-1711</p>	<p>1b Three-digit plan number (PN) ▶ 530</p> <p>1c Effective date of plan 07/01/1987</p> <p>2b Employer Identification Number (EIN) 46-0172280</p> <p>2c Plan Sponsor's telephone number 605-978-2826</p> <p>2d Business code (see instructions) 221100</p>

Caution: A penalty for the late or incomplete filing of this return/report will be assessed unless reasonable cause is established.

Under penalties of perjury and other penalties set forth in the instructions, I declare that I have examined this return/report, including accompanying schedules, statements and attachments, as well as the electronic version of this return/report, and to the best of my knowledge and belief, it is true, correct, and complete.

SIGN HERE	Filed with authorized/valid electronic signature.	10/13/2023	CHRISTOPHER FORBECK
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE	Filed with authorized/valid electronic signature.	10/13/2023	CRYSTAL LAIL
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE		Date	Enter name of individual signing as DFE
	Signature of DFE		

For Paperwork Reduction Act Notice, see the Instructions for Form 5500.

Form 5500 (2022)
v. 220413

3a Plan administrator's name and address <input type="checkbox"/> Same as Plan Sponsor EMPLOYEE BENEFIT ADMINISTRATION COMMITTEE CHRISTOPHER FORBECK 3010 WEST 69TH STREET SIOUX FALLS, SD 57108	3b Administrator's EIN 46-0172280 3c Administrator's telephone number 605-978-2826
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4 If the name and/or EIN of the plan sponsor or the plan name has changed since the last return/report filed for this plan, enter the plan sponsor's name, EIN, the plan name and the plan number from the last return/report: a Sponsor's name c Plan Name	4b EIN 4d PN
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5 Total number of participants at the beginning of the plan year	5	2234
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6 Number of participants as of the end of the plan year unless otherwise stated (welfare plans complete only lines 6a(1) , 6a(2) , 6b , 6c , and 6d).		
a(1) Total number of active participants at the beginning of the plan year	6a(1)	1494
a(2) Total number of active participants at the end of the plan year	6a(2)	1531
b Retired or separated participants receiving benefits	6b	702
c Other retired or separated participants entitled to future benefits.....	6c	0
d Subtotal. Add lines 6a(2) , 6b , and 6c	6d	2233
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.	6e	
f Total. Add lines 6d and 6e	6f	
g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item).....	6g	
h Number of participants who terminated employment during the plan year with accrued benefits that were less than 100% vested.....	6h	

7 Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item)	7	
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8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristics Codes in the instructions:

b If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristics Codes in the instructions:
 4A 4B 4D 4Q 4H 4E

9a Plan funding arrangement (check all that apply) (1) <input checked="" type="checkbox"/> Insurance (2) <input type="checkbox"/> Code section 412(e)(3) insurance contracts (3) <input checked="" type="checkbox"/> Trust (4) <input type="checkbox"/> General assets of the sponsor	9b Plan benefit arrangement (check all that apply) (1) <input checked="" type="checkbox"/> Insurance (2) <input type="checkbox"/> Code section 412(e)(3) insurance contracts (3) <input checked="" type="checkbox"/> Trust (4) <input checked="" type="checkbox"/> General assets of the sponsor
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10 Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)

<p>a Pension Schedules</p> <p>(1) <input type="checkbox"/> R (Retirement Plan Information)</p> <p>(2) <input type="checkbox"/> MB (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary</p> <p>(3) <input type="checkbox"/> SB (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary</p>	<p>b General Schedules</p> <p>(1) <input checked="" type="checkbox"/> H (Financial Information)</p> <p>(2) <input type="checkbox"/> I (Financial Information – Small Plan)</p> <p>(3) <input checked="" type="checkbox"/> 2 A (Insurance Information)</p> <p>(4) <input checked="" type="checkbox"/> C (Service Provider Information)</p> <p>(5) <input checked="" type="checkbox"/> D (DFE/Participating Plan Information)</p> <p>(6) <input type="checkbox"/> G (Financial Transaction Schedules)</p>
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Part III Form M-1 Compliance Information (to be completed by welfare benefit plans)

11a If the plan provides welfare benefits, was the plan subject to the Form M-1 filing requirements during the plan year? (See instructions and 29 CFR 2520.101-2.) Yes No

If "Yes" is checked, complete lines 11b and 11c.

11b Is the plan currently in compliance with the Form M-1 filing requirements? (See instructions and 29 CFR 2520.101-2.) Yes No

11c Enter the Receipt Confirmation Code for the 2022 Form M-1 annual report. If the plan was not required to file the 2022 Form M-1 annual report, enter the Receipt Confirmation Code for the most recent Form M-1 that was required to be filed under the Form M-1 filing requirements. (Failure to enter a valid Receipt Confirmation Code will subject the Form 5500 filing to rejection as incomplete.)

Receipt Confirmation Code _____

**SCHEDULE A
(Form 5500)**

Department of the Treasury
Internal Revenue Service
Department of Labor
Employee Benefits Security Administration
Pension Benefit Guaranty Corporation

Insurance Information

This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA).

▶ **File as an attachment to Form 5500.**

▶ Insurance companies are required to provide the information pursuant to ERISA section 103(a)(2).

OMB No. 1210-0110

2022

This Form is Open to Public Inspection

For calendar plan year 2022 or fiscal plan year beginning 01/01/2022 and ending 12/31/2022

A Name of plan NORTHWESTERN ENERGY FLEXIBLE COMPENSATION PLAN		B Three-digit plan number (PN) ▶	530
C Plan sponsor's name as shown on line 2a of Form 5500 NORTHWESTERN CORPORATION		D Employer Identification Number (EIN) 46-0172280	

Part I Information Concerning Insurance Contract Coverage, Fees, and Commissions Provide information for each contract on a separate Schedule A. Individual contracts grouped as a unit in Parts II and III can be reported on a single Schedule A.

1 Coverage Information:

(a) Name of insurance carrier
LINCOLN NATIONAL LIFE INSURANCE COMPANY

(b) EIN	(c) NAIC code	(d) Contract or identification number	(e) Approximate number of persons covered at end of policy or contract year	Policy or contract year	
				(f) From	(g) To
35-0472300	65675	SA3-890-LF0464-	6356	01/01/2022	12/31/2022

2 Insurance fee and commission information. Enter the total fees and total commissions paid. List in line 3 the agents, brokers, and other persons in descending order of the amount paid.

(a) Total amount of commissions paid 130358	(b) Total amount of fees paid 35418
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3 Persons receiving commissions and fees. (Complete as many entries as needed to report all persons).

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid
MERCER HEALTH & BENEFITS
4565 PAYSHERE CIRCLE
CHICAGO, IL 60674

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	
130358	35418	SUPPLEMENTAL COMPENSATION	3

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

Part II	Investment and Annuity Contract Information Where individual contracts are provided, the entire group of such individual contracts with each carrier may be treated as a unit for purposes of this report.
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4 Current value of plan's interest under this contract in the general account at year end.....	4	
5 Current value of plan's interest under this contract in separate accounts at year end.....	5	

6 Contracts With Allocated Funds:

a State the basis of premium rates ▶

b Premiums paid to carrier	6b	
c Premiums due but unpaid at the end of the year	6c	
d If the carrier, service, or other organization incurred any specific costs in connection with the acquisition or retention of the contract or policy, enter amount..... Specify nature of costs ▶	6d	

e Type of contract: (1) individual policies (2) group deferred annuity
(3) other (specify) ▶

f If contract purchased, in whole or in part, to distribute benefits from a terminating plan, check here ▶

7 Contracts With Unallocated Funds (Do not include portions of these contracts maintained in separate accounts)

a Type of contract: (1) deposit administration (2) immediate participation guarantee
(3) guaranteed investment (4) other ▶

b Balance at the end of the previous year	7b	
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c Additions: (1) Contributions deposited during the year	7c(1)		
(2) Dividends and credits.....	7c(2)		
(3) Interest credited during the year.....	7c(3)		
(4) Transferred from separate account.....	7c(4)		
(5) Other (specify below)	7c(5)		

(6) Total additions.....	7c(6)	
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d Total of balance and additions (add lines 7b and 7c(6))	7d	
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e Deductions:			
(1) Disbursed from fund to pay benefits or purchase annuities during year	7e(1)		
(2) Administration charge made by carrier.....	7e(2)		
(3) Transferred to separate account.....	7e(3)		
(4) Other (specify below)	7e(4)		

(5) Total deductions.....	7e(5)	
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f Balance at the end of the current year (subtract line 7e(5) from line 7d)	7f	
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Part III Welfare Benefit Contract Information
 If more than one contract covers the same group of employees of the same employer(s) or members of the same employee organizations(s), the information may be combined for reporting purposes if such contracts are experience-rated as a unit. Where contracts cover individual employees, the entire group of such individual contracts with each carrier may be treated as a unit for purposes of this report.

- 8** Benefit and contract type (check all applicable boxes)
- a** Health (other than dental or vision)
 b Dental
 c Vision
 d Life insurance
e Temporary disability (accident and sickness)
 f Long-term disability
 g Supplemental unemployment
 h Prescription drug
i Stop loss (large deductible)
 j HMO contract
 k PPO contract
 l Indemnity contract
m Other (specify) ▶ SUPPLEMENTAL AND DEPENDENT LIFE INSURANCE AND ACCIDENTAL DEATH AND DISMEMBERMENT

9 Experience-rated contracts:

a Premiums: (1) Amount received	9a(1)		
(2) Increase (decrease) in amount due but unpaid	9a(2)		
(3) Increase (decrease) in unearned premium reserve.....	9a(3)		
(4) Earned ((1) + (2) - (3)).....		9a(4)	
b Benefit charges (1) Claims paid.....	9b(1)		
(2) Increase (decrease) in claim reserves	9b(2)		
(3) Incurred claims (add (1) and (2)).....		9b(3)	
(4) Claims charged		9b(4)	
c Remainder of premium: (1) Retention charges (on an accrual basis) --			
(A) Commissions	9c(1)(A)		
(B) Administrative service or other fees	9c(1)(B)		
(C) Other specific acquisition costs.....	9c(1)(C)		
(D) Other expenses	9c(1)(D)		
(E) Taxes	9c(1)(E)		
(F) Charges for risks or other contingencies	9c(1)(F)		
(G) Other retention charges.....	9c(1)(G)		
(H) Total retention.....		9c(1)(H)	
(2) Dividends or retroactive rate refunds. (These amounts were <input type="checkbox"/> paid in cash, or <input type="checkbox"/> credited.).....		9c(2)	
d Status of policyholder reserves at end of year: (1) Amount held to provide benefits after retirement.....		9d(1)	
(2) Claim reserves		9d(2)	
(3) Other reserves		9d(3)	
e Dividends or retroactive rate refunds due. (Do not include amount entered in line 9c(2).).....		9e	
10 Nonexperience-rated contracts:			
a Total premiums or subscription charges paid to carrier	10a		1733673
b If the carrier, service, or other organization incurred any specific costs in connection with the acquisition or retention of the contract or policy, other than reported in Part I, line 2 above, report amount. Specify nature of costs.	10b		

Part IV Provision of Information

- 11** Did the insurance company fail to provide any information necessary to complete Schedule A? Yes No
- 12** If the answer to line 11 is "Yes," specify the information not provided. ▶

<p style="text-align: center;">SCHEDULE A (Form 5500)</p> <p style="text-align: center; font-size: small;">Department of the Treasury Internal Revenue Service</p> <hr/> <p style="text-align: center; font-size: small;">Department of Labor Employee Benefits Security Administration</p> <hr/> <p style="text-align: center; font-size: small;">Pension Benefit Guaranty Corporation</p>	<p>Insurance Information</p> <p>This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA).</p> <p>▶ File as an attachment to Form 5500.</p> <p>▶ Insurance companies are required to provide the information pursuant to ERISA section 103(a)(2).</p>	<p>OMB No. 1210-0110</p> <hr/> <p style="font-size: large;">2022</p> <hr/> <p>This Form is Open to Public Inspection</p>
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For calendar plan year 2022 or fiscal plan year beginning 01/01/2022 and ending 12/31/2022

<p>A Name of plan NORTHWESTERN ENERGY FLEXIBLE COMPENSATION PLAN</p>	<p>B Three-digit plan number (PN) ▶</p>	<p>530</p>
<p>C Plan sponsor's name as shown on line 2a of Form 5500 NORTHWESTERN CORPORATION</p>	<p>D Employer Identification Number (EIN) 46-0172280</p>	

Part I Information Concerning Insurance Contract Coverage, Fees, and Commissions Provide information for each contract on a separate Schedule A. Individual contracts grouped as a unit in Parts II and III can be reported on a single Schedule A.

1 Coverage Information:

(a) Name of insurance carrier
LINCOLN NATIONAL LIFE INSURANCE COMPANY

(b) EIN	(c) NAIC code	(d) Contract or identification number	(e) Approximate number of persons covered at end of policy or contract year	Policy or contract year	
				(f) From	(g) To
35-0472300	65675	GF3-890-LF0464-	1529	01/01/2022	12/31/2022

2 Insurance fee and commission information. Enter the total fees and total commissions paid. List in line 3 the agents, brokers, and other persons in descending order of the amount paid.

(a) Total amount of commissions paid	(b) Total amount of fees paid
48193	13841

3 Persons receiving commissions and fees. (Complete as many entries as needed to report all persons).

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid
 MERCER HEALTH & BENEFITS 4565 PAYSHERE CIRCLE
 CHICAGO, IL 60674

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	
48193	13841	SUPPLEMENTAL COMPENSATION	3

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

Part II	Investment and Annuity Contract Information Where individual contracts are provided, the entire group of such individual contracts with each carrier may be treated as a unit for purposes of this report.
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4 Current value of plan's interest under this contract in the general account at year end.....	4	
5 Current value of plan's interest under this contract in separate accounts at year end.....	5	

6 Contracts With Allocated Funds:

a State the basis of premium rates ▶

b Premiums paid to carrier	6b	
c Premiums due but unpaid at the end of the year	6c	
d If the carrier, service, or other organization incurred any specific costs in connection with the acquisition or retention of the contract or policy, enter amount..... Specify nature of costs ▶	6d	

e Type of contract: (1) individual policies (2) group deferred annuity
(3) other (specify) ▶

f If contract purchased, in whole or in part, to distribute benefits from a terminating plan, check here ▶

7 Contracts With Unallocated Funds (Do not include portions of these contracts maintained in separate accounts)

a Type of contract: (1) deposit administration (2) immediate participation guarantee
(3) guaranteed investment (4) other ▶

b Balance at the end of the previous year	7b	
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c Additions: (1) Contributions deposited during the year	7c(1)		
(2) Dividends and credits.....	7c(2)		
(3) Interest credited during the year.....	7c(3)		
(4) Transferred from separate account.....	7c(4)		
(5) Other (specify below)	7c(5)		
▶			

(6) Total additions.....	7c(6)	
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d Total of balance and additions (add lines 7b and 7c(6))	7d	
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e Deductions:			
(1) Disbursed from fund to pay benefits or purchase annuities during year	7e(1)		
(2) Administration charge made by carrier.....	7e(2)		
(3) Transferred to separate account.....	7e(3)		
(4) Other (specify below)	7e(4)		
▶			

(5) Total deductions.....	7e(5)	
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f Balance at the end of the current year (subtract line 7e(5) from line 7d)	7f	
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Part III Welfare Benefit Contract Information
 If more than one contract covers the same group of employees of the same employer(s) or members of the same employee organizations(s), the information may be combined for reporting purposes if such contracts are experience-rated as a unit. Where contracts cover individual employees, the entire group of such individual contracts with each carrier may be treated as a unit for purposes of this report.

8 Benefit and contract type (check all applicable boxes)

- a** Health (other than dental or vision)
- b** Dental
- c** Vision
- d** Life insurance
- e** Temporary disability (accident and sickness)
- f** Long-term disability
- g** Supplemental unemployment
- h** Prescription drug
- i** Stop loss (large deductible)
- j** HMO contract
- k** PPO contract
- l** Indemnity contract
- m** Other (specify) ▶

9 Experience-rated contracts:

a	Premiums: (1) Amount received	9a(1)	
	(2) Increase (decrease) in amount due but unpaid	9a(2)	
	(3) Increase (decrease) in unearned premium reserve.....	9a(3)	
	(4) Earned ((1) + (2) - (3)).....		9a(4)
b	Benefit charges (1) Claims paid.....	9b(1)	
	(2) Increase (decrease) in claim reserves	9b(2)	
	(3) Incurred claims (add (1) and (2)).....		9b(3)
	(4) Claims charged		9b(4)
c	Remainder of premium: (1) Retention charges (on an accrual basis) --		
	(A) Commissions	9c(1)(A)	
	(B) Administrative service or other fees	9c(1)(B)	
	(C) Other specific acquisition costs.....	9c(1)(C)	
	(D) Other expenses	9c(1)(D)	
	(E) Taxes	9c(1)(E)	
	(F) Charges for risks or other contingencies	9c(1)(F)	
	(G) Other retention charges.....	9c(1)(G)	
	(H) Total retention.....		9c(1)(H)
	(2) Dividends or retroactive rate refunds. (These amounts were <input type="checkbox"/> paid in cash, or <input type="checkbox"/> credited.).....		9c(2)
d	Status of policyholder reserves at end of year: (1) Amount held to provide benefits after retirement.....		9d(1)
	(2) Claim reserves		9d(2)
	(3) Other reserves		9d(3)
e	Dividends or retroactive rate refunds due. (Do not include amount entered in line 9c(2) .).....		9e

10 Nonexperience-rated contracts:

a	Total premiums or subscription charges paid to carrier	10a	688469
b	If the carrier, service, or other organization incurred any specific costs in connection with the acquisition or retention of the contract or policy, other than reported in Part I, line 2 above, report amount. Specify nature of costs.	10b	

Part IV Provision of Information

11 Did the insurance company fail to provide any information necessary to complete Schedule A? Yes No

12 If the answer to line 11 is "Yes," specify the information not provided. ▶

**SCHEDULE C
(Form 5500)**

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Service Provider Information

This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA).

▶ **File as an attachment to Form 5500.**

OMB No. 1210-0110

2022

This Form is Open to Public Inspection.

For calendar plan year 2022 or fiscal plan year beginning 01/01/2022 and ending 12/31/2022

A Name of plan NORTHWESTERN ENERGY FLEXIBLE COMPENSATION PLAN	B Three-digit plan number (PN) ▶	530
C Plan sponsor's name as shown on line 2a of Form 5500 NORTHWESTERN CORPORATION	D Employer Identification Number (EIN) 46-0172280	

Part I Service Provider Information (see instructions)

You must complete this Part, in accordance with the instructions, to report the information required for **each person** who received, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of monetary value) in connection with services rendered to the plan or the person's position with the plan during the plan year. If a person received **only** eligible indirect compensation for which the plan received the required disclosures, you are required to answer line 1 but are not required to include that person when completing the remainder of this Part.

1 Information on Persons Receiving Only Eligible Indirect Compensation

a Check "Yes" or "No" to indicate whether you are excluding a person from the remainder of this Part because they received only eligible indirect compensation for which the plan received the required disclosures (see instructions for definitions and conditions)..... Yes No

b If you answered line 1a "Yes," enter the name and EIN or address of each person providing the required disclosures for the service providers who received only eligible indirect compensation. Complete as many entries as needed (see instructions).

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

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(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

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2. Information on Other Service Providers Receiving Direct or Indirect Compensation. Except for those persons for whom you answered "Yes" to line 1a above, complete as many entries as needed to list each person receiving, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of value) in connection with services rendered to the plan or their position with the plan during the plan year. (See instructions).

(a) Enter name and EIN or address (see instructions)

BLUE CROSS BLUE SHIELD OF MONTANA

81-0216685

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
13	N/A	584066	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/>		Yes <input type="checkbox"/> No <input type="checkbox"/>

(a) Enter name and EIN or address (see instructions)

EXPRESS SCRIPTS, INC.

43-1420563

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
12	N/A	129448	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/>		Yes <input type="checkbox"/> No <input type="checkbox"/>

(a) Enter name and EIN or address (see instructions)

VIRGIN PULSE

20-2547480

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
13	N/A	122505	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/>		Yes <input type="checkbox"/> No <input type="checkbox"/>

2. Information on Other Service Providers Receiving Direct or Indirect Compensation. Except for those persons for whom you answered "Yes" to line 1a above, complete as many entries as needed to list each person receiving, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of value) in connection with services rendered to the plan or their position with the plan during the plan year. (See instructions).

(a) Enter name and EIN or address (see instructions)

DELTA DENTAL INSURANCE COMPANY

94-2761537

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
13	N/A	57041	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/>		Yes <input type="checkbox"/> No <input type="checkbox"/>

(a) Enter name and EIN or address (see instructions)

VISION SERVICE PLAN

06-1227840

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
13	N/A	34682	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/>		Yes <input type="checkbox"/> No <input type="checkbox"/>

(a) Enter name and EIN or address (see instructions)

MERCER INVESTMENTS LLC

30-0282430

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
51 52	FIDUCIARY	30292	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>	0	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>

2. Information on Other Service Providers Receiving Direct or Indirect Compensation. Except for those persons for whom you answered "Yes" to line 1a above, complete as many entries as needed to list each person receiving, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of value) in connection with services rendered to the plan or their position with the plan during the plan year. (See instructions).

(a) Enter name and EIN or address (see instructions)

COMPSYCH

36-3739783

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
13	N/A	28505	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/>		Yes <input type="checkbox"/> No <input type="checkbox"/>

(a) Enter name and EIN or address (see instructions)

MERCER HEALTH & BENEFITS LLC

13-2834414

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
16	N/A	14019	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>	0	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>

(a) Enter name and EIN or address (see instructions)

PEAK 1 ADMINISTRATORS

37-1668953

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
13	N/A	13505	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/>		Yes <input type="checkbox"/> No <input type="checkbox"/>

2. Information on Other Service Providers Receiving Direct or Indirect Compensation. Except for those persons for whom you answered "Yes" to line 1a above, complete as many entries as needed to list each person receiving, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of value) in connection with services rendered to the plan or their position with the plan during the plan year. (See instructions).

(a) Enter name and EIN or address (see instructions)

THE NORTHERN TRUST COMPANY

36-1561860

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
26	N/A	7132	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/>		Yes <input type="checkbox"/> No <input type="checkbox"/>

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes <input type="checkbox"/> No <input type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/>		Yes <input type="checkbox"/> No <input type="checkbox"/>

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes <input type="checkbox"/> No <input type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/>		Yes <input type="checkbox"/> No <input type="checkbox"/>

Part I Service Provider Information (continued)

3. If you reported on line 2 receipt of indirect compensation, other than eligible indirect compensation, by a service provider, and the service provider is a fiduciary or provides contract administrator, consulting, custodial, investment advisory, investment management, broker, or recordkeeping services, answer the following questions for (a) each source from whom the service provider received \$1,000 or more in indirect compensation and (b) each source for whom the service provider gave you a formula used to determine the indirect compensation instead of an amount or estimated amount of the indirect compensation. Complete as many entries as needed to report the required information for each source.

(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	

Part II Service Providers Who Fail or Refuse to Provide Information

4 Provide, to the extent possible, the following information for each service provider who failed or refused to provide the information necessary to complete this Schedule.

(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide

(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide

(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide

(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide

(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide

(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide

Part III Termination Information on Accountants and Enrolled Actuaries (see instructions)
(complete as many entries as needed)

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

SCHEDULE D (Form 5500) <small>Department of the Treasury Internal Revenue Service</small> <small>Department of Labor Employee Benefits Security Administration</small>	DFE/Participating Plan Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ▶ File as an attachment to Form 5500.	OMB No. 1210-0110 <hr/> 2022 This Form is Open to Public Inspection.
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For calendar plan year 2022 or fiscal plan year beginning 01/01/2022 and ending 12/31/2022		
A Name of plan NORTHWESTERN ENERGY FLEXIBLE COMPENSATION PLAN	B Three-digit plan number (PN) ▶	530
C Plan or DFE sponsor's name as shown on line 2a of Form 5500 NORTHWESTERN CORPORATION	D Employer Identification Number (EIN) 46-0172280	

Part I	Information on interests in MTIAs, CCTs, PSAs, and 103-12 IEs (to be completed by plans and DFEs) (Complete as many entries as needed to report all interests in DFEs)
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a Name of MTIA, CCT, PSA, or 103-12 IE:	SSGA US AGGREGATE BOND INDEX SL CTF		
b Name of sponsor of entity listed in (a):	STATE STREET GLOBAL ADVISORS TRUST COMPANY		
c EIN-PN 04-6880538-001	d Entity code C	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	2309722
a Name of MTIA, CCT, PSA, or 103-12 IE:	SSGA S & P 500 INDEX SL CTF		
b Name of sponsor of entity listed in (a):	STATE STREET GLOBAL ADVISORS TRUST COMPANY		
c EIN-PN 04-3205013-001	d Entity code C	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	9817176
a Name of MTIA, CCT, PSA, or 103-12 IE:	COLLECTIVE SHORT-TERM INVEST. FUND		
b Name of sponsor of entity listed in (a):	THE NORTHERN TRUST COMPANY		
c EIN-PN 36-6452394-001	d Entity code C	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	113621
a Name of MTIA, CCT, PSA, or 103-12 IE:			
b Name of sponsor of entity listed in (a):			
c EIN-PN	d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	
a Name of MTIA, CCT, PSA, or 103-12 IE:			
b Name of sponsor of entity listed in (a):			
c EIN-PN	d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	
a Name of MTIA, CCT, PSA, or 103-12 IE:			
b Name of sponsor of entity listed in (a):			
c EIN-PN	d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	
a Name of MTIA, CCT, PSA, or 103-12 IE:			
b Name of sponsor of entity listed in (a):			
c EIN-PN	d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN

d Entity
code

e Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN

d Entity
code

e Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN

d Entity
code

e Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN

d Entity
code

e Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN

d Entity
code

e Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN

d Entity
code

e Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN

d Entity
code

e Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN

d Entity
code

e Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN

d Entity
code

e Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN

d Entity
code

e Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)

SCHEDULE H (Form 5500) <small>Department of the Treasury Internal Revenue Service</small> <small>Department of Labor Employee Benefits Security Administration</small> <small>Pension Benefit Guaranty Corporation</small>	Financial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code). ▶ File as an attachment to Form 5500.	<small>OMB No. 1210-0110</small> 2022 This Form is Open to Public Inspection
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For calendar plan year 2022 or fiscal plan year beginning 01/01/2022 and ending 12/31/2022	
A Name of plan NORTHWESTERN ENERGY FLEXIBLE COMPENSATION PLAN	B Three-digit plan number (PN) ▶ 530
C Plan sponsor's name as shown on line 2a of Form 5500 NORTHWESTERN CORPORATION	D Employer Identification Number (EIN) 46-0172280

Part I	Asset and Liability Statement
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1 Current value of plan assets and liabilities at the beginning and end of the plan year. Combine the value of plan assets held in more than one trust. Report the value of the plan's interest in a commingled fund containing the assets of more than one plan on a line-by-line basis unless the value is reportable on lines 1c(9) through 1c(14). Do not enter the value of that portion of an insurance contract which guarantees, during this plan year, to pay a specific dollar benefit at a future date. **Round off amounts to the nearest dollar.** MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 1b(1), 1b(2), 1c(8), 1g, 1h, and 1i. CCTs, PSAs, and 103-12 IEs also do not complete lines 1d and 1e. See instructions.

Assets		(a) Beginning of Year	(b) End of Year
a Total noninterest-bearing cash.....	1a		
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions.....	1b(1)		
(2) Participant contributions.....	1b(2)	23905	51083
(3) Other.....	1b(3)	1417965	1441281
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit).....	1c(1)		
(2) U.S. Government securities.....	1c(2)		
(3) Corporate debt instruments (other than employer securities):			
(A) Preferred.....	1c(3)(A)		
(B) All other.....	1c(3)(B)		
(4) Corporate stocks (other than employer securities):			
(A) Preferred.....	1c(4)(A)		
(B) Common.....	1c(4)(B)		
(5) Partnership/joint venture interests.....	1c(5)		
(6) Real estate (other than employer real property).....	1c(6)		
(7) Loans (other than to participants).....	1c(7)		
(8) Participant loans.....	1c(8)		
(9) Value of interest in common/collective trusts.....	1c(9)	15946738	12240519
(10) Value of interest in pooled separate accounts.....	1c(10)		
(11) Value of interest in master trust investment accounts.....	1c(11)		
(12) Value of interest in 103-12 investment entities.....	1c(12)		
(13) Value of interest in registered investment companies (e.g., mutual funds).....	1c(13)	9342286	7814037
(14) Value of funds held in insurance company general account (unallocated contracts).....	1c(14)		
(15) Other.....	1c(15)		

1d Employer-related investments:		(a) Beginning of Year	(b) End of Year
(1) Employer securities.....	1d(1)		
(2) Employer real property.....	1d(2)		
e Buildings and other property used in plan operation.....	1e		
f Total assets (add all amounts in lines 1a through 1e).....	1f	26730894	21546920
Liabilities			
g Benefit claims payable.....	1g	3460926	3530753
h Operating payables.....	1h	146966	157129
i Acquisition indebtedness.....	1i		
j Other liabilities.....	1j		
k Total liabilities (add all amounts in lines 1g through 1j).....	1k	3607892	3687882
Net Assets			
l Net assets (subtract line 1k from line 1f).....	1l	23123002	17859038

Part II Income and Expense Statement

2 Plan income, expenses, and changes in net assets for the year. Include all income and expenses of the plan, including any trust(s) or separately maintained fund(s) and any payments/receipts to/from insurance carriers. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 2a, 2b(1)(E), 2e, 2f, and 2g.

Income		(a) Amount	(b) Total
a Contributions:			
(1) Received or receivable in cash from: (A) Employers.....	2a(1)(A)	25414805	
(B) Participants.....	2a(1)(B)	6187976	
(C) Others (including rollovers).....	2a(1)(C)		
(2) Noncash contributions.....	2a(2)		
(3) Total contributions. Add lines 2a(1)(A), (B), (C), and line 2a(2).....	2a(3)		31602781
b Earnings on investments:			
(1) Interest:			
(A) Interest-bearing cash (including money market accounts and certificates of deposit).....	2b(1)(A)		
(B) U.S. Government securities.....	2b(1)(B)		
(C) Corporate debt instruments.....	2b(1)(C)		
(D) Loans (other than to participants).....	2b(1)(D)		
(E) Participant loans.....	2b(1)(E)		
(F) Other.....	2b(1)(F)		
(G) Total interest. Add lines 2b(1)(A) through (F).....	2b(1)(G)		0
(2) Dividends:			
(A) Preferred stock.....	2b(2)(A)		
(B) Common stock.....	2b(2)(B)		
(C) Registered investment company shares (e.g. mutual funds).....	2b(2)(C)	21323	
(D) Total dividends. Add lines 2b(2)(A), (B), and (C).....	2b(2)(D)		21323
(3) Rents.....	2b(3)		
(4) Net gain (loss) on sale of assets:			
(A) Aggregate proceeds.....	2b(4)(A)		
(B) Aggregate carrying amount (see instructions).....	2b(4)(B)		
(C) Subtract line 2b(4)(B) from line 2b(4)(A) and enter result.....	2b(4)(C)		
(5) Unrealized appreciation (depreciation) of assets:			
(A) Real estate.....	2b(5)(A)		
(B) Other.....	2b(5)(B)		
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B).....	2b(5)(C)		

		(a) Amount	(b) Total
(6) Net investment gain (loss) from common/collective trusts	2b(6)		-2679234
(7) Net investment gain (loss) from pooled separate accounts	2b(7)		
(8) Net investment gain (loss) from master trust investment accounts	2b(8)		
(9) Net investment gain (loss) from 103-12 investment entities.....	2b(9)		
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds)	2b(10)		-1399572
c Other income	2c		
d Total income. Add all income amounts in column (b) and enter total	2d		27545298
Expenses			
e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	29365925	
(2) To insurance carriers for the provision of benefits	2e(2)	2422142	
(3) Other	2e(3)		
(4) Total benefit payments. Add lines 2e(1) through (3)	2e(4)		31788067
f Corrective distributions (see instructions)	2f		
g Certain deemed distributions of participant loans (see instructions)	2g		
h Interest expense	2h		
i Administrative expenses: (1) Professional fees	2i(1)	990903	
(2) Contract administrator fees	2i(2)		
(3) Investment advisory and management fees	2i(3)	30292	
(4) Other	2i(4)		
(5) Total administrative expenses. Add lines 2i(1) through (4)	2i(5)		1021195
j Total expenses. Add all expense amounts in column (b) and enter total	2j		32809262
Net Income and Reconciliation			
k Net income (loss). Subtract line 2j from line 2d	2k		-5263964
l Transfers of assets:			
(1) To this plan	2l(1)		
(2) From this plan	2l(2)		

Part III Accountant's Opinion

3 Complete lines 3a through 3c if the opinion of an independent qualified public accountant is attached to this Form 5500. Complete line 3d if an opinion is not attached.

a The attached opinion of an independent qualified public accountant for this plan is (see instructions):

- (1) Unmodified (2) Qualified (3) Disclaimer (4) Adverse

b Check the appropriate box(es) to indicate whether the IQPA performed an ERISA section 103(a)(3)(C) audit. Check both boxes (1) and (2) if the audit was performed pursuant to both 29 CFR 2520.103-8 and 29 CFR 2520.103-12(d). Check box (3) if pursuant to neither.

- (1) DOL Regulation 2520.103-8 (2) DOL Regulation 2520.103-12(d) (3) neither DOL Regulation 2520.103-8 nor DOL Regulation 2520.103-12(d).

c Enter the name and EIN of the accountant (or accounting firm) below:

(1) Name: EIDE BAILLY LLP

(2) EIN: 45-0250958

d The opinion of an independent qualified public accountant is **not attached** because:

- (1) This form is filed for a CCT, PSA, or MTIA. (2) It will be attached to the next Form 5500 pursuant to 29 CFR 2520.104-50.

Part IV Compliance Questions

4 CCTs and PSAs do not complete Part IV. MTIAs, 103-12 IEs, and GIAs do not complete lines 4a, 4e, 4f, 4g, 4h, 4k, 4m, 4n, or 5. 103-12 IEs also do not complete lines 4j and 4l. MTIAs also do not complete line 4l.

During the plan year:

a Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? Continue to answer "Yes" for any prior year failures until fully corrected. (See instructions and DOL's Voluntary Fiduciary Correction Program.)

	Yes	No	Amount
4a		X	

		Yes	No	Amount
b Were any loans by the plan or fixed income obligations due the plan in default as of the close of the plan year or classified during the year as uncollectible? Disregard participant loans secured by participant's account balance. (Attach Schedule G (Form 5500) Part I if "Yes" is checked.).....	4b		X	
c Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.)	4c		X	
d Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.).....	4d		X	
e Was this plan covered by a fidelity bond?.....	4e	X		10000000
f Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?	4f		X	
g Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?	4g		X	
h Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?.....	4h		X	
i Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.).....	4i	X		
j Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked and see instructions for format requirements.).....	4j	X		
k Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?	4k		X	
l Has the plan failed to provide any benefit when due under the plan?	4l		X	
m If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)	4m			
n If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3.	4n			

5a Has a resolution to terminate the plan been adopted during the plan year or any prior plan year?..... Yes No
 If "Yes," enter the amount of any plan assets that reverted to the employer this year _____.

5b If, during this plan year, any assets or liabilities were transferred from this plan to another plan(s), identify the plan(s) to which assets or liabilities were transferred. (See instructions.)

5b(1) Name of plan(s)	5b(2) EIN(s)	5b(3) PN(s)

5c Was the plan a defined benefit plan covered under the PBGC insurance program at any time during this plan year? (See ERISA section 4021 and instructions.) Yes No Not determined
 If "Yes" is checked, enter the My PAA confirmation number from the PBGC premium filing for this plan year _____.

2022

NorthWestern Energy Flexible Compensation Plan

**Financial Statements and
Supplemental Schedules
December 31, 2022 and 2021**

**NorthWestern Energy
Flexible Compensation Plan
Financial Statements and Supplemental Schedules
December 31, 2022 and 2021**

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Independent Auditor's Report

The Plan Administrator and Participants of
NorthWestern Energy Flexible Compensation Plan
Sioux Falls, South Dakota

Scope and Nature of the ERISA Section 103(a)(3)(C) Audit

We have performed audits of the financial statements of NorthWestern Energy Flexible Compensation Plan ("Plan"), an employee benefit plan subject to the Employee Retirement Income Security Act of 1974 (ERISA), as permitted by ERISA Section 103(a)(3)(C) (ERISA Section 103(a)(3)(C) audit). The financial statements comprise the statements of net assets available for benefits and of plan benefit obligations as of December 31, 2022 and 2021, and the related statement of changes in net assets available for benefits and of changes in benefit obligations for the year ended December 31, 2022, and the related notes to the financial statements.

Management, having determined it is permissible in the circumstances, has elected to have the audits of NorthWestern Energy Flexible Compensation Plan's financial statements performed in accordance with ERISA Section 103(a)(3)(C) pursuant to 29 CFR 2520.103-8 of the Department of Labor's (DOL) Rules and Regulations for Reporting and Disclosure under ERISA. As permitted by ERISA Section 103(a)(3)(C), our audits need not extend to any statements or information related to assets held for investment of the Plan (investment information) by a bank or similar institution or insurance carrier that is regulated, supervised, and subject to periodic examination by a state or federal agency, provided that the statements or information regarding assets so held are prepared and certified to by the bank or similar institution or insurance carrier in accordance with 29 CFR 2520.103-5 of the DOL's Rules and Regulations for Reporting and Disclosure under ERISA (qualified institution).

Management has obtained certifications from a qualified institution as of December 31, 2022 and 2021 and for the year ended December 31, 2022, stating that the certified investment information, as described in Note 8 to the financial statements, is complete and accurate.

Opinion

In our opinion, based on our audits and on the procedures performed as described in the Auditor's Responsibilities for the Audit of the Financial Statements section:

- the amounts and disclosures in the accompanying financial statements, other than those agreed to or derived from the certified investment information, are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America.
- the information in the accompanying financial statements related to assets held by and certified to by a qualified institution agrees to, or is derived from, in all material respects, the information prepared and certified by an institution that management determined meets the requirements of ERISA Section 103(a)(3)(C).

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Plan and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our ERISA Section 103(a)(3)(C) audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error. Management's election of the ERISA Section 103(a)(3)(C) audit does not affect management's responsibility for the financial statements.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Plan's ability to continue as a going concern for one year after the date that the financial statements are available to be issued.

Management is also responsible for maintaining a current Plan instrument, including all Plan amendments, administering the Plan, and determining that the Plan's transactions that are presented and disclosed in the financial statements are in conformity with the Plan's provisions, including maintaining sufficient records with respect to each of the participants, to determine the benefits due or which may become due to such participants.

Auditor's Responsibilities for the Audit of the Financial Statements

Except as described in the Scope and Nature of the ERISA Section 103(a)(3)(C) Audit section of our report, our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Plan's ability to continue as a going concern for a reasonable period of time.

Our audits did not extend to the certified investment information, except for obtaining and reading the certification, comparing the certified investment information with the related information presented and disclosed in the financial statements, and reading the disclosures relating to the certified investment information to assess whether they are in accordance with the presentation and disclosure requirements of accounting principles generally accepted in the United States of America.

Accordingly, the objective of an ERISA Section 103(a)(3)(C) audit is not to express an opinion about whether the financial statements as a whole are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Other Matter – Supplemental Schedules Required by ERISA

The supplemental schedule H, line 4i-schedule of assets held at end of year and schedule H, line 4j-schedule of reportable transactions as of or for the year ended December 31, 2022, are presented for purposes of additional analysis and are not a required part of the financial statements but are supplementary information required by the DOL's Rules and Regulations for Reporting and Disclosure under ERISA. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information included in the supplemental schedules, other than that agreed to or derived from the certified investment information, has been subjected to auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with GAAS. For information included in the supplemental schedules that agreed to or is derived from the certified investment information, we compared such information to the related certified investment information.

In forming our opinion on the supplemental schedules, we evaluated whether the supplemental schedules, other than the information agreed to or derived from the certified investment information, including their form and content, are presented in conformity with the DOL's Rules and Regulations for Reporting and Disclosure under ERISA.

In our opinion:

- the form and content of the supplemental schedules, other than the information in the supplemental schedules that agreed to or is derived from the certified investment information, are presented, in all material respects, in conformity with the DOL's Rules and Regulations for Reporting and Disclosure under ERISA.
- the information in the supplemental schedules related to assets held by and certified to by a qualified institution agrees to, or is derived from, in all material respects, the information prepared and certified by an institution that management determined meets the requirements of ERISA Section 103(a)(3)(C).

Eide Bailly LLP

Billings, Montana
October 12, 2023

NorthWestern Energy
Flexible Compensation Plan
Statements of Net Assets Available for Benefits

	<u>December 31,</u> <u>2022</u>	<u>December 31,</u> <u>2021</u>
Assets		
Investments held in VEBA trust, at fair value (Notes 1, 2, & 4):		
Investments in mutual funds.....	\$ 7,814,037	\$ 9,342,286
Investments in common-collective trusts	<u>12,240,519</u>	<u>15,946,738</u>
Total investments.....	20,054,556	25,289,024
Investments held in defined benefit plan-restricted for 401(h) account (Notes 1, 9, & 11)	-	-
Receivables and Prepayments:		
Participants' contributions.....	51,083	23,905
Non-forfeited flexspending contributions (Note 2)	3,760	46,466
Pharmacy rebates and refunds (Notes 1 & 2).....	755,749	851,948
Stop loss recoveries (Notes 1 & 2).....	610,457	298,396
Administrative fee credit refunds (Note 2)	12,546	157,474
Prepaid administration fees (Note 2).....	58,253	63,681
Accrued interest and dividends (Note 2)	516	-
Total assets	<u>21,546,920</u>	<u>26,730,894</u>
Liabilities		
Payables:		
Administrative expenses (Notes 2 & 10).....	<u>157,129</u>	<u>146,966</u>
Total liabilities.....	157,129	146,966
Net assets available for benefits.....	<u>\$ 21,389,791</u>	<u>\$ 26,583,928</u>

The accompanying notes are an integral part of the financial statements.

NorthWestern Energy
Flexible Compensation Plan
Statement of Changes in Net Assets Available for Benefits

	Year Ended December 31, 2022
Additions	
Contributions:	
Company.....	\$ 25,414,805
Participants.....	6,187,976
Total contributions.....	<u>31,602,781</u>
Investment gain (loss):	
Change in fair market value of investments.....	(4,246,267)
Interest.....	167,461
Dividends.....	21,323
Net investment loss.....	<u>(4,057,483)</u>
Net change in 401(h) account (Notes 9, 10, & 11).....	-
Total additions.....	<u>27,545,298</u>
Deductions	
Benefits paid:	
Health care claims.....	28,690,722
Life insurance premiums.....	1,733,673
Long-term disability insurance premiums (Notes 1 & 2).....	688,469
Self-insured long-term disability income benefit payments (Notes 1 & 2).....	96,326
Flexible spending claims reimbursed (Notes 1 & 2).....	509,050
Total benefits paid.....	<u>31,718,240</u>
Administrative expenses (Notes 2 & 10).....	1,021,195
Total deductions.....	<u>32,739,435</u>
Net decrease during year.....	(5,194,137)
Net assets available for benefits:	
Beginning of year.....	<u>26,583,928</u>
End of year.....	<u>\$ 21,389,791</u>

The accompanying notes are an integral part of the financial statements.

NorthWestern Energy
Flexible Compensation Plan
Statements of Benefit Obligations

	<u>December 31,</u> <u>2022</u>	<u>December 31,</u> <u>2021</u>
Amounts currently payable to or for participants, beneficiaries, and dependents (Notes 2 & 11)		
Claims payable.....	\$ 727,100	\$ 1,127,196
Claims incurred but not reported.....	2,606,423	2,133,523
Premiums due insurers.....	197,230	200,207
	<u>3,530,753</u>	<u>3,460,926</u>
Postemployment benefit obligations (Notes 2 & 3)		
Death and disability benefits for inactive participants	<u>5,089,275</u>	<u>5,063,028</u>
Postretirement benefit obligations (Notes 2 & 3)		
Current retirees	4,586,583	5,629,767
Other participants fully eligible for benefits.....	1,376,001	1,984,289
Other participants not yet fully eligible for benefits	<u>5,704,552</u>	<u>6,454,594</u>
Total postretirement benefit obligations.....	<u>11,667,136</u>	<u>14,068,650</u>
Total benefit obligations.....	<u>\$ 20,287,164</u>	<u>\$ 22,592,604</u>

The accompanying notes are an integral part of the financial statements.

NorthWestern Energy
Flexible Compensation Plan
Statement of Changes in Benefit Obligations

	December 31, 2022
Amounts currently payable to or for participants, beneficiaries, and dependents	
Balance at beginning of year	\$ 3,460,926
Claims and insurance premiums reported and approved for payments, including benefits reclassified from benefit obligations	31,788,067
Claims and insurance premiums paid	(31,718,240)
Balance at end of year (Note 11)	<u>3,530,753</u>
Postemployment benefit obligations	
Balance at beginning of year	5,063,028
Increase (decrease) during the year attributable to:	
Interest	100,000
Claims and premiums reclassified to amounts currently payable	(1,163,449)
Other actuarial gains and losses (Note 2)	1,089,696
Balance at end of year	<u>5,089,275</u>
Postretirement benefit obligations	
Balance at beginning of year	14,068,650
Increase (decrease) during the year attributable to:	
Additional benefit accumulated and gains and losses	(33,422)
Interest	314,373
Claims and premiums reclassified to amounts currently payable	(1,939,568)
Changes in actuarial assumptions (Note 2)	(742,897)
Balance at end of year	<u>11,667,136</u>
Total benefit obligations at end of year	<u>\$ 20,287,164</u>

The accompanying notes are an integral part of the financial statements.

NorthWestern Energy Flexible Compensation Plan
Notes to the Financial Statements December 31, 2022 and 2021

1. Description of Plan

The following description of the NorthWestern Energy (“Company”) Flexible Compensation Plan (“Plan”) provides only general information about the Plan’s provisions. Participants should refer to the Summary Plan Description or the Plan Document, which may be obtained from the Plan sponsor, for a more complete description of the Plan’s provisions.

General

The Plan was established on July 1, 1987 subject to the Employee Retirement Income Security Act of 1974 (“ERISA”), as amended. A portion of the Plan’s assets are held in the NorthWestern Energy Master Retirement Trust (“Master Trust”) in a 401(h) subaccount of the NorthWestern Energy Pension Plan, and is used to fund postretirement welfare benefits for Montana early retirees who were not represented by a union while employed. During 2015, all assets in the 401(h) account were used to pay retiree welfare benefits. Additional assets are held in a Voluntary Employees’ Beneficiary Association (“VEBA”) trust which was established January 24, 1994 and are being used to fund postretirement welfare benefits for Montana retirees who were represented by a union while employed.

The Board of Directors of NorthWestern Corporation (the “Company”) has appointed the Employee Benefits Administration Committee (“EBAC”) as the named fiduciary and administrator of the Plan. EBAC is also responsible for managing the assets of the Plan. The Northern Trust Company is the Plan trustee. Mercer Investment Management, Inc. is the Plan’s investment advisor and its co-fiduciary for the management of assets held in the trusts. Mercer is the Plan’s actuary.

The Flexible Compensation component plans for reporting and disclosure consist of the Health Benefit Plan for Active Employees (“Active Plan”), Health Benefit Plan for Retirees under Age 65 (“Under 65 Retiree Plan”), Health Benefit Plan for Retirees Age 65 or Older (“Age 65 or Older Retiree Plan”), Group Vision Care Plan, Group Life Insurance Plans, Group Long Term Disability Plan, Health Care and Dependent Care Reimbursement Accounts, Health Savings Accounts and Employee Assistance Program (“EAP”).

Plan Amendments

On May 21, 2020, the Active and Under 65 Retiree Plans were amended and restated effective May 1, 2020 to incorporate all amendments adopted since these plans were last restated on January 1, 2017 and 2018, respectively, including administrative and legal compliance provisions and other recent changes in law. The Age 65 or Over Retiree Plan was also amended and restated effective January 1, 2020, to incorporate all amendments adopted since this plan was last restated on January 1, 2017.

The Coronavirus Aid, Relief and Economic Security (“CARES”) Act was enacted on March 27, 2020 in response to the coronavirus outbreak, which among other things contains numerous tax, funding and other provisions that affect health care benefits. This required certain amendments to the Plan.

On December 17, 2020, the Under Age 65 Retiree and Active Plans were amended effective January 1, 2021 to remove certain medical benefit exclusions and for other administrative changes.

On January 6, 2021, the Under Age 65 Retiree Plan was further amended to add coverage for the COVID vaccine effective January 1, 2021.

On March 25, 2021, the Active Plan was amended effective January 1, 2021, to clarify the effective date for COBRA continuation coverage if coverage for a qualified beneficiary is terminated prior to and in anticipation of a qualifying event; to add a definition for coinsurance; to change the definition of hospital; and to clarify the administrative application of the deductible and coinsurance toward the out-of-pocket maximum when an inpatient hospital stay extends from one plan year to the next year.

On March 25, 2021, the Under 65 Retiree Plan was amended effective January 1, 2021, to clarify the effective date for COBRA continuation coverage when Plan coverage is terminated; the effective date for COBRA continuation coverage if coverage for a qualified beneficiary is terminated prior to and in anticipation of a qualifying event; to add a definition for coinsurance; to change the definition of hospital; and to clarify the administrative application of the deductible and coinsurance toward the out-of-pocket maximum when an inpatient hospital stay extends from one plan year to the next year.

On May 24, 2021, the Flexible Compensation Plan was amended effective January 1, 2020 as necessary to comply with, and administered in a manner that complies with (i) the joint notice issued by the Departments of Labor and Treasury on May 4, 2020 regarding Extension of Certain Timeframes for Employee Benefit Plans, Participants, and Beneficiaries Affected by the COVID-19 Outbreak; (ii) the EBSA Disaster Relief Notice 2021-01 (clarifying application of such joint notice); and (iii) any subsequent related guidance. It was also amended effective January 1, 2020 for COVID-19 outbreak relief to (i) extend the claim filing deadlines for qualifying expenses under the health care FSA for the 2019, 2020 and 2021 plan years; (ii) extend the claim filing deadlines for qualifying expenses under the dependent care FSA for the 2020 and 2021 plan years; (iii) eliminate the two and one-half month grace periods for the 2020 and 2021 plan years; (iv) provide for the carryover of any unused 2020 and 2021 funds in the health care or dependent care FSAs to allow for reimbursement from those funds of qualifying expenses incurred during the 2021 or 2022 plan year, respectively; and (v) establish the carryover provisions for a participant who ceases participation in the FSAs during the 2020 and 2021 plan years. Participants can elect to opt out of carryover or will be automatically “opted out” if they elect to contribute to an HSA.

In addition on May 24, 2021, the Age 65 or Over Retiree Plan was amended effective January 1, 2020 to incorporate provisions regarding COBRA continuation coverage as required in Title X of the Consolidated Omnibus Reconciliation Act of 1985.

On January 5, 2022, the Active Plan was amended effective January 1, 2022 to remove limitation provisions for certain preventative care benefits; to provide coverage of in vitro fertilization under all plan options; to establish a lifetime maximum benefit for in vitro fertilization services; and to include coverage of artificial or intra uterine insemination under the Plan’s fertility benefits.

On January 5, 2022, the Under Age 65 Retiree Plan was amended to exclude coverage for infertility services, supplies and drugs and for in vitro fertilization services, supplies, drugs and devices.

On March 17, 2022, the Active, Under Age 65 Retiree and Age 65 or Over Retiree Plans were all amended effective January 15, 2022 to add coverage for qualifying over-the-counter COVID-19 tests as required by guidance issued by the Departments of Treasury, Labor and Health and Human Services. Consistent with the requirement and the amendment, coverage ended on March 11, 2023, the last day of the public health emergency.

On September 14, 2022, the Active, Under Age 65 Retiree and 65 or Over Retiree Plans were amended effective January 1, 2022 for legal compliance purposes required under the Consolidated Appropriations Act of 2021 for balance billing and other protections.

Benefits

Active employees and their dependents are eligible for benefits subject to provisions of the medical, dental, vision, life insurance, accidental death and dismemberment insurance, long term disability insurance and EAP component plans. Retirees under age 65 and their dependents as well as surviving dependents of deceased retirees are eligible for benefits subject to the provisions of the medical, dental, vision and life insurance component plans. Retirees age 65 or older and their spouse as well as a surviving spouse of a deceased retiree are eligible for benefits, subject to the provisions of the medical and life insurance component plans. Former employees receiving long-term disability income benefits and their dependents as well as surviving dependents of deceased employees are eligible for benefits under the medical, dental, vision, life insurance and EAP component plans, subject to the continuation provisions of the plans. If a disabled participant becomes eligible for Medicare, the participant may continue to participate in the medical plan but Medicare becomes primary and the Company's medical plan becomes secondary. The Plan and medical, dental and vision component plans also provide continuation of certain benefits upon termination of employment through the Consolidated Omnibus Budget Reconciliation Act (COBRA).

The Plan has flexible spending account ("FSA") arrangements for health care and dependent care reimbursements that are funded solely by active employee contributions or as allowed through COBRA. The FSAs allow eligible participants to be reimbursed tax free for qualified health care and dependent care expenses, subject to annual limitations established under the Plan. The accounts cannot be used for anything other than qualified health care and dependent care expenses, and remaining unused amounts are not portable upon termination. Except as noted above under Plan Amendments, residual FSA amounts unused at the end of the year can be carried over for two and one-half months into the next year to allow qualified expenses incurred during that period to be reimbursed from the account. Any residual FSA amounts remaining after the two and one-half month extension are forfeited.

Active employees enrolled in the HSA-qualified plan option are eligible to establish a health savings account ("HSA"), subject to IRS eligibility requirements. The Company provides a contribution to the HSA and the employee can also elect to make additional contributions to their account subject to IRS limits. The contributions made to the HSA can be used on a tax-free basis to pay or reimburse for qualifying health care expenses. The participant owns the account and is responsible for substantiating distributions from the HSA account. The Under 65 Retiree Plan has a HSA-qualified plan option. The Company does not contribute to a retiree's HSA account.

Insured Benefits

The Plan fully insures the life insurance benefits (basic, additional, and dependent), accidental death and dismemberment benefits (additional and spousal), and long-term disability benefits. Premiums for basic life coverage and long-term disability benefits are paid from the general assets of the Company. Premiums for all other insured benefits are paid through participant contributions.

Experience-rated Contracts

Certain insurance contracts are subject to experience-rating adjustments. Experience ratings (calculated as the difference between premiums paid and the total of claims paid and fees charged by the insurance company) are determined by the insurance company in the following year and may result in a premium surplus or deficit. However, the Company's insurance contract provides for fixed premiums over the period of the insurance contract with no annual adjustment for premium surplus or deficit.

Stop Loss Coverage

The Company has entered into a stop-loss insurance arrangement in an effort to limit the Plan's exposure for self-insured medical benefits (for individual participant claims over a specific dollar amount).

Self-insured Benefits

All other Plan benefits for medical, dental and vision are self-insured. The claims are processed by third-party administrators under administrative services only arrangements. The administrators pay claims directly to or on behalf of participants and are then reimbursed by either the Plan's VEBA trust, the 401(h) account (see "401(h) Account" section that follows) or the general assets of the Company. Despite the use of third-party administrators, ultimate responsibility for payments to providers and participants is retained by the Plan.

The Plan utilizes a pharmacy benefit manager that issues rebates on prescription costs to the Plan based on the Plan's actual utilization pattern of specific drugs.

Former employees who were disabled prior to January 1, 1994 receive self-insured long-term disability income benefits. These former employees and some long-term disability participants under certain fully-insured benefits receive annual cost of living adjustments paid by the Company.

Contributions

In addition to deductibles, copayments and coinsurance, participants may be required to contribute to premium costs for the health care (medical, dental and vision) benefits they elect under the Plan. The premiums for health care benefits are established based on trended historical claims data and plan administrative costs. Under the group life and disability plans, the premiums are established by the insurer. The Company pays the full premium cost of basic life insurance and long-term disability insurance coverage for eligible active employees as well as basic life insurance coverage for eligible retirees and former employees receiving long-term disability benefits. Participants pay the full cost for any additional life insurance or accidental death and dismemberment insurance they elect for themselves or their dependents.

The Company and retirees share in the premium costs for the post-retirement health care benefit plans. For an eligible retiree who terminated employment prior to November 1, 2009, the Company provides a contribution towards the retiree's medical and dental premium costs until age 65. Such contributions may be increased up to 5% each year. The Company does not provide a contribution towards a retiree's vision premium cost. For an eligible retiree who terminated employment on or after November 1, 2009, the Company provides a contribution towards the retiree's medical premium costs until age 65. Such contribution is fixed based upon the retiree's years of service at termination. The Company does not provide a contribution towards the retiree's dental and vision premium costs. For a retiree age 65 or older who terminated employment prior to January 1, 2011, the Company provides a fixed contribution towards the retiree's medical premium cost. Contributions made by retirees under the age of 65 for medical, dental and vision benefits ranged from 15% to 100% for 2022 and 13% to 100% for 2021. Contributions made by retirees age 65 and older for medical benefits ranged from 99% to 100% for 2022 and 2021.

The Company makes contributions to the Plan as needed to fund claims in excess of participants' contributions. Any deficiency of the Plan's net assets over the benefit obligations is funded by the Company on a pay-as-you-go basis.

2. Summary of Accounting Policies

Basis of Accounting and Use of Estimates

The accompanying financial statements are prepared under the accrual method of accounting. The preparation of the financial statements in accordance with generally accepted accounting principles in the United States of America (“GAAP”) requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, benefit obligations and changes therein, incurred but not reported claims (“IBNR”), eligibility, claims payable, and disclosure of contingent assets and liabilities. Actual results could differ from those estimates.

Investment Valuation and Income Recognition

Investments are reported at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Net appreciation (depreciation) includes the gains and losses on investments bought and sold as well as held during the year.

Benefit Payments

Premiums paid by the Company and participants are recorded as premium payments in the accompanying statement of changes in net assets available for benefits. Premiums due to insurers totaling \$197,230 and \$200,207, respectively, as of December 31, 2022 and 2021 are included in the statements of benefit obligations.

Claims payments are recorded when paid to the third-party claims processor. Amounts due to third-party administrators totaling \$727,100 and \$1,127,196, respectively, as of December 31, 2022 and 2021 are included in the statements of benefit obligations.

Estimated health care claims IBNR as of December 31, 2022 and 2021 are \$2,606,423 and \$2,133,523 respectively, and are included in the statements of benefit obligations. This liability is determined using the actual history of claims paid subsequent to December 31, 2022 and 2021.

Administrative Expenses

The Plan pays administrative expenses that consist primarily of administrative fees paid to third-party claims administrators, the investment manager and trustee. These expenses are reported as administrative expenses on the statement of changes in net assets available for benefits.

Additionally, third-party claims administrators and insurers provide administrative fee credit refunds for implementation or performance guarantees associated with their service contracts. At December 31, 2022 and 2021, administrative fee credit refunds of \$12,546 and \$157,474, respectively, due to the Plan have been recognized as a receivable in the statements of net assets available for benefits with the offset decreasing administrative expenses in the accompanying statement of changes in net assets available for benefits.

Reimbursement and Health Savings Accounts

Employee contributions totaling \$504,243 were received during the plan year for health care and dependent care reimbursement accounts and are reflected in participant contributions in the accompanying statement of changes in net assets available for benefits. Claims submitted under the health care and dependent care reimbursement accounts before year end or during the subsequent extension periods totaled \$509,050 as of August 31, 2023 and are included in claims paid in the statement of changes in net assets available for benefits.

At December 31, 2022 and 2021, the total net unforfeited flexspending contributions in the statements of net assets available for benefits were \$3,760 and \$46,466, respectively. During 2022, \$45,462 of the \$46,466 rollover contributions from 2020 and 2021 were utilized to pay claims or forfeited. The residual 2021 unforfeited amount of \$1,004 was carried forward to 2022 along with \$2,756 of 2022 unforfeited flexspending contributions for a total of \$3,760 at December 31, 2022 as allowed under the extension period (Note 1). Forfeited funds from previous years were utilized to pay the 2022 flexspending account administration fees of \$13,505 and offset Company contributions to the Plan in the accompanying statement of changes in net assets available for benefits.

HSAs belong to individual participants and are not considered Plan assets; therefore, there is no reporting in the accompanying financial statements as there is no obligation of the Plan to pay benefits.

Stop Loss

Stop loss insurance fees are included in claims paid in the accompanying statement of changes in net assets available for benefits. Stop loss refunds of \$610,457 and \$298,396, respectively, have been recognized as receivables at December 31, 2022 and 2021 in the statements of net assets available for benefits. Stop loss refunds totaling \$1,758,379 are netted against claims paid in the accompanying statement of changes in net assets available for benefits.

Pharmacy Rebates and Other Refunds

Rebates received from the Plan's pharmacy benefit manager are recorded when earned. Rebates and other pharmacy refunds of \$755,749 and \$851,948 have been recognized as receivables at December 31, 2022 and 2021, respectively, in the statements of net assets available for benefits with the offset being netted against claims paid. Pharmacy rebates and refunds totaling \$2,175,525 have been netted with claims paid in the accompanying statement of changes in net assets available for benefits.

Prepayments

Certain third-party claims processors required administrative fees to be paid in advance. Administrative fees of \$58,253 and \$63,681 have been recognized as prepaid administrative fees at December 31, 2022 and 2021, respectively, in the statements of net assets available for benefits with the offset increasing employer contributions in the accompanying statement of changes in net assets available for benefits.

Claims Incurred but Not Reported

Plan obligations at December 31 for claims incurred but not reported are estimated in accordance with accepted actuarial principles based on claims data provided by the Plan's third-party administrators. These amounts are paid by the Plan only if claims are submitted and approved for payment.

Postemployment and Postretirement Benefit Obligations

A postretirement benefit obligation has been recognized for retiree medical, dental and life insurance benefits for eligible participants and their dependents. In addition, a postemployment obligation has been recognized for self-insured long-term disability income benefits, and medical, dental, vision and life insurance benefits for participants on long-term disability and their dependents, and surviving dependents of deceased employees receiving these benefits. These benefit obligations represent the actuarial present value of the cost of those estimated future benefits that are attributed to employee service rendered to the date of the financial statements, reduced by the actuarial present value of contributions expected to be received in the future from current retirees of the Plan. The obligations represent the amounts that are expected to be funded by contributions from the Company and from existing assets of the Plan. Postretirement benefits include future benefits expected to be paid to or for (a) currently retired or terminated employees and their beneficiaries and dependents, and (b) active employees and the beneficiaries and dependents after retirement from service with the Company.

The actuarial present value of the expected postretirement benefit obligation is determined by an actuary and is the amount that results from applying actuarial assumptions to historical claims cost data to estimate the future annual incurred claims cost per participant and to adjust such estimates for the time value of money (through discounts for interest) and the probability of payment (by means of decrements such as those for death, disability, withdrawal or retirement) between the valuation date and the expected date of payment. The postemployment and postretirement benefit obligations represent the actuarial present value of the benefits expected to be paid assuming cost of living adjustments and trend increases in future benefit amounts based on assumed discount rates and age-related probabilities of survival and recovery.

The following are significant assumptions used in the valuations as of December 31, 2022 and 2021.

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Postretirement discount rate	5.20%	2.40%
Postemployment discount rate	5.10%	2.10%
Postretirement average retirement age	62	62
Postretirement and postemployment surviving dependents mortality	PRI-2012 Generational separate annuitant/non annuitant mortality tables, with generational mortality improvements using projection scale MP-2022 and no collar adjustments	PRI-2012 Generational separate annuitant/non annuitant mortality tables, with generational mortality improvements using projection scale MP-2021 and no collar adjustments
Postemployment disabled participants mortality	2008 Group Long Term Disability Table for mortality/recovery of disabled employees	2008 Group Long Term Disability Table for mortality/recovery of disabled employees

For the postemployment benefit obligation, the annual rates of increase in the cost of medical and prescription drug benefits were assumed to be 6.19% pre-medicare and 6.45% medicare eligible for 2022 and 6.46% pre-medicare and 6.76% medicare eligible for 2021. Annual rates decrease each year until reaching an ultimate rate of 4.0% in 2047 and beyond. The postretirement benefit obligation annual rate of increase in the cost of life insurance benefits for 2022 and 2021 was assumed to be 5% annually.

The foregoing assumptions are based on the presumption that the Plan will continue. If the Plan terminated, different actuarial assumptions and other factors might be applicable in determining the actuarial present value of the benefit obligations.

Subsequent Events

Events subsequent to December 31, 2022, have been evaluated for potential impact to the Plan financial statements through October 12, 2023, the date of issuance. Based on this evaluation, no disclosures and/or adjustments were required to the financial statements, except as noted below, as of December 31, 2022.

Effective January 1, 2023, Fidelity will be the new flexspending accounts administrator and Voya will be the COBRA administrator for the Plan.

On September 14, 2022, the Active Plans and the Under Age 65 Retiree Plans were amended effective January 1, 2023 to address a new specialty drug manufacturer copayment assistance program. The Vision Care Plan and the Active Plans were further amended effective January 1, 2023 (and prior for certain newly hired employees) to address negotiated benefit plan design changes.

Digital solution options mainly related to musculoskeletal, diabetes and hypertension issues were added, effective January 1, 2023, to both the Active and Under Age 65 Retiree Plans.

Empyrean will become the welfare benefits administrator for the Active Plans, effective January 1, 2024.

On May 31, 2023, certain deductible and out of pocket thresholds were amended in the Active and Under Age 65 Retiree Plans, effective January 1, 2024.

On September 6, 2023, amendments were made to synchronize certain plan elements effective January 1, 2024. Select notification requirements related to change in status events and special enrollment periods have been set at 60 days in the Flexible Compensation Plan, the Vision Care Plan and the Active and Under Age 65 Retiree Plans. Additionally, coverage for eligible dependents has been extended up to age 26 for the Vision Care Plan, the dental portion of the Active and Under Age 65 Retiree Plans and the Group Life Insurance Plan.

Also on September 6, 2023, an amendment related to pharmacy cost share provisions was made effective January 1, 2024 to both the Active and Under Age 65 Retiree Plans.

3. Postemployment and Postretirement Benefit Obligations

The Plan's unfunded benefit obligations at December 31, 2022 and 2021, relate primarily to the portion of postemployment and postretirement benefit obligations not covered by participant contributions. The Company intends to fund these obligations as incurred.

The Company contribution toward premium cost and future health cost trend rates are expected to have a minimal impact on Company costs and the accumulated postretirement benefit obligation.

4. Fair Value Measurements and VEBA Trust

Investments are reflected in the Plan financial statements at fair value. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (i.e., an exit price). Measuring fair value requires the use of market data or assumptions that market participants would use in pricing the asset or liability, including assumptions about risk and the risks inherent in the inputs to the valuation technique. These inputs can be readily observable, corroborated by market data, or generally unobservable. Valuation techniques are required to maximize the use of observable inputs and minimize the use of unobservable inputs.

The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 inputs) and the lowest priority to unobservable inputs (level 3 inputs). The three levels of the fair value hierarchy are described as follows:

Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the plan has the ability to access.

Level 2 Inputs to the valuation methodology include

- quoted prices for similar assets or liabilities in active markets;
- quoted prices for identical or similar assets or liabilities in inactive markets;
- inputs other than quoted prices that are observable for the asset or liability; and
- inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques maximize the use of relevant observable inputs and minimize the use of unobservable inputs.

Plan assets held in the VEBA Trust have been invested in mutual funds and common collective trusts ("CCT") funds, which trade at net asset value (NAV) per share. NAV for CCT funds, as provided by the trustee, is used as a practical expedient to estimate fair value of the fund. As a result, these funds are not categorized within the fair value hierarchy. Investments of these funds consist of equity and fixed income securities. The following is a description of the valuation methodologies used for these assets.

Mutual funds: Valued at the daily closing price as reported by the fund. Mutual funds held by the plan are open ended mutual funds that are registered with the SEC. These funds are required to publish their daily NAV and to transact at that price. The mutual funds held by the Plan are deemed to be actively traded.

CCT funds: Valued at the unit NAV of a CCT fund. The NAV is based on the fair value of the underlying investments held by the fund less liabilities. This practical expedient is not used when it is determined to be probable that the fund will sell the investment for an amount different than the reported NAV. Transactions (purchases and sales) may occur daily. Were the Plan to initiate a full redemption of the CCT fund, the investment advisor reserves the right to temporarily delay withdrawal from the trust in order to ensure that securities liquidation will be carried out in an orderly business manner. The trustee may also assess the Plan a redemption fee which will be deducted from the redemption proceeds and paid to the applicable fund.

The tables below set forth by level, within the fair value hierarchy, the VEBA trust assets at fair value.

Assets at Fair Value as of December 31, 2022				
	Quoted Prices in Active Markets for Identical Assets or Liabilities (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Mutual Funds	\$ —	\$ 7,814,037	\$ —	\$ 7,814,037
Total assets in the fair value hierarchy	<u>\$ —</u>	<u>\$ 7,814,037</u>	<u>\$ —</u>	\$ 7,814,037
Investments measured at net asset value as a practical expedient				<u>\$ 12,240,519</u>
Total investments held in VEBA trust at fair value				<u>\$ 20,054,556</u>

Assets at Fair Value as of December 31, 2021				
	Quoted Prices in Active Markets for Identical Assets or Liabilities (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Mutual Funds	\$ —	\$ 9,342,286	\$ —	\$ 9,342,286
Total assets in the fair value hierarchy	<u>\$ —</u>	<u>\$ 9,342,286</u>	<u>\$ —</u>	\$ 9,342,286
Investments measured at net asset value as a practical expedient				<u>\$ 15,946,738</u>
Total investments held in VEBA trust at fair value				<u>\$ 25,289,024</u>

Fair Value of Investments that Calculate Net Asset Value

The following tables summarize investments measured at fair value based on NAV per share as practical expedient as of December 31, 2022 and 2021, respectively.

Investments at NAV:	December 31, 2022			
	Fair Value	Unfunded Commitment	Redemption Frequency	Redemption Notice Period (A)
Common Collective Trust Funds:				
Common Short Term Investment Fund	\$ 113,621	N/A	Daily	1 Day
US Aggregate Bond Index Securities Lending Fund	2,309,722	N/A	Daily	15 Days
S&P 500® Index Securities Lending Fund	9,817,176	N/A	Daily	15 Days
Total investments at NAV	<u>\$ 12,240,519</u>			

Investments at NAV:	December 31, 2021			
	Fair Value	Unfunded Commitment	Redemption Frequency	Redemption Notice Period (A)
Common Collective Trust Funds:				
Common Short Term Investment Fund	\$ 36,433	N/A	Daily	1 Day
US Aggregate Bond Index Securities Lending Fund	2,659,134	N/A	Daily	15 Days
S&P 500® Index Securities Lending Fund	13,251,171	N/A	Daily	15 Days
Total investments at NAV	<u>\$ 15,946,738</u>			

(A) – The funds do not have any redemption restrictions. These are recommended investment advisor notification periods as funds are redeemable daily.

5. Tax Status

The VEBA trust established to hold the Plan's net assets is a tax-exempt organization pursuant to Section 501(a) and 501(c)(9) of the Internal Revenue Code (IRC), and, accordingly, the trust's net investment income generally is exempt from income taxes. Therefore, no provision for income taxes has been included in the Plan's financial statements. The VEBA trust obtained a favorable tax exemption letter on May 16, 1996 from the Internal Revenue Service (IRS) and the Company believes that this trust continues to qualify and to operate in accordance with the applicable requirements of the IRC.

Accounting principles generally accepted in the United States of America require plan management to evaluate tax positions taken by the Plan and recognize a tax liability if the Plan has taken an uncertain tax position that may not be sustained upon examination by the IRS. The plan administrator has analyzed the tax positions taken by the Plan, and has concluded that as of December 31, 2022, there are no uncertain positions taken or expected to be taken that would require recognition or disclosure in the financial statements. The Plan is subject to routine audits by taxing jurisdictions; however there are currently no audits for any tax periods in progress.

6. Risk and Uncertainties

The Plan invests in various investment securities. Investment securities are exposed to various risks, such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that these changes could materially affect the amounts reported in the statement of net assets available for benefits.

Benefit obligations are reported based on historical trend information using lag reports, which are subject to change. Due to uncertainties inherent in the estimation process, it is at least reasonably possible that changes in this estimate in the near term would be material to the financial statements.

The actuarial present value of benefit obligations is reported based on certain assumptions pertaining to interest rates and employee demographics, all of which are subject to change. Due to uncertainties inherent in the estimations and assumptions process, it is at least reasonably possible that changes in these estimates and assumptions in the near term would be material to the financial statements.

7. Provisions in the Event of Plan Termination

Although it has not expressed any intention to do so, the Company has the right under the Plan to modify the benefits provided to and contributions required of participants, to discontinue its contributions at any time and to terminate the Plan subject to ERISA. In the event of termination of the Plan, remaining assets will be applied in a uniform and nondiscriminatory manner toward the provision of benefits for or on account of participants. No assets of the Plan may revert to the Company or be used for purposes other than for the exclusive benefit of the Plan's participants.

8. Information Certified by the Trustee

The Plan administrator has elected the method of compliance permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. Investments held at December 31, 2022 and 2021, and investment income for the year ended December 31, 2022, including investment information related to the VEBA and 401(h) account (Notes 1, 4 and 9), that is disclosed in the accompanying financial statements and supplemental schedules, was obtained or derived from information supplied to the Plan administrator and certified as complete and accurate by the trustee of the Plan.

The Plan's independent auditors did not perform auditing procedures with respect to this information, except for comparing such information with the related information in the financial statements.

9. Investments of the 401(h) Account

A separate account is maintained in the Master Trust for the net assets related to the retiree welfare benefit component (401(h)), which is used to fund a portion of the postretirement obligations for retirees and their beneficiaries in accordance with the Code Section 401(h). The Plan's investments in the 401(h) account may not be used for, or diverted to, any purpose other than providing health benefits for retirees and their beneficiaries. The related obligations for the welfare benefits are not included in the Company's NorthWestern Energy Pension Plan obligations but are reported as obligations in the financial statements of this Plan. However, investment related disclosures for the 401(h) account are included in the audited financial statements of the defined benefit plan.

During 2015, all assets in the 401(h) account were used to pay retiree welfare benefits and there are no assets in the account at December 31, 2022 and 2021. Employer contributions or qualified transfers to the 401(h) account are determined annually by the Plan actuary and are at the discretion of the Company. Plan participants do not contribute to the 401(h) account.

10. Party-In-Interest Transactions

The Plan has investments in CCT funds affiliated with the trustee, The Northern Trust Company, and mutual funds affiliated with the investment advisor and co-fiduciary, Mercer Investment Management, Inc. are affiliated with Mercer, the Plan’s actuary. These transactions qualify as exempt party-in-interest transactions. Fees paid to parties-in-interest in 2022 from the VEBA trust totaled \$37,423 and are reflected in administrative expenses.

11. Reconciliation of Financial Statements to Form 5500

The following are reconciliations of the accompanying financial statements to the Form 5500:

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Net Assets Available for Benefits		
Net assets available for benefits per the financial statements.....	\$ 21,389,791	\$ 26,583,928
Benefit obligations currently payable.....	<u>(3,530,753)</u>	<u>(3,460,926)</u>
Net assets available for benefits per the Form 5500.....	<u>\$ 17,859,038</u>	<u>\$ 23,123,002</u>

Statement of Changes in Net Assets Available for Benefits

Benefits Paid	
Benefits paid per the financial statements	\$ 31,718,240
Increase in benefit obligations currently payable.....	<u>69,827</u>
Benefits paid per the Form 5500	<u>\$ 31,788,067</u>

The net assets and related activity of the 401(h) account included in the financial statements of the Plan are not included in the Form 5500 because the assets are held by the NorthWestern Energy Pension Plan. For 2022, there are no reconciling items in the reconciliation of net assets available for benefits or changes in net assets available for benefits per the financial statements to the Form 5500 for the 401(h) account (Note 9).

Claims and premiums that have been processed and approved for payment at year-end, but not paid and claims incurred but not reported are not presented as liabilities or claims and premiums paid in the accompanying financial statements, but are recorded on the Form 5500 as a liability.

* * * * *

SUPPLEMENTAL SCHEDULES

NorthWestern Energy Flexible Compensation Plan
EIN 46-0172280 Plan No. 530

Schedule H, Line 4i - Schedule of Assets Held (at End of Year)

Identity of Party Involved	Description of Asset	Cost	Current Value
Cash and Cash Equivalents:			
Cash Receivable for Investments Sold		-	-
Cash Reserved for Pending Investment Purchases		-	-
Total Cash Held for Investment Purposes		-	-
Interest in Common/Collective Trusts:			
* Collective Short-Term Investment Fund of The Northern Trust Company	113,621.12 shares	113,621	113,621
State Street Global Advisors US Aggregate Bond Index SL QP CTF	146,258.96 shares	1,961,135	2,309,722
State Street Global Advisors S&P 500 Index SL CTF	47,674.71 shares	2,943,039	9,817,176
Total Common/Collective Trust Investments		5,017,795	12,240,519
Interest in Registered Investment Companies:			
* MGI FDS Core Fixed Income MFO	550,617.00 shares	5,630,342	4,801,380
* MGI FDS Opportunistic Fixed Income MFO	31,562.27 shares	309,150	252,814
* MGI FDS Non-US Core Equity Fund MFO	167,581.15 shares	1,978,846	1,514,933
* MGI FDS US Small/Mid Cap Equity Fund MFO	119,135.97 shares	1,382,566	1,168,724
* MGI FDS Mercer Emerging Markets Fund MFO	10,625.64 shares	103,217	76,186
Total Registered Investment Companies Investments		9,404,121	7,814,037
Total Schedule of Assets Held for Investment (at End of Year)		14,421,916	20,054,556

* - Party-in-interest

NorthWestern Energy Flexible Compensation Plan
 EIN 46-0172280 Plan No. 530

Schedule H, Line 4j -- Schedule of Reportable Transactions

Identity of Party Involved	Description of Asset	Purchase Price	Selling Price	Lease Rental	Expense Incurred With Transaction	Current Value of Asset on Transaction Date	Net Gain or (Loss)
Single Transaction in Excess of 5%:							
None to report							
Series of Transactions by Issue in Excess of 5%:							
* Collective Short-Term Investment Fund of The Northern Trust Company	11 acquisition transactions	\$1,251,833			-	\$1,251,833	\$0
* Collective Short-Term Investment Fund of The Northern Trust Company	79 disposition transactions		\$1,173,220		-	\$1,173,220	\$0

* - Party-in-interest

NorthWestern Energy Flexible Compensation Plan
 EIN 46-0172280 Plan No. 530

Schedule H, Line 4j -- Schedule of Reportable Transactions

Identity of Party Involved	Description of Asset	Purchase Price	Selling Price	Lease Rental	Expense Incurred With Transaction	Current Value of Asset on Transaction Date	Net Gain or (Loss)
Single Transaction in Excess of 5%:							
None to report							
Series of Transactions by Issue in Excess of 5%:							
* Collective Short-Term Investment Fund of The Northern Trust Company	11 acquisition transactions	\$1,251,833			-	\$1,251,833	\$0
* Collective Short-Term Investment Fund of The Northern Trust Company	79 disposition transactions		\$1,173,220		-	\$1,173,220	\$0

* - Party-in-interest

NorthWestern Energy
EIN: 46-0172280
Labor Union Listing
FORM 5500

<u>No.</u>	<u>Labor Union Group (Montana)</u>	<u>L-M</u>
1.	IBEW Local Union No. 44 – Wires and Pipes Agreement	050-681
2.	United Steel Workers Local 11-493	022-560
3.	Teamsters Local Union No. 2	001-364
4.	Members Only Agreement between NorthWestern Energy and IBEW Local Union No. 44 – Butte Machinists	050-681
5.	UA Plumbers & Pipe Fitters Local Unions No. 41 & 459	021-752, 039-109
6.	Kalispell Hourly Gas	*
7.	IBEW Local Union No. 44 - Hydro Agreement	050-681

*This bargaining unit has not filed for an L-M number.

NorthWestern Corporation
EIN: 46-0172280
Labor Union Listing
FORM 5500

<u>No.</u>	<u>Labor Union Group (South Dakota)</u>	<u>L-M</u>
1.	IBEW Local Union No 766 (Huron)	022-537
2.	IBEW Local Union No 706 (Aberdeen)	037-649
3.	IBEW Local Union No 690 (Mitchell & Yankton)	023-524

These three bargaining Units combine to negotiate a collective bargaining agreement with NorthWestern Energy. Collectively, this group is referred to as System Council U-26.

NorthWestern Energy Flexible Compensation Plan
EIN 46-0172280 Plan No. 530

Schedule H, Line 4i - Schedule of Assets Held (at End of Year)

Identity of Party Involved	Description of Asset	Cost	Current Value
Cash and Cash Equivalents:			
Cash Receivable for Investments Sold		-	-
Cash Reserved for Pending Investment Purchases		-	-
Total Cash Held for Investment Purposes			
Interest in Common/Collective Trusts:			
* Collective Short-Term Investment Fund of The Northern Trust Company	113,621.12 shares	113,621	113,621
State Street Global Advisors US Aggregate Bond Index SL QP CTF	146,258.96 shares	1,961,135	2,309,722
State Street Global Advisors S&P 500 Index SL CTF	47,674.71 shares	2,943,039	9,817,176
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* MGI FDS Non-US Core Equity Fund MFO	167,581.15 shares	1,978,846	1,514,933
* MGI FDS US Small/Mid Cap Equity Fund MFO	119,135.97 shares	1,382,566	1,168,724
* MGI FDS Mercer Emerging Markets Fund MFO	10,625.64 shares	103,217	76,186
Total Registered Investment Companies Investments		9,404,121	7,814,037
Total Schedule of Assets Held for Investment (at End of Year)		14,421,916	20,054,556

* - Party-in-interest

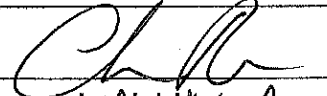
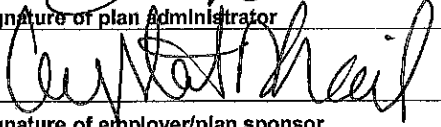
Form 5500 Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Annual Return/Report of Employee Benefit Plan This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6057(b) and 6058(a) of the Internal Revenue Code (the Code). ▶ Complete all entries in accordance with the instructions to the Form 5500.	OMB Nos. 1210-0110 1210-0089 2022 This Form is Open to Public Inspection
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Part I Annual Report Identification Information				
For calendar plan year 2022 or fiscal plan year beginning		01/01/2022	and ending	12/31/2022
A This return/report is for:	<input type="checkbox"/> a multiemployer plan	<input type="checkbox"/> a multiple-employer plan (Filers checking this box must attach a list of participating employer information in accordance with the form instructions.)		
	<input checked="" type="checkbox"/> a single-employer plan	<input type="checkbox"/> a DFE (specify) _____		
B This return/report is:	<input type="checkbox"/> the first return/report	<input type="checkbox"/> the final return/report		
	<input type="checkbox"/> an amended return/report	<input type="checkbox"/> a short plan year return/report (less than 12 months)		
C If the plan is a collectively-bargained plan, check here:			<input checked="" type="checkbox"/>	
D Check box if filing under:	<input checked="" type="checkbox"/> Form 5558	<input type="checkbox"/> automatic extension	<input type="checkbox"/> the DFVC program	
	<input type="checkbox"/> special extension (enter description)			
E If this is a retroactively adopted plan permitted by SECURE Act section 201, check here:			<input type="checkbox"/>	

Part II Basic Plan Information—enter all requested information			
1a Name of plan NorthWestern Energy Flexible Compensation Plan		1b Three-digit plan number (PN) ▶	530
		1c Effective date of plan	07/01/1987
2a Plan sponsor's name (employer, if for a single-employer plan) Mailing address (include room, apt., suite no. and street, or P.O. Box) City or town, state or province, country, and ZIP or foreign postal code (if foreign, see instructions) NorthWestern Corporation dba NorthWestern Energy 11 East Park Street Butte MT 59701-1711		2b Employer Identification Number (EIN)	46-0172280
		2c Plan Sponsor's telephone number	(605) 978-2826
		2d Business code (see instructions)	221100

Caution: A penalty for the late or incomplete filing of this return/report will be assessed unless reasonable cause is established.

Under penalties of perjury and other penalties set forth in the instructions, I declare that I have examined this return/report, including accompanying schedules, statements and attachments, as well as the electronic version of this return/report, and to the best of my knowledge and belief, it is true, correct, and complete.

SIGN HERE		10/13/23	Christopher Forbeck
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE		10/13/2023	Crystal Lail
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE			
	Signature of DFE	Date	Enter name of individual signing as DFE

3a Plan administrator's name and address <input type="checkbox"/> Same as Plan Sponsor Employee Benefit Administration Committee Christopher Forbeck 3010 West 69th Street Sioux Falls SD 57108	3b Administrator's EIN 46-0172280 3c Administrator's telephone number (605) 978-2826
4 If the name and/or EIN of the plan sponsor or the plan name has changed since the last return/report filed for this plan, enter the plan sponsor's name, EIN, the plan name and the plan number from the last return/report: a Sponsor's name c Plan Name	4b EIN 4d PN
5 Total number of participants at the beginning of the plan year	5 2,234
6 Number of participants as of the end of the plan year unless otherwise stated (welfare plans complete only lines 6a(1), 6a(2), 6b, 6c, and 6d). a(1) Total number of active participants at the beginning of the plan year..... a(2) Total number of active participants at the end of the plan year b Retired or separated participants receiving benefits..... c Other retired or separated participants entitled to future benefits d Subtotal. Add lines 6a(2), 6b, and 6c..... e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits f Total. Add lines 6d and 6e..... g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item) h Number of participants who terminated employment during the plan year with accrued benefits that were less than 100% vested	6a(1) 1,494 6a(2) 1,531 6b 702 6c 0 6d 2,233 6e 6f 6g 6h
7 Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item).....	7
8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristics Codes in the instructions: b If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristics Codes in the instructions: 4A 4B 4D 4Q 4H 4E	
9a Plan funding arrangement (check all that apply) (1) <input checked="" type="checkbox"/> Insurance (2) <input type="checkbox"/> Code section 412(e)(3) insurance contracts (3) <input checked="" type="checkbox"/> Trust (4) <input type="checkbox"/> General assets of the sponsor	9b Plan benefit arrangement (check all that apply) (1) <input checked="" type="checkbox"/> Insurance (2) <input type="checkbox"/> Code section 412(e)(3) insurance contracts (3) <input checked="" type="checkbox"/> Trust (4) <input checked="" type="checkbox"/> General assets of the sponsor
10 Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)	
a Pension Schedules (1) <input type="checkbox"/> R (Retirement Plan Information) (2) <input type="checkbox"/> MB (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary (3) <input type="checkbox"/> SB (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary	b General Schedules (1) <input checked="" type="checkbox"/> H (Financial Information) (2) <input type="checkbox"/> I (Financial Information - Small Plan) (3) <input checked="" type="checkbox"/> <u>2</u> A (Insurance Information) (4) <input checked="" type="checkbox"/> C (Service Provider Information) (5) <input checked="" type="checkbox"/> D (DFE/Participating Plan Information) (6) <input type="checkbox"/> G (Financial Transaction Schedules)

Medicare Supplement Plan, Employee Assistance Program, Wellness Program

Part III Form M-1 Compliance Information (to be completed by welfare benefit plans)

11a If the plan provides welfare benefits, was the plan subject to the Form M-1 filing requirements during the plan year? (See instructions and 29 CFR 2520.101-2.) Yes No

If "Yes" is checked, complete lines 11b and 11c.

11b Is the plan currently in compliance with the Form M-1 filing requirements? (See instructions and 29 CFR 2520.101-2.) Yes No

11c Enter the Receipt Confirmation Code for the 2022 Form M-1 annual report. If the plan was not required to file the 2022 Form M-1 annual report, enter the Receipt Confirmation Code for the most recent Form M-1 that was required to be filed under the Form M-1 filing requirements. (Failure to enter a valid Receipt Confirmation Code will subject the Form 5500 filing to rejection as incomplete.)

Receipt Confirmation Code _____

2022

NorthWestern Energy Flexible Compensation Plan

**Financial Statements and
Supplemental Schedules
December 31, 2022 and 2021**

**NorthWestern Energy
Flexible Compensation Plan
Financial Statements and Supplemental Schedules
December 31, 2022 and 2021**

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* Other schedules required by Section 2520.103-10 of the Department of Labor’s Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 have been omitted because they are not applicable.



Independent Auditor's Report

The Plan Administrator and Participants of
NorthWestern Energy Flexible Compensation Plan
Sioux Falls, South Dakota

Scope and Nature of the ERISA Section 103(a)(3)(C) Audit

We have performed audits of the financial statements of NorthWestern Energy Flexible Compensation Plan ("Plan"), an employee benefit plan subject to the Employee Retirement Income Security Act of 1974 (ERISA), as permitted by ERISA Section 103(a)(3)(C) (ERISA Section 103(a)(3)(C) audit). The financial statements comprise the statements of net assets available for benefits and of plan benefit obligations as of December 31, 2022 and 2021, and the related statement of changes in net assets available for benefits and of changes in benefit obligations for the year ended December 31, 2022, and the related notes to the financial statements.

Management, having determined it is permissible in the circumstances, has elected to have the audits of NorthWestern Energy Flexible Compensation Plan's financial statements performed in accordance with ERISA Section 103(a)(3)(C) pursuant to 29 CFR 2520.103-8 of the Department of Labor's (DOL) Rules and Regulations for Reporting and Disclosure under ERISA. As permitted by ERISA Section 103(a)(3)(C), our audits need not extend to any statements or information related to assets held for investment of the Plan (investment information) by a bank or similar institution or insurance carrier that is regulated, supervised, and subject to periodic examination by a state or federal agency, provided that the statements or information regarding assets so held are prepared and certified to by the bank or similar institution or insurance carrier in accordance with 29 CFR 2520.103-5 of the DOL's Rules and Regulations for Reporting and Disclosure under ERISA (qualified institution).

Management has obtained certifications from a qualified institution as of December 31, 2022 and 2021 and for the year ended December 31, 2022, stating that the certified investment information, as described in Note 8 to the financial statements, is complete and accurate.

Opinion

In our opinion, based on our audits and on the procedures performed as described in the Auditor's Responsibilities for the Audit of the Financial Statements section:

- the amounts and disclosures in the accompanying financial statements, other than those agreed to or derived from the certified investment information, are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America.
- the information in the accompanying financial statements related to assets held by and certified to by a qualified institution agrees to, or is derived from, in all material respects, the information prepared and certified by an institution that management determined meets the requirements of ERISA Section 103(a)(3)(C).

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Plan and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our ERISA Section 103(a)(3)(C) audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error. Management's election of the ERISA Section 103(a)(3)(C) audit does not affect management's responsibility for the financial statements.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Plan's ability to continue as a going concern for one year after the date that the financial statements are available to be issued.

Management is also responsible for maintaining a current Plan instrument, including all Plan amendments, administering the Plan, and determining that the Plan's transactions that are presented and disclosed in the financial statements are in conformity with the Plan's provisions, including maintaining sufficient records with respect to each of the participants, to determine the benefits due or which may become due to such participants.

Auditor's Responsibilities for the Audit of the Financial Statements

Except as described in the Scope and Nature of the ERISA Section 103(a)(3)(C) Audit section of our report, our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Plan's ability to continue as a going concern for a reasonable period of time.

Our audits did not extend to the certified investment information, except for obtaining and reading the certification, comparing the certified investment information with the related information presented and disclosed in the financial statements, and reading the disclosures relating to the certified investment information to assess whether they are in accordance with the presentation and disclosure requirements of accounting principles generally accepted in the United States of America.

Accordingly, the objective of an ERISA Section 103(a)(3)(C) audit is not to express an opinion about whether the financial statements as a whole are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Other Matter – Supplemental Schedules Required by ERISA

The supplemental schedule H, line 4i-schedule of assets held at end of year and schedule H, line 4j-schedule of reportable transactions as of or for the year ended December 31, 2022, are presented for purposes of additional analysis and are not a required part of the financial statements but are supplementary information required by the DOL's Rules and Regulations for Reporting and Disclosure under ERISA. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information included in the supplemental schedules, other than that agreed to or derived from the certified investment information, has been subjected to auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with GAAS. For information included in the supplemental schedules that agreed to or is derived from the certified investment information, we compared such information to the related certified investment information.

In forming our opinion on the supplemental schedules, we evaluated whether the supplemental schedules, other than the information agreed to or derived from the certified investment information, including their form and content, are presented in conformity with the DOL's Rules and Regulations for Reporting and Disclosure under ERISA.

In our opinion:

- the form and content of the supplemental schedules, other than the information in the supplemental schedules that agreed to or is derived from the certified investment information, are presented, in all material respects, in conformity with the DOL's Rules and Regulations for Reporting and Disclosure under ERISA.
- the information in the supplemental schedules related to assets held by and certified to by a qualified institution agrees to, or is derived from, in all material respects, the information prepared and certified by an institution that management determined meets the requirements of ERISA Section 103(a)(3)(C).

Eide Bailly LLP

Billings, Montana
October 12, 2023

NorthWestern Energy
Flexible Compensation Plan
Statements of Net Assets Available for Benefits

	<u>December 31,</u> <u>2022</u>	<u>December 31,</u> <u>2021</u>
Assets		
Investments held in VEBA trust, at fair value (Notes 1, 2, & 4):		
Investments in mutual funds.....	\$ 7,814,037	\$ 9,342,286
Investments in common-collective trusts	<u>12,240,519</u>	<u>15,946,738</u>
Total investments.....	20,054,556	25,289,024
Investments held in defined benefit plan-restricted for 401(h) account (Notes 1, 9, & 11)	-	-
Receivables and Prepayments:		
Participants' contributions.....	51,083	23,905
Non-forfeited flexspending contributions (Note 2)	3,760	46,466
Pharmacy rebates and refunds (Notes 1 & 2).....	755,749	851,948
Stop loss recoveries (Notes 1 & 2).....	610,457	298,396
Administrative fee credit refunds (Note 2)	12,546	157,474
Prepaid administration fees (Note 2).....	58,253	63,681
Accrued interest and dividends (Note 2)	516	-
Total assets	<u>21,546,920</u>	<u>26,730,894</u>
Liabilities		
Payables:		
Administrative expenses (Notes 2 & 10).....	157,129	146,966
Total liabilities.....	<u>157,129</u>	<u>146,966</u>
Net assets available for benefits.....	<u>\$ 21,389,791</u>	<u>\$ 26,583,928</u>

The accompanying notes are an integral part of the financial statements.

NorthWestern Energy
Flexible Compensation Plan
Statement of Changes in Net Assets Available for Benefits

	Year Ended December 31, 2022
Additions	
Contributions:	
Company.....	\$ 25,414,805
Participants.....	6,187,976
Total contributions.....	<u>31,602,781</u>
Investment gain (loss):	
Change in fair market value of investments.....	(4,246,267)
Interest.....	167,461
Dividends.....	21,323
Net investment loss.....	<u>(4,057,483)</u>
Net change in 401(h) account (Notes 9, 10, & 11).....	-
Total additions.....	<u>27,545,298</u>
Deductions	
Benefits paid:	
Health care claims.....	28,690,722
Life insurance premiums.....	1,733,673
Long-term disability insurance premiums (Notes 1 & 2).....	688,469
Self-insured long-term disability income benefit payments (Notes 1 & 2).....	96,326
Flexible spending claims reimbursed (Notes 1 & 2).....	509,050
Total benefits paid.....	<u>31,718,240</u>
Administrative expenses (Notes 2 & 10).....	1,021,195
Total deductions.....	<u>32,739,435</u>
Net decrease during year.....	(5,194,137)
Net assets available for benefits:	
Beginning of year.....	<u>26,583,928</u>
End of year.....	<u>\$ 21,389,791</u>

The accompanying notes are an integral part of the financial statements.

NorthWestern Energy
Flexible Compensation Plan
Statements of Benefit Obligations

	<u>December 31,</u> <u>2022</u>	<u>December 31,</u> <u>2021</u>
Amounts currently payable to or for participants, beneficiaries, and dependents (Notes 2 & 11)		
Claims payable.....	\$ 727,100	\$ 1,127,196
Claims incurred but not reported.....	2,606,423	2,133,523
Premiums due insurers.....	197,230	200,207
	<u>3,530,753</u>	<u>3,460,926</u>
Postemployment benefit obligations (Notes 2 & 3)		
Death and disability benefits for inactive participants	<u>5,089,275</u>	<u>5,063,028</u>
Postretirement benefit obligations (Notes 2 & 3)		
Current retirees	4,586,583	5,629,767
Other participants fully eligible for benefits.....	1,376,001	1,984,289
Other participants not yet fully eligible for benefits	<u>5,704,552</u>	<u>6,454,594</u>
Total postretirement benefit obligations.....	<u>11,667,136</u>	<u>14,068,650</u>
Total benefit obligations.....	<u>\$ 20,287,164</u>	<u>\$ 22,592,604</u>

The accompanying notes are an integral part of the financial statements.

NorthWestern Energy
Flexible Compensation Plan
Statement of Changes in Benefit Obligations

	December 31, 2022
Amounts currently payable to or for participants, beneficiaries, and dependents	
Balance at beginning of year	\$ 3,460,926
Claims and insurance premiums reported and approved for payments, including benefits reclassified from benefit obligations	31,788,067
Claims and insurance premiums paid	(31,718,240)
Balance at end of year (Note 11)	<u>3,530,753</u>
Postemployment benefit obligations	
Balance at beginning of year	5,063,028
Increase (decrease) during the year attributable to:	
Interest	100,000
Claims and premiums reclassified to amounts currently payable	(1,163,449)
Other actuarial gains and losses (Note 2)	1,089,696
Balance at end of year	<u>5,089,275</u>
Postretirement benefit obligations	
Balance at beginning of year	14,068,650
Increase (decrease) during the year attributable to:	
Additional benefit accumulated and gains and losses	(33,422)
Interest	314,373
Claims and premiums reclassified to amounts currently payable	(1,939,568)
Changes in actuarial assumptions (Note 2)	(742,897)
Balance at end of year	<u>11,667,136</u>
Total benefit obligations at end of year	<u>\$ 20,287,164</u>

The accompanying notes are an integral part of the financial statements.

NorthWestern Energy Flexible Compensation Plan
Notes to the Financial Statements December 31, 2022 and 2021

1. Description of Plan

The following description of the NorthWestern Energy (“Company”) Flexible Compensation Plan (“Plan”) provides only general information about the Plan’s provisions. Participants should refer to the Summary Plan Description or the Plan Document, which may be obtained from the Plan sponsor, for a more complete description of the Plan’s provisions.

General

The Plan was established on July 1, 1987 subject to the Employee Retirement Income Security Act of 1974 (“ERISA”), as amended. A portion of the Plan’s assets are held in the NorthWestern Energy Master Retirement Trust (“Master Trust”) in a 401(h) subaccount of the NorthWestern Energy Pension Plan, and is used to fund postretirement welfare benefits for Montana early retirees who were not represented by a union while employed. During 2015, all assets in the 401(h) account were used to pay retiree welfare benefits. Additional assets are held in a Voluntary Employees’ Beneficiary Association (“VEBA”) trust which was established January 24, 1994 and are being used to fund postretirement welfare benefits for Montana retirees who were represented by a union while employed.

The Board of Directors of NorthWestern Corporation (the “Company”) has appointed the Employee Benefits Administration Committee (“EBAC”) as the named fiduciary and administrator of the Plan. EBAC is also responsible for managing the assets of the Plan. The Northern Trust Company is the Plan trustee. Mercer Investment Management, Inc. is the Plan’s investment advisor and its co-fiduciary for the management of assets held in the trusts. Mercer is the Plan’s actuary.

The Flexible Compensation component plans for reporting and disclosure consist of the Health Benefit Plan for Active Employees (“Active Plan”), Health Benefit Plan for Retirees under Age 65 (“Under 65 Retiree Plan”), Health Benefit Plan for Retirees Age 65 or Older (“Age 65 or Older Retiree Plan”), Group Vision Care Plan, Group Life Insurance Plans, Group Long Term Disability Plan, Health Care and Dependent Care Reimbursement Accounts, Health Savings Accounts and Employee Assistance Program (“EAP”).

Plan Amendments

On May 21, 2020, the Active and Under 65 Retiree Plans were amended and restated effective May 1, 2020 to incorporate all amendments adopted since these plans were last restated on January 1, 2017 and 2018, respectively, including administrative and legal compliance provisions and other recent changes in law. The Age 65 or Over Retiree Plan was also amended and restated effective January 1, 2020, to incorporate all amendments adopted since this plan was last restated on January 1, 2017.

The Coronavirus Aid, Relief and Economic Security (“CARES”) Act was enacted on March 27, 2020 in response to the coronavirus outbreak, which among other things contains numerous tax, funding and other provisions that affect health care benefits. This required certain amendments to the Plan.

On December 17, 2020, the Under Age 65 Retiree and Active Plans were amended effective January 1, 2021 to remove certain medical benefit exclusions and for other administrative changes.

On January 6, 2021, the Under Age 65 Retiree Plan was further amended to add coverage for the COVID vaccine effective January 1, 2021.

On March 25, 2021, the Active Plan was amended effective January 1, 2021, to clarify the effective date for COBRA continuation coverage if coverage for a qualified beneficiary is terminated prior to and in anticipation of a qualifying event; to add a definition for coinsurance; to change the definition of hospital; and to clarify the administrative application of the deductible and coinsurance toward the out-of-pocket maximum when an inpatient hospital stay extends from one plan year to the next year.

On March 25, 2021, the Under 65 Retiree Plan was amended effective January 1, 2021, to clarify the effective date for COBRA continuation coverage when Plan coverage is terminated; the effective date for COBRA continuation coverage if coverage for a qualified beneficiary is terminated prior to and in anticipation of a qualifying event; to add a definition for coinsurance; to change the definition of hospital; and to clarify the administrative application of the deductible and coinsurance toward the out-of-pocket maximum when an inpatient hospital stay extends from one plan year to the next year.

On May 24, 2021, the Flexible Compensation Plan was amended effective January 1, 2020 as necessary to comply with, and administered in a manner that complies with (i) the joint notice issued by the Departments of Labor and Treasury on May 4, 2020 regarding Extension of Certain Timeframes for Employee Benefit Plans, Participants, and Beneficiaries Affected by the COVID-19 Outbreak; (ii) the EBSA Disaster Relief Notice 2021-01 (clarifying application of such joint notice); and (iii) any subsequent related guidance. It was also amended effective January 1, 2020 for COVID-19 outbreak relief to (i) extend the claim filing deadlines for qualifying expenses under the health care FSA for the 2019, 2020 and 2021 plan years; (ii) extend the claim filing deadlines for qualifying expenses under the dependent care FSA for the 2020 and 2021 plan years; (iii) eliminate the two and one-half month grace periods for the 2020 and 2021 plan years; (iv) provide for the carryover of any unused 2020 and 2021 funds in the health care or dependent care FSAs to allow for reimbursement from those funds of qualifying expenses incurred during the 2021 or 2022 plan year, respectively; and (v) establish the carryover provisions for a participant who ceases participation in the FSAs during the 2020 and 2021 plan years. Participants can elect to opt out of carryover or will be automatically “opted out” if they elect to contribute to an HSA.

In addition on May 24, 2021, the Age 65 or Over Retiree Plan was amended effective January 1, 2020 to incorporate provisions regarding COBRA continuation coverage as required in Title X of the Consolidated Omnibus Reconciliation Act of 1985.

On January 5, 2022, the Active Plan was amended effective January 1, 2022 to remove limitation provisions for certain preventative care benefits; to provide coverage of in vitro fertilization under all plan options; to establish a lifetime maximum benefit for in vitro fertilization services; and to include coverage of artificial or intra uterine insemination under the Plan’s fertility benefits.

On January 5, 2022, the Under Age 65 Retiree Plan was amended to exclude coverage for infertility services, supplies and drugs and for in vitro fertilization services, supplies, drugs and devices.

On March 17, 2022, the Active, Under Age 65 Retiree and Age 65 or Over Retiree Plans were all amended effective January 15, 2022 to add coverage for qualifying over-the-counter COVID-19 tests as required by guidance issued by the Departments of Treasury, Labor and Health and Human Services. Consistent with the requirement and the amendment, coverage ended on March 11, 2023, the last day of the public health emergency.

On September 14, 2022, the Active, Under Age 65 Retiree and 65 or Over Retiree Plans were amended effective January 1, 2022 for legal compliance purposes required under the Consolidated Appropriations Act of 2021 for balance billing and other protections.

Benefits

Active employees and their dependents are eligible for benefits subject to provisions of the medical, dental, vision, life insurance, accidental death and dismemberment insurance, long term disability insurance and EAP component plans. Retirees under age 65 and their dependents as well as surviving dependents of deceased retirees are eligible for benefits subject to the provisions of the medical, dental, vision and life insurance component plans. Retirees age 65 or older and their spouse as well as a surviving spouse of a deceased retiree are eligible for benefits, subject to the provisions of the medical and life insurance component plans. Former employees receiving long-term disability income benefits and their dependents as well as surviving dependents of deceased employees are eligible for benefits under the medical, dental, vision, life insurance and EAP component plans, subject to the continuation provisions of the plans. If a disabled participant becomes eligible for Medicare, the participant may continue to participate in the medical plan but Medicare becomes primary and the Company's medical plan becomes secondary. The Plan and medical, dental and vision component plans also provide continuation of certain benefits upon termination of employment through the Consolidated Omnibus Budget Reconciliation Act (COBRA).

The Plan has flexible spending account ("FSA") arrangements for health care and dependent care reimbursements that are funded solely by active employee contributions or as allowed through COBRA. The FSAs allow eligible participants to be reimbursed tax free for qualified health care and dependent care expenses, subject to annual limitations established under the Plan. The accounts cannot be used for anything other than qualified health care and dependent care expenses, and remaining unused amounts are not portable upon termination. Except as noted above under Plan Amendments, residual FSA amounts unused at the end of the year can be carried over for two and one-half months into the next year to allow qualified expenses incurred during that period to be reimbursed from the account. Any residual FSA amounts remaining after the two and one-half month extension are forfeited.

Active employees enrolled in the HSA-qualified plan option are eligible to establish a health savings account ("HSA"), subject to IRS eligibility requirements. The Company provides a contribution to the HSA and the employee can also elect to make additional contributions to their account subject to IRS limits. The contributions made to the HSA can be used on a tax-free basis to pay or reimburse for qualifying health care expenses. The participant owns the account and is responsible for substantiating distributions from the HSA account. The Under 65 Retiree Plan has a HSA-qualified plan option. The Company does not contribute to a retiree's HSA account.

Insured Benefits

The Plan fully insures the life insurance benefits (basic, additional, and dependent), accidental death and dismemberment benefits (additional and spousal), and long-term disability benefits. Premiums for basic life coverage and long-term disability benefits are paid from the general assets of the Company. Premiums for all other insured benefits are paid through participant contributions.

Experience-rated Contracts

Certain insurance contracts are subject to experience-rating adjustments. Experience ratings (calculated as the difference between premiums paid and the total of claims paid and fees charged by the insurance company) are determined by the insurance company in the following year and may result in a premium surplus or deficit. However, the Company's insurance contract provides for fixed premiums over the period of the insurance contract with no annual adjustment for premium surplus or deficit.

Stop Loss Coverage

The Company has entered into a stop-loss insurance arrangement in an effort to limit the Plan's exposure for self-insured medical benefits (for individual participant claims over a specific dollar amount).

Self-insured Benefits

All other Plan benefits for medical, dental and vision are self-insured. The claims are processed by third-party administrators under administrative services only arrangements. The administrators pay claims directly to or on behalf of participants and are then reimbursed by either the Plan's VEBA trust, the 401(h) account (see "401(h) Account" section that follows) or the general assets of the Company. Despite the use of third-party administrators, ultimate responsibility for payments to providers and participants is retained by the Plan.

The Plan utilizes a pharmacy benefit manager that issues rebates on prescription costs to the Plan based on the Plan's actual utilization pattern of specific drugs.

Former employees who were disabled prior to January 1, 1994 receive self-insured long-term disability income benefits. These former employees and some long-term disability participants under certain fully-insured benefits receive annual cost of living adjustments paid by the Company.

Contributions

In addition to deductibles, copayments and coinsurance, participants may be required to contribute to premium costs for the health care (medical, dental and vision) benefits they elect under the Plan. The premiums for health care benefits are established based on trended historical claims data and plan administrative costs. Under the group life and disability plans, the premiums are established by the insurer. The Company pays the full premium cost of basic life insurance and long-term disability insurance coverage for eligible active employees as well as basic life insurance coverage for eligible retirees and former employees receiving long-term disability benefits. Participants pay the full cost for any additional life insurance or accidental death and dismemberment insurance they elect for themselves or their dependents.

The Company and retirees share in the premium costs for the post-retirement health care benefit plans. For an eligible retiree who terminated employment prior to November 1, 2009, the Company provides a contribution towards the retiree's medical and dental premium costs until age 65. Such contributions may be increased up to 5% each year. The Company does not provide a contribution towards a retiree's vision premium cost. For an eligible retiree who terminated employment on or after November 1, 2009, the Company provides a contribution towards the retiree's medical premium costs until age 65. Such contribution is fixed based upon the retiree's years of service at termination. The Company does not provide a contribution towards the retiree's dental and vision premium costs. For a retiree age 65 or older who terminated employment prior to January 1, 2011, the Company provides a fixed contribution towards the retiree's medical premium cost. Contributions made by retirees under the age of 65 for medical, dental and vision benefits ranged from 15% to 100% for 2022 and 13% to 100% for 2021. Contributions made by retirees age 65 and older for medical benefits ranged from 99% to 100% for 2022 and 2021.

The Company makes contributions to the Plan as needed to fund claims in excess of participants' contributions. Any deficiency of the Plan's net assets over the benefit obligations is funded by the Company on a pay-as-you-go basis.

2. Summary of Accounting Policies

Basis of Accounting and Use of Estimates

The accompanying financial statements are prepared under the accrual method of accounting. The preparation of the financial statements in accordance with generally accepted accounting principles in the United States of America (“GAAP”) requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, benefit obligations and changes therein, incurred but not reported claims (“IBNR”), eligibility, claims payable, and disclosure of contingent assets and liabilities. Actual results could differ from those estimates.

Investment Valuation and Income Recognition

Investments are reported at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Net appreciation (depreciation) includes the gains and losses on investments bought and sold as well as held during the year.

Benefit Payments

Premiums paid by the Company and participants are recorded as premium payments in the accompanying statement of changes in net assets available for benefits. Premiums due to insurers totaling \$197,230 and \$200,207, respectively, as of December 31, 2022 and 2021 are included in the statements of benefit obligations.

Claims payments are recorded when paid to the third-party claims processor. Amounts due to third-party administrators totaling \$727,100 and \$1,127,196, respectively, as of December 31, 2022 and 2021 are included in the statements of benefit obligations.

Estimated health care claims IBNR as of December 31, 2022 and 2021 are \$2,606,423 and \$2,133,523 respectively, and are included in the statements of benefit obligations. This liability is determined using the actual history of claims paid subsequent to December 31, 2022 and 2021.

Administrative Expenses

The Plan pays administrative expenses that consist primarily of administrative fees paid to third-party claims administrators, the investment manager and trustee. These expenses are reported as administrative expenses on the statement of changes in net assets available for benefits.

Additionally, third-party claims administrators and insurers provide administrative fee credit refunds for implementation or performance guarantees associated with their service contracts. At December 31, 2022 and 2021, administrative fee credit refunds of \$12,546 and \$157,474, respectively, due to the Plan have been recognized as a receivable in the statements of net assets available for benefits with the offset decreasing administrative expenses in the accompanying statement of changes in net assets available for benefits.

Reimbursement and Health Savings Accounts

Employee contributions totaling \$504,243 were received during the plan year for health care and dependent care reimbursement accounts and are reflected in participant contributions in the accompanying statement of changes in net assets available for benefits. Claims submitted under the health care and dependent care reimbursement accounts before year end or during the subsequent extension periods totaled \$509,050 as of August 31, 2023 and are included in claims paid in the statement of changes in net assets available for benefits.

At December 31, 2022 and 2021, the total net unforfeited flexspending contributions in the statements of net assets available for benefits were \$3,760 and \$46,466, respectively. During 2022, \$45,462 of the \$46,466 rollover contributions from 2020 and 2021 were utilized to pay claims or forfeited. The residual 2021 unforfeited amount of \$1,004 was carried forward to 2022 along with \$2,756 of 2022 unforfeited flexspending contributions for a total of \$3,760 at December 31, 2022 as allowed under the extension period (Note 1). Forfeited funds from previous years were utilized to pay the 2022 flexspending account administration fees of \$13,505 and offset Company contributions to the Plan in the accompanying statement of changes in net assets available for benefits.

HSAs belong to individual participants and are not considered Plan assets; therefore, there is no reporting in the accompanying financial statements as there is no obligation of the Plan to pay benefits.

Stop Loss

Stop loss insurance fees are included in claims paid in the accompanying statement of changes in net assets available for benefits. Stop loss refunds of \$610,457 and \$298,396, respectively, have been recognized as receivables at December 31, 2022 and 2021 in the statements of net assets available for benefits. Stop loss refunds totaling \$1,758,379 are netted against claims paid in the accompanying statement of changes in net assets available for benefits.

Pharmacy Rebates and Other Refunds

Rebates received from the Plan's pharmacy benefit manager are recorded when earned. Rebates and other pharmacy refunds of \$755,749 and \$851,948 have been recognized as receivables at December 31, 2022 and 2021, respectively, in the statements of net assets available for benefits with the offset being netted against claims paid. Pharmacy rebates and refunds totaling \$2,175,525 have been netted with claims paid in the accompanying statement of changes in net assets available for benefits.

Prepayments

Certain third-party claims processors required administrative fees to be paid in advance. Administrative fees of \$58,253 and \$63,681 have been recognized as prepaid administrative fees at December 31, 2022 and 2021, respectively, in the statements of net assets available for benefits with the offset increasing employer contributions in the accompanying statement of changes in net assets available for benefits.

Claims Incurred but Not Reported

Plan obligations at December 31 for claims incurred but not reported are estimated in accordance with accepted actuarial principles based on claims data provided by the Plan's third-party administrators. These amounts are paid by the Plan only if claims are submitted and approved for payment.

Postemployment and Postretirement Benefit Obligations

A postretirement benefit obligation has been recognized for retiree medical, dental and life insurance benefits for eligible participants and their dependents. In addition, a postemployment obligation has been recognized for self-insured long-term disability income benefits, and medical, dental, vision and life insurance benefits for participants on long-term disability and their dependents, and surviving dependents of deceased employees receiving these benefits. These benefit obligations represent the actuarial present value of the cost of those estimated future benefits that are attributed to employee service rendered to the date of the financial statements, reduced by the actuarial present value of contributions expected to be received in the future from current retirees of the Plan. The obligations represent the amounts that are expected to be funded by contributions from the Company and from existing assets of the Plan. Postretirement benefits include future benefits expected to be paid to or for (a) currently retired or terminated employees and their beneficiaries and dependents, and (b) active employees and the beneficiaries and dependents after retirement from service with the Company.

The actuarial present value of the expected postretirement benefit obligation is determined by an actuary and is the amount that results from applying actuarial assumptions to historical claims cost data to estimate the future annual incurred claims cost per participant and to adjust such estimates for the time value of money (through discounts for interest) and the probability of payment (by means of decrements such as those for death, disability, withdrawal or retirement) between the valuation date and the expected date of payment. The postemployment and postretirement benefit obligations represent the actuarial present value of the benefits expected to be paid assuming cost of living adjustments and trend increases in future benefit amounts based on assumed discount rates and age-related probabilities of survival and recovery.

The following are significant assumptions used in the valuations as of December 31, 2022 and 2021.

	December 31, 2022	December 31, 2021
Postretirement discount rate	5.20%	2.40%
Postemployment discount rate	5.10%	2.10%
Postretirement average retirement age	62	62
Postretirement and postemployment surviving dependents mortality	PRI-2012 Generational separate annuitant/non annuitant mortality tables, with generational mortality improvements using projection scale MP-2022 and no collar adjustments	PRI-2012 Generational separate annuitant/non annuitant mortality tables, with generational mortality improvements using projection scale MP-2021 and no collar adjustments
Postemployment disabled participants mortality	2008 Group Long Term Disability Table for mortality/recovery of disabled employees	2008 Group Long Term Disability Table for mortality/recovery of disabled employees

For the postemployment benefit obligation, the annual rates of increase in the cost of medical and prescription drug benefits were assumed to be 6.19% pre-medicare and 6.45% medicare eligible for 2022 and 6.46% pre-medicare and 6.76% medicare eligible for 2021. Annual rates decrease each year until reaching an ultimate rate of 4.0% in 2047 and beyond. The postretirement benefit obligation annual rate of increase in the cost of life insurance benefits for 2022 and 2021 was assumed to be 5% annually.

The foregoing assumptions are based on the presumption that the Plan will continue. If the Plan terminated, different actuarial assumptions and other factors might be applicable in determining the actuarial present value of the benefit obligations.

Subsequent Events

Events subsequent to December 31, 2022, have been evaluated for potential impact to the Plan financial statements through October 12, 2023, the date of issuance. Based on this evaluation, no disclosures and/or adjustments were required to the financial statements, except as noted below, as of December 31, 2022.

Effective January 1, 2023, Fidelity will be the new flexspending accounts administrator and Voya will be the COBRA administrator for the Plan.

On September 14, 2022, the Active Plans and the Under Age 65 Retiree Plans were amended effective January 1, 2023 to address a new specialty drug manufacturer copayment assistance program. The Vision Care Plan and the Active Plans were further amended effective January 1, 2023 (and prior for certain newly hired employees) to address negotiated benefit plan design changes.

Digital solution options mainly related to musculoskeletal, diabetes and hypertension issues were added, effective January 1, 2023, to both the Active and Under Age 65 Retiree Plans.

Empyrean will become the welfare benefits administrator for the Active Plans, effective January 1, 2024.

On May 31, 2023, certain deductible and out of pocket thresholds were amended in the Active and Under Age 65 Retiree Plans, effective January 1, 2024.

On September 6, 2023, amendments were made to synchronize certain plan elements effective January 1, 2024. Select notification requirements related to change in status events and special enrollment periods have been set at 60 days in the Flexible Compensation Plan, the Vision Care Plan and the Active and Under Age 65 Retiree Plans. Additionally, coverage for eligible dependents has been extended up to age 26 for the Vision Care Plan, the dental portion of the Active and Under Age 65 Retiree Plans and the Group Life Insurance Plan.

Also on September 6, 2023, an amendment related to pharmacy cost share provisions was made effective January 1, 2024 to both the Active and Under Age 65 Retiree Plans.

3. Postemployment and Postretirement Benefit Obligations

The Plan's unfunded benefit obligations at December 31, 2022 and 2021, relate primarily to the portion of postemployment and postretirement benefit obligations not covered by participant contributions. The Company intends to fund these obligations as incurred.

The Company contribution toward premium cost and future health cost trend rates are expected to have a minimal impact on Company costs and the accumulated postretirement benefit obligation.

4. Fair Value Measurements and VEBA Trust

Investments are reflected in the Plan financial statements at fair value. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (i.e., an exit price). Measuring fair value requires the use of market data or assumptions that market participants would use in pricing the asset or liability, including assumptions about risk and the risks inherent in the inputs to the valuation technique. These inputs can be readily observable, corroborated by market data, or generally unobservable. Valuation techniques are required to maximize the use of observable inputs and minimize the use of unobservable inputs.

The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 inputs) and the lowest priority to unobservable inputs (level 3 inputs). The three levels of the fair value hierarchy are described as follows:

- | | |
|---------|---|
| Level 1 | Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the plan has the ability to access. |
| Level 2 | Inputs to the valuation methodology include <ul style="list-style-type: none">• quoted prices for similar assets or liabilities in active markets;• quoted prices for identical or similar assets or liabilities in inactive markets;• inputs other than quoted prices that are observable for the asset or liability; and• inputs that are derived principally from or corroborated by observable market data by correlation or other means. <p>If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.</p> |
| Level 3 | Inputs to the valuation methodology are unobservable and significant to the fair value measurement. |

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques maximize the use of relevant observable inputs and minimize the use of unobservable inputs.

Plan assets held in the VEBA Trust have been invested in mutual funds and common collective trusts ("CCT") funds, which trade at net asset value (NAV) per share. NAV for CCT funds, as provided by the trustee, is used as a practical expedient to estimate fair value of the fund. As a result, these funds are not categorized within the fair value hierarchy. Investments of these funds consist of equity and fixed income securities. The following is a description of the valuation methodologies used for these assets.

Mutual funds: Valued at the daily closing price as reported by the fund. Mutual funds held by the plan are open ended mutual funds that are registered with the SEC. These funds are required to publish their daily NAV and to transact at that price. The mutual funds held by the Plan are deemed to be actively traded.

CCT funds: Valued at the unit NAV of a CCT fund. The NAV is based on the fair value of the underlying investments held by the fund less liabilities. This practical expedient is not used when it is determined to be probable that the fund will sell the investment for an amount different than the reported NAV. Transactions (purchases and sales) may occur daily. Were the Plan to initiate a full redemption of the CCT fund, the investment advisor reserves the right to temporarily delay withdrawal from the trust in order to ensure that securities liquidation will be carried out in an orderly business manner. The trustee may also assess the Plan a redemption fee which will be deducted from the redemption proceeds and paid to the applicable fund.

The tables below set forth by level, within the fair value hierarchy, the VEBA trust assets at fair value.

Assets at Fair Value as of December 31, 2022				
	Quoted Prices in Active Markets for Identical Assets or Liabilities (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Mutual Funds	\$ —	\$ 7,814,037	\$ —	\$ 7,814,037
Total assets in the fair value hierarchy	<u>\$ —</u>	<u>\$ 7,814,037</u>	<u>\$ —</u>	\$ 7,814,037
Investments measured at net asset value as a practical expedient				<u>\$ 12,240,519</u>
Total investments held in VEBA trust at fair value				<u>\$ 20,054,556</u>

Assets at Fair Value as of December 31, 2021				
	Quoted Prices in Active Markets for Identical Assets or Liabilities (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Mutual Funds	\$ —	\$ 9,342,286	\$ —	\$ 9,342,286
Total assets in the fair value hierarchy	<u>\$ —</u>	<u>\$ 9,342,286</u>	<u>\$ —</u>	\$ 9,342,286
Investments measured at net asset value as a practical expedient				<u>\$ 15,946,738</u>
Total investments held in VEBA trust at fair value				<u>\$ 25,289,024</u>

Fair Value of Investments that Calculate Net Asset Value

The following tables summarize investments measured at fair value based on NAV per share as practical expedient as of December 31, 2022 and 2021, respectively.

Investments at NAV:	December 31, 2022			
	Fair Value	Unfunded Commitment	Redemption Frequency	Redemption Notice Period (A)
Common Collective Trust Funds:				
Common Short Term Investment Fund	\$ 113,621	N/A	Daily	1 Day
US Aggregate Bond Index Securities Lending Fund	2,309,722	N/A	Daily	15 Days
S&P 500® Index Securities Lending Fund	9,817,176	N/A	Daily	15 Days
Total investments at NAV	<u>\$ 12,240,519</u>			

Investments at NAV:	December 31, 2021			
	Fair Value	Unfunded Commitment	Redemption Frequency	Redemption Notice Period (A)
Common Collective Trust Funds:				
Common Short Term Investment Fund	\$ 36,433	N/A	Daily	1 Day
US Aggregate Bond Index Securities Lending Fund	2,659,134	N/A	Daily	15 Days
S&P 500® Index Securities Lending Fund	13,251,171	N/A	Daily	15 Days
Total investments at NAV	<u>\$ 15,946,738</u>			

(A) – The funds do not have any redemption restrictions. These are recommended investment advisor notification periods as funds are redeemable daily.

5. Tax Status

The VEBA trust established to hold the Plan's net assets is a tax-exempt organization pursuant to Section 501(a) and 501(c)(9) of the Internal Revenue Code (IRC), and, accordingly, the trust's net investment income generally is exempt from income taxes. Therefore, no provision for income taxes has been included in the Plan's financial statements. The VEBA trust obtained a favorable tax exemption letter on May 16, 1996 from the Internal Revenue Service (IRS) and the Company believes that this trust continues to qualify and to operate in accordance with the applicable requirements of the IRC.

Accounting principles generally accepted in the United States of America require plan management to evaluate tax positions taken by the Plan and recognize a tax liability if the Plan has taken an uncertain tax position that may not be sustained upon examination by the IRS. The plan administrator has analyzed the tax positions taken by the Plan, and has concluded that as of December 31, 2022, there are no uncertain positions taken or expected to be taken that would require recognition or disclosure in the financial statements. The Plan is subject to routine audits by taxing jurisdictions; however there are currently no audits for any tax periods in progress.

6. Risk and Uncertainties

The Plan invests in various investment securities. Investment securities are exposed to various risks, such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that these changes could materially affect the amounts reported in the statement of net assets available for benefits.

Benefit obligations are reported based on historical trend information using lag reports, which are subject to change. Due to uncertainties inherent in the estimation process, it is at least reasonably possible that changes in this estimate in the near term would be material to the financial statements.

The actuarial present value of benefit obligations is reported based on certain assumptions pertaining to interest rates and employee demographics, all of which are subject to change. Due to uncertainties inherent in the estimations and assumptions process, it is at least reasonably possible that changes in these estimates and assumptions in the near term would be material to the financial statements.

7. Provisions in the Event of Plan Termination

Although it has not expressed any intention to do so, the Company has the right under the Plan to modify the benefits provided to and contributions required of participants, to discontinue its contributions at any time and to terminate the Plan subject to ERISA. In the event of termination of the Plan, remaining assets will be applied in a uniform and nondiscriminatory manner toward the provision of benefits for or on account of participants. No assets of the Plan may revert to the Company or be used for purposes other than for the exclusive benefit of the Plan's participants.

8. Information Certified by the Trustee

The Plan administrator has elected the method of compliance permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. Investments held at December 31, 2022 and 2021, and investment income for the year ended December 31, 2022, including investment information related to the VEBA and 401(h) account (Notes 1, 4 and 9), that is disclosed in the accompanying financial statements and supplemental schedules, was obtained or derived from information supplied to the Plan administrator and certified as complete and accurate by the trustee of the Plan.

The Plan's independent auditors did not perform auditing procedures with respect to this information, except for comparing such information with the related information in the financial statements.

9. Investments of the 401(h) Account

A separate account is maintained in the Master Trust for the net assets related to the retiree welfare benefit component (401(h)), which is used to fund a portion of the postretirement obligations for retirees and their beneficiaries in accordance with the Code Section 401(h). The Plan's investments in the 401(h) account may not be used for, or diverted to, any purpose other than providing health benefits for retirees and their beneficiaries. The related obligations for the welfare benefits are not included in the Company's NorthWestern Energy Pension Plan obligations but are reported as obligations in the financial statements of this Plan. However, investment related disclosures for the 401(h) account are included in the audited financial statements of the defined benefit plan.

During 2015, all assets in the 401(h) account were used to pay retiree welfare benefits and there are no assets in the account at December 31, 2022 and 2021. Employer contributions or qualified transfers to the 401(h) account are determined annually by the Plan actuary and are at the discretion of the Company. Plan participants do not contribute to the 401(h) account.

10. Party-In-Interest Transactions

The Plan has investments in CCT funds affiliated with the trustee, The Northern Trust Company, and mutual funds affiliated with the investment advisor and co-fiduciary, Mercer Investment Management, Inc. are affiliated with Mercer, the Plan’s actuary. These transactions qualify as exempt party-in-interest transactions. Fees paid to parties-in-interest in 2022 from the VEBA trust totaled \$37,423 and are reflected in administrative expenses.

11. Reconciliation of Financial Statements to Form 5500

The following are reconciliations of the accompanying financial statements to the Form 5500:

	<u>December 31,</u> <u>2022</u>	<u>December 31,</u> <u>2021</u>
Net Assets Available for Benefits		
Net assets available for benefits per the financial statements.....	\$ 21,389,791	\$ 26,583,928
Benefit obligations currently payable.....	<u>(3,530,753)</u>	<u>(3,460,926)</u>
Net assets available for benefits per the Form 5500.....	<u>\$ 17,859,038</u>	<u>\$ 23,123,002</u>

Statement of Changes in Net Assets Available for Benefits

Benefits Paid	
Benefits paid per the financial statements	\$ 31,718,240
Increase in benefit obligations currently payable.....	<u>69,827</u>
Benefits paid per the Form 5500	<u>\$ 31,788,067</u>

The net assets and related activity of the 401(h) account included in the financial statements of the Plan are not included in the Form 5500 because the assets are held by the NorthWestern Energy Pension Plan. For 2022, there are no reconciling items in the reconciliation of net assets available for benefits or changes in net assets available for benefits per the financial statements to the Form 5500 for the 401(h) account (Note 9).

Claims and premiums that have been processed and approved for payment at year-end, but not paid and claims incurred but not reported are not presented as liabilities or claims and premiums paid in the accompanying financial statements, but are recorded on the Form 5500 as a liability.

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SUPPLEMENTAL SCHEDULES

NorthWestern Energy Flexible Compensation Plan
EIN 46-0172280 Plan No. 530

Schedule H, Line 4i - Schedule of Assets Held (at End of Year)

Identity of Party Involved	Description of Asset	Cost	Current Value
Cash and Cash Equivalents:			
Cash Receivable for Investments Sold		-	-
Cash Reserved for Pending Investment Purchases		-	-
Total Cash Held for Investment Purposes		-	-
Interest in Common/Collective Trusts:			
* Collective Short-Term Investment Fund of The Northern Trust Company	113,621.12 shares	113,621	113,621
State Street Global Advisors US Aggregate Bond Index SL QP CTF	146,258.96 shares	1,961,135	2,309,722
State Street Global Advisors S&P 500 Index SL CTF	47,674.71 shares	2,943,039	9,817,176
Total Common/Collective Trust Investments		5,017,795	12,240,519
Interest in Registered Investment Companies:			
* MGI FDS Core Fixed Income MFO	550,617.00 shares	5,630,342	4,801,380
* MGI FDS Opportunistic Fixed Income MFO	31,562.27 shares	309,150	252,814
* MGI FDS Non-US Core Equity Fund MFO	167,581.15 shares	1,978,846	1,514,933
* MGI FDS US Small/Mid Cap Equity Fund MFO	119,135.97 shares	1,382,566	1,168,724
* MGI FDS Mercer Emerging Markets Fund MFO	10,625.64 shares	103,217	76,186
Total Registered Investment Companies Investments		9,404,121	7,814,037
Total Schedule of Assets Held for Investment (at End of Year)		14,421,916	20,054,556

* - Party-in-interest

NorthWestern Energy Flexible Compensation Plan
 EIN 46-0172280 Plan No. 530

Schedule H, Line 4j -- Schedule of Reportable Transactions

Identity of Party Involved	Description of Asset	Purchase Price	Selling Price	Lease Rental	Expense Incurred With Transaction	Current Value of Asset on Transaction Date	Net Gain or (Loss)
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Single Transaction in Excess of 5%:

None to report

Series of Transactions by Issue in Excess of 5%:

* Collective Short-Term Investment Fund of The Northern Trust Company	11 acquisition transactions	\$1,251,833			-	\$1,251,833	\$0
* Collective Short-Term Investment Fund of The Northern Trust Company	79 disposition transactions		\$1,173,220		-	\$1,173,220	\$0

* - Party-in-interest