

BLACK HILLS CORPORATION

POLICY FOR DIRECTOR INDEPENDENCE

INDEPENDENCE

Introduction

A member of the Board of Directors (“Board”) of Black Hills Corporation (“Company”) shall be deemed independent pursuant to this Policy of the Board, only if the Board affirmatively determines that (1) such director meets the Standards for Director Independence set forth below, and (2) the director has no material relationship with the Company (either directly or as a partner, shareholder or officer of an organization that has a relationship with the Company). In making this determination, the Board shall broadly consider all relevant facts and circumstances. Material relationships can include commercial, industrial, banking, consulting, legal, accounting, charitable and familial relationships, among others. The Company shall disclose the basis for this determination in its annual proxy statement.

Categorical Standards for Independence

1. A director who is an employee, or whose immediate family member¹ is an executive officer, of the Company is not independent until three years after the end of such employment relationship. Employment as an interim Chairman, CEO or other executive officer shall not disqualify a director from being considered independent following that employment.
2. A director who receives, or whose immediate family member receives, more than \$120,000 in direct compensation from the Company during any twelve-month period, other than director and committee fees and pension or other forms of deferred compensation for prior service (provided such payments are not contingent on continued service), is not independent until three years after he or she ceases to receive more than \$120,000 during any twelve-month period of such compensation. Compensation received by a director for former service as an interim Chairman, CEO or other executive officer need not be considered in determining independence under this test. Compensation received by an immediate family member for service as a non-executive employee of the Company need not be considered in determining independence under this test.
3. A director who has an affiliation with the Company’s internal or external audit firm (the “Audit Firm”) is not independent if
 - The director is a current partner or employee of the Audit Firm;
 - The director has an immediate family member who is a current partner of the Audit Firm;

- The director has an immediate family member who is a current employee of the Audit Firm and personally works on the Company's audit; or
 - The director or an immediate family member was within the last three years a partner or employee of the Audit Firm and personally worked on the Company's audit within that time.
4. A director who is employed, or whose immediate family member is employed, as an executive officer of another company where any of the Company's present executives serve on that company's compensation committee is not "independent" until three years after the end of such service or the employment relationship.
 5. A director who is an executive officer or an employee, or whose immediate family member is an executive officer, of a company that makes payments to, or receives payments from, the Company for property or services in an amount which, in any single fiscal year, exceeds the greater of \$1 million, or 2% of the consolidated gross revenues of such other company employing such executive officer or employee, is not "independent" until three years after falling below such threshold. (Note that while charitable organizations are not deemed "companies" under this standard, the Company would have to disclose either on or through its website or in its proxy statement contributions in excess of these thresholds to any charity for which a director serves as an executive. If the disclosure is made on or through its website, the Company must disclose that fact in its proxy statement and provide the website address.)

Audit Committee Independence

In addition to meeting the Board independence standard above, the Audit Committee members must meet the following criteria:

1. An Audit Committee member may not accept directly or indirectly any consulting, advisory, or other compensatory fee from the Company. (Fees for service as a director or committee member, or fixed amounts of compensation received as compensation under a retirement plan (including deferred compensation) for prior service with the Company, so long as such compensation is not contingent in any way on continued service is excluded.)
2. An Audit Committee member may not be an affiliated person² of the Company.

Disclosure

A director of the Company who meets the "Categorical Standards" set forth above shall be presumed to be "independent." Notwithstanding this presumption, the Board will look at the totality of other material relationships when determining independence.

If the relationship of a director falls within the Categorical Standards, then the Company shall state in its proxy statement that the director meets the Categorical Standards, without describing the particular aspects of the relationship between the director and the Company.

If the relationship of a director does not fall within the Categorical Standards, then a determination of whether the relationship is material or not, and therefore whether the director would be independent or not, shall be made by the Board. In the event that a director who has a business or other relationship that does not fit within the Categorical Standards is determined to be independent, the Company shall disclose the basis for such determination in the Company's proxy statement.

Policy adopted on February 2, 2006.

Policy revised on the following dates:

January 30, 2009

January 28, 2010

Policy last reviewed on October 18, 2023.

¹ An immediate family member includes a person's spouse, parents, children, siblings, parent-in-law, children-in-law, siblings-in law and anyone (other than domestic employees) who shares such person's home.

² An affiliated person is defined as a person that directly, or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control of Black Hills Corporation. Control is defined as the beneficial ownership of more than 10% of any class of voting securities of Black Hills Corporation. In addition, executive officers and directors that are also employees of Black Hills Corporation are deemed to be affiliated persons.