



POLICY NO.: KR-CORP
SUBJECT: SMOKE FREE WORKPLACE
EFFECTIVE: JULY 1, 2007

POLICY STATEMENTS MANUAL

I. PURPOSE

This policy sets forth our commitment to providing a safe and healthy workplace and to promoting the health and well-being of our employees.

II. SCOPE

This policy shall cover all employees of Knife River Corporation and its subsidiaries unless subsidiary companies have in place an approved policy of their own.

III. PROCEDURE

- A. Smoking is prohibited in company buildings, except in those areas designated as smoking permitted areas.
- B. Smoking will not be allowed in company owned and leased vehicles and equipment.
- C. Any concerns about the application of this policy should be brought to the attention of the manager or human resources.
- D. Employees who violate this policy will be subject to disciplinary action up to and including termination.

IV. ADMINISTRATION

The Vice President of Human Resources of Knife River Corporation has the responsibility for the ongoing administration of this policy.

Reviewed by:

Andy Leni

Date

4-10-07

Approved by:

W. Schneider
President and CEO

Date

4/10/07