
**TUCSON ELECTRIC
POWER COMPANY**

*Summary Plan
Description
for*

**TUCSON ELECTRIC POWER
COMPANY 401(K) PLAN**

Updated 2025

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TUCSON ELECTRIC POWER COMPANY 401(K) PLAN

Tucson Electric Power Company (“TEP”), an Arizona corporation, maintains the Tucson Electric Power Company 401(k) Plan (the “Plan”). TEP believes in its employees and recognizes the important role that each employee plays in the success of the company. TEP also believes in the need to plan for the future and, therefore, provides you with an important benefit plan that will help supplement your income for retirement and could help you reduce your income taxes now. “401(k)” is the federal tax code section that allows for tax-deferred savings plans like the Plan.

TEP previously maintained the Tucson Electric Power Company Triple Investment Plan for Salaried Employees (the “TIP”) and the Tucson Electric Power Company Supplemental Retirement Account for Classified Employees (the “SRA”). The SRA and the TIP were merged effective July 1, 2000. The Plan is a restatement of the two merged plans. If you were a participant in the TIP or the SRA on June 30, 2000, you automatically became a Participant in the Plan and your account balance under the TIP and/or the SRA was transferred to the Plan as of July 1, 2000. Thus, the merger did not affect the amount of your accrued benefits.

The Plan is intended to be qualified under the Employee Retirement Income Security Act of 1974, as amended (“ERISA”), and Section 401(a) of the Internal Revenue Code of 1986, as amended (the “Code”). This document constitutes a summary plan description as required under ERISA.

This Summary Plan Description summarizes the terms of the Plan as in effect on July 1, 2025. If there is any inconsistency between this document and the Plan document, the Plan document will take precedence. See “Additional Plan Information – What legal document contains the precise terms of the Plan?” below.

If you have any questions after you read this booklet, contact Total Rewards at 88 E. Broadway Blvd., Mail Stop HQE 202, Tucson, Arizona 85701 or (520) 884-3702. You should not rely on interpretations of the Plan from other persons.

INTRODUCTION

There are many things to save for – a down payment on a home, children’s education, and emergency situations. But perhaps the biggest need for savings is to finance retirement. Because life expectancy keeps increasing, the possibility of individuals outliving their financial resources is a serious concern.

If you are eligible, you can contribute a certain amount of money to the Plan from your paychecks (on a before-tax or after-tax basis). This gives you an excellent opportunity to save and invest for your retirement. In addition, your employer may make certain other contributions to the Plan, which will help your retirement savings grow even faster. In general, the Plan provides:

- ***Flexibility and Convenience.*** You can fit your Plan savings into your budget. If you are eligible to participate in the Plan (see “*Participation in the Plan*” below), you can contribute up to 75% (or 25% if you are employed by TEP and covered by a collective bargaining agreement between the Company and I.B.E.W. Local 1116) of your Compensation (subject to certain limitations) to your Plan account through convenient payroll deductions. Your Plan contributions are referred to as “Compensation Deferral Contributions.”
- ***Matching Contributions.*** TEP and its affiliates which have adopted the Plan are referred to as the “**Company**.” The Company may, but is not obligated to, contribute to the Plan a portion of what you contribute to the Plan as Compensation Deferral Contributions. These Company contributions are referred to as “Matching Contributions.” As of June 1, 2025, the Company has decided to contribute Matching Contributions in an amount equal to 100% of the Compensation Deferral Contributions, up to a maximum of the first 4.5% of eligible Compensation. However, the Company is not required to make a Matching Contribution in any given year and the amount of the Matching Contribution may change.
- ***Non-Elective Contributions.*** The Company will contribute an amount equal to 6% of your eligible Compensation, if you meet certain criteria (see Question 14 below), regardless of whether you make Compensation Deferral Contributions. These Company contributions are referred to as “Non-Elective Contributions”
- ***Vesting.*** You always own and are 100% vested in your Compensation Deferral Contributions, Matching Contributions, and Non-Elective Contributions credited to your account.
- ***Tax Savings.*** The amounts that you contribute to the Plan, any Company contributions credited to your Plan account, and earnings on those contributions, generally are not subject to federal income tax (or state income taxes in most states) as long as they remain in the Plan.
- ***Trust Fund.*** All contributions are held by a trustee and placed in the Plan’s trust fund. A Plan account is established for you, representing your share of the trust fund.

- **Investments.** You can choose to invest your Plan account among several investment options. The investment options currently available under the Plan include professionally-managed investment funds, the self-directed brokerage account, and the Fortis Inc. Stock Fund (see Question 25 below). The investment option(s) that you elect will depend on your particular goals and investment preferences. Your account balance will be adjusted to reflect the gains or losses experienced by your selected investment option(s).
- **Statements.** You will receive quarterly benefits statements which outline any changes to your Plan account. You will also be able to obtain current account information over the telephone or on the internet.
- **Benefits.** Your Plan account balance generally will be distributed to you in a single lump sum cash payment following the termination of your employment with the Company.

The questions and answers on the following pages should help you gain a better understanding of the Plan.

DEFINITIONS

Certain words and phrases have been capitalized in this Summary Plan Description. These words and phrases have a specific meaning as used in this document and (unless defined in another section of this document) are defined below. To better understand the Plan, you should review these definitions.

1. **“Account”** means the bookkeeping account that is maintained for you under the Plan. Your Account is used to determine the amount of your Plan benefits. Your Account is actually divided into different subaccounts: one for the crediting of any Compensation Deferral Contributions that you may elect (Before-Tax Compensation Deferral Contributions Account or Roth Compensation Deferral Contributions Account), one for any amounts that you may “roll over” into the Plan, one for any Matching Contributions that you may receive, and one for Non-Elective Contributions that you may receive. Additional accounts and sub-accounts may be established from time to time as are necessary or appropriate to reflect other amounts contributed to the Plan and/or transferred to the Plan from other plans. Each subaccount is also credited with investment earnings or losses. If you were a participant in the SRA or the TIP, your account balance(s) under that plan were credited to a corresponding account under the Plan in connection with the merger of the plans. In addition, corresponding accounts have been established for participants who formerly participated in, and had an account balance transferred to the Plan from, the Century Power Corporation Thrift Plan.

2. **“Compensation”** for Plan purposes generally means the total cash compensation (including base pay, overtime, commissions, vacation pay and sick pay, and similar amounts) that you receive as an employee of the Company during a Plan Year. Compensation also includes any Compensation Deferral Contributions that you may elect and the before-tax employee portion of premiums for coverage in any Company-sponsored welfare benefits plan. Certain forms of income are excluded from Compensation including severance pay, bonuses, amounts that are paid prior to the date that you became a participant in the Plan, income related to stock options, the vesting of

restricted stock or similar awards, any contributions to or payments from any nonqualified deferred compensation plan, any payments from a retirement, insurance, or medical plan, and any other form of fringe benefit. Federal tax law requires that, for Plan purposes, your annual Compensation be limited. This limit is \$350,000 for 2025. After 2025, the Compensation limit will be adjusted for inflation.

3. “**Plan Year**” means the 12 consecutive month period beginning on each January 1 and ending on the following December 31. The Plan’s records are maintained on a Plan Year basis.

PARTICIPATION IN THE PLAN

1. *Who is eligible to participate in the Plan?*

You can become a participant in the Plan if you are an Eligible Employee. You are an “**Eligible Employee**” if you are an employee of TEP or one of its participating affiliates and you are either (1) a salaried employee or (2) represented by the International Brotherhood Electrical Workers Local 1116, Local 769 and Local 387.

The TEP affiliates which, as of the date hereof, have adopted the Plan are: UNS Electric, Inc., UNS Gas and FortisUS Inc. (“FortisUS”) solely with respect to Eligible Employees transferred to FortisUS, as discussed below.

You are not an Eligible Employee if (1) you are a leased employee; (2) you are covered by a collective bargaining agreement that does not specifically provide for your participation in the Plan; (3) you are a nonresident alien who is not taxed as a United States citizen; (4) you are not classified as an “employee” by the Company; (5) you are employed by FortisUS and (a) you were not transferred to FortisUS from TEP, UNS Electric, Inc., or UNS Gas, Inc. or (b) you were transferred from one of the listed companies and did not participate in the Plan prior to transfer; or (6) you are a student intern, unless you meet the requirements discussed below.

Effective January 1, 2024, you may be considered an Eligible Employee if you are a student intern. If you are a student intern, you must otherwise meet the eligibility requirements discussed above and either (1) have completed 1,000 hours of service with the Company or an affiliate within a certain 12-month period, or (2) be a “long-term part-time” employee.

For Plan Years beginning after December 31, 2023, a “long-term part-time” employee is an individual who is credited with more than 500 hours of service with the Company or an affiliate during three consecutive 12-month periods commencing on the date the individual first completes one hour of service with the Company or an affiliate, counting only those 12-month periods commencing on or after January 1, 2021.

For Plan Years beginning after December 31, 2024, a “long-term part-time” employee is an individual who is credited with more than 500 hours of service with the Company or an affiliate during two consecutive 12-month periods commencing on the date the individual first completes one hour of service with the Company or an affiliate, counting only those 12-month periods commencing on or after January 1, 2023.

2. ***If I am eligible, when can I begin participation in the Plan?***

If you are eligible, you may begin participating on the earlier of (1) the first day of the payroll period following the date that you complete the enrollment procedure described in the response to Question 3 below or (2) the date on which you are automatically enrolled as described in Question 3. If you are on an approved leave of absence, you will not begin participation in the Plan until you return from your leave.

3. ***How do I enroll in the Plan?***

TEP has retained Fidelity Investments (“Fidelity”) to provide record keeping and trustee services for the Plan. After you become an employee, you will receive a Plan enrollment package from us or from Fidelity. If you are an Eligible Employee, as described above, you can enroll in the Plan and begin regular Compensation Deferral Contributions to your Account by calling the Fidelity Retirement Benefits Line at 1-800-835-5098. You may also enroll over the internet through NetBenefits (www.401k.com), Fidelity’s online account access service.

If you are a newly hired or rehired employee who is eligible for the Plan and you do not affirmatively elect a contribution level, you are automatically enrolled in the Plan unless you are covered by a collective bargaining agreement with the Company in which case you will not be automatically enrolled in the Plan unless the collective bargaining agreement provides for your automatic enrollment. When you are automatically enrolled in the Plan, 3% of your eligible pay for each payroll period will be withheld from your paycheck and contributed to your Before-Tax Compensation Deferral Contributions Account until you elect to contribute more, less or nothing. To learn more about the Plan’s definition of eligible pay, you can review the “Definitions – Compensation” section, above.

4. ***Will I receive information about my rights and obligations under the automatic contribution arrangement?***

Employees covered under the automatic contribution arrangement (“Covered Employees”) will receive a notice at least 30 days, but not more than 90 days, before the beginning of the Plan Year. If you become a Covered Employee after the 90th day before the beginning of the Plan Year, you will receive a notice no more than 90 days before you become a Covered Employee but not later than the date you become a Covered Employee.

The notice will describe:

- the amount of Default Compensation Deferral Contributions that will be made on your behalf in the absence of an affirmative election;
- your right to elect to have no Compensation Deferral Contribution made on your behalf or to have a different amount of Compensation Deferral Contributions made;
- how your Default Compensation Deferral Contributions will be invested in the absence of your investment instructions; and
- your right to make a withdrawal of Default Compensation Deferral Contributions and the procedures for making such a withdrawal.

5. ***When does my participation end?***

Your participation in the Plan will terminate when your employment by the Company terminates, when you are no longer employed as an Eligible Employee, or when certain other events (such as the termination of the Plan or, if you are not employed by TEP, your employer not continuing as a participating affiliate in the Plan) occur. You will, however, continue to be credited with earnings or losses on your Account until your benefits are paid to you (see “*Plan Benefits*” below).

6. ***What if my employment terminates and I am later re-hired by the Company?***

If your employment terminates and you are later re-hired by the Company as an Eligible Employee, your participation will commence when you re-enroll in the Plan as described in the response to Question 3 above.

7. ***Can I designate a beneficiary?***

You can designate a beneficiary to receive any Plan benefits that are payable from your Account after your death. To name a beneficiary, complete a *Beneficiary Designation Form* and return it to Total Rewards. You may change your beneficiary designation at any time by filing a new *Beneficiary Designation Form* with Total Rewards. A *Beneficiary Designation Form* was included with your enrollment materials. If you need a new form, contact Total Rewards.

If you do not make a valid beneficiary designation, your spouse will be your beneficiary or, if you are not married, your surviving children will be your beneficiary. If you are not married and have no surviving children, your beneficiary will be your surviving parents, surviving brothers and sisters, or executors and administrators.

- ***If You Are Married:*** If you are married (or separated), the Plan requires that your spouse be your sole primary beneficiary and, therefore, entitled to receive your total Account balance in the event of your death, unless your spouse consents in writing to your designation of a different beneficiary. If you want your spouse to be your beneficiary, it is still recommended that you formally designate your spouse as your beneficiary by completing a *Beneficiary Designation Form*. This will allow you to name a “secondary” beneficiary (someone to receive your Plan benefits if your spouse is no longer living). It will also expedite processing in the event of your death.

If you wish to name anyone other than your spouse as your primary beneficiary, or if you wish to name a trust as your primary beneficiary, your spouse must consent in writing to the beneficiary designation on the *Beneficiary Designation Form*. A notary public must witness this consent.

If you designate your spouse as your beneficiary and you later become divorced, you should file a new *Beneficiary Designation Form*. If you do not designate a new beneficiary and you do not remarry, your benefits will be distributed as though your ex-spouse predeceased you unless there is a court order to the contrary or you file a new *Beneficiary Designation Form* naming your ex-spouse as your beneficiary.

- *If You Are Not Married:* If you are not married (single, legally divorced, widow, widower), no restrictions are imposed as to whom you may name as a beneficiary. If you marry, however, your spouse automatically becomes your sole, primary beneficiary and the same rules described above for married participants will apply.

8. ***Does the Plan prevent me from making IRA contributions?***

No. The Plan does not prevent you from making contributions to an Individual Retirement Account (an “IRA”). However, your IRA deduction for federal and state tax purposes may be reduced or eliminated because of your eligibility to participate in the Plan or other factors (for example, the amount of your income also may limit or eliminate your IRA deduction). Contact your tax professional for more information concerning IRAs and the tax consequences of IRA contributions.

CONTRIBUTIONS TO THE PLAN

9. ***How much can I contribute to the Plan?***

You may contribute up to 75% (or 25% if you are employed by TEP and covered by a collective bargaining agreement between the Company and I.B.E.W. Local 1116) of your Compensation to your Account, up to a maximum dollar limit per year. This maximum dollar limit is set by the Internal Revenue Service (“IRS”) and is subject to change. The maximum dollar limit for 2025 is \$23,500. You may also be entitled to make catch-up contributions as explained below.

Any Compensation Deferral Contributions that you elect will begin on the first day of the payroll period that starts after you enroll in the Plan as described in Question 3 above.

If you do not have an affirmative election in effect regarding Compensation Deferral Contributions and you are automatically enrolled in the Plan, 3% of your Compensation each payroll period will be withheld from your paycheck and contributed to the Plan on your behalf without you having to fill out an enrollment form, and the Company treats you as if you have authorized the 3% contribution to be withheld from your paycheck. However, before Compensation Deferral Contributions are made on your behalf, you will have a reasonable opportunity to make an affirmative election regarding your Compensation Deferral Contributions (either to have no Compensation Deferral Contributions made or to have a different amount of Compensation Deferral Contributions made).

Although the payroll department will make every effort to implement your Compensation Deferral Contribution election accurately, the possibility of error exists. It is your responsibility to monitor how your election is implemented to make certain it is accurate. For example, if you elect to contribute 6% of your Compensation to the Plan, but your pay stub shows that only 3% of your Compensation was withheld, you must immediately notify Total Rewards. Total Rewards may be contacted at the address and telephone number given on page 1.

10. *Are my Compensation Deferral Contributions made on a before-tax or after-tax basis?*

Your Compensation Deferral Contributions may be made on a before-tax, after-tax, or before-tax and after-tax basis.

Your Compensation Deferral Contributions may be made on a before-tax basis if you elect to contribute to a Before-Tax Compensation Deferral Contributions Account or if you are automatically enrolled in the Plan. That is, your current income taxes will be based on your gross compensation minus the amount that you elect to contribute as Compensation Deferral Contributions. Accordingly, the amount that you elect to defer is deducted from your pay before federal and state taxes are withheld. Social Security and Medicare taxes are, however, based on your gross compensation (including any amounts that you may elect to defer under the Plan). Thus, the calculation of your Social Security benefits will not be affected by your election to make Compensation Deferral Contributions.

Alternatively, your Compensation Deferral Contributions may be made on an after-tax basis if you elect to contribute to a Roth Compensation Deferral Contributions Account. If you are automatically enrolled in the Plan, your Compensation Deferral Contributions will not be contributed to this Account. Since Roth Contributions are after-tax contributions, and do not reduce your W-2 pay, you pay federal (and state, where applicable) income tax on Roth Contributions. Therefore, your take home pay will be less if you are making a Roth Contribution than it would be if you were making a Pre-Tax Contribution. However, when you retire, you will not have to pay income tax on distributions from your Roth Compensation Deferral Contributions Account. The tax rules governing Roth Contributions are complicated. You may want to consult your tax advisor regarding the financial impact of designating Roth Contributions, and how they might fit into your retirement income planning.

11. *Will I receive any tax credits by making Compensation Deferral Contributions to the Plan?*

Eligible participants can receive a nonrefundable tax credit for a portion of their contributions to the Plan that are Compensation Deferral Contributions. The maximum annual contribution eligible for the tax credit is \$2,000, which may result in a maximum tax credit of \$1,000. To qualify in 2025, participants generally must be 18 or older and have an adjusted gross income (AGI) that falls within the following parameters:

Percentage of Contributions Eligible for Tax Credit	Joint Filer AGI	Head of Household AGI	Single filer AGI
50%	\$47,500 or less	\$35,625 or less	\$23,750 or less
20%	\$47,501 - \$51,000	\$35,626 - \$38,250	\$23,751 - \$25,500
10%	\$51,001 - \$79,000	\$38,251 - \$59,250	\$25,501 - \$39,500
0%	Over \$79,000	Over \$59,250	Over \$39,500

The adjusted gross income amounts described above will be indexed for inflation.

This “saver’s tax credit” can directly reduce the amount of federal income tax eligible participants pay each year. Please note, if you qualify, this credit is allowed in addition to the other tax benefits you may receive by contributing to the Plan. For more information, or to see if you qualify for this tax-saving feature, please consult with your tax adviser.

12. *What are “catch-up” contributions and who can make them?*

If you are 50 or older and are making the maximum Compensation Deferral Contributions allowed by the Plan or the IRS, you may make an additional “catch-up” contribution. In 2025, the maximum annual catch-up contribution is \$7,500. The catch-up contribution will be adjusted annually for inflation. Please note that if you are eligible to make a catch-up contribution, once you reach any of the contribution limits, your contributions in excess of a limit will automatically be “catch-up” contributions.

Example of catch-up contributions: Here is an example of how catch-up contributions work. In 2025, participants can make Compensation Deferral Contributions of up to \$23,500. If you are age 50 or older in 2025, then you can also make a catch-up contribution of \$7,500. If you elect to contribute the maximum of \$23,500 and you elect to also make the catch-up contribution of \$7,500, your total pretax contributions for 2025 would be \$31,000.

13. *Will the Company make Matching Contributions?*

When you begin regular Compensation Deferral Contributions, your employer may also contribute to the Plan by matching a certain percentage of your contributions. You do not have to make any separate election to be eligible for Matching Contributions. No Matching Contributions will be made with respect to the portion of your Compensation Deferral Contributions that are attributable to your bonus.

The Company is not required to make a Matching Contribution in any given year, and the amount of the Matching Contribution may change from year to year. In addition, not every employer that is part of the Company may make the same match. Contact Total Rewards for more information on the Matching Contribution rate (if any) that your employer has adopted for the current Plan Year.

As of June 1, 2025, the Company has decided to contribute Matching Contributions in an amount equal to 100% of the Compensation Deferral Contributions, up to a maximum of the first 4.5% of eligible Compensation. However, the Board of Directors has discretion to change the Matching Contribution formula at any time.

14. *Will the Company make Non-Elective Contributions to the Plan?*

The Company will contribute Non-Elective Contributions to the Plan on your behalf if you (1) were first hired or are rehired by the Company or an affiliate on or after January 1, 2025 (or on or after June 1, 2025, if you are employed by UNS Gas, Inc. and covered by a collective bargaining agreement between the Company and I.B.E.W. Local 1116); (2) are not accruing a benefit under a defined benefit plan sponsored by the Company or an affiliate; (3) are not employed by TEP and covered by a collective bargaining agreement between the Company and I.B.E.W. Local 1116; and (4) are not classified by the Company as a student intern. If you meet these criteria, you will

become eligible to receive Non-Elective Contributions, effective as of the first day of the second pay period following your hire date.

The amount of the Non-Elective Contribution will equal 6% of your Compensation.

15. *Are any other contributions made to the Plan?*

If our Plan is “Top Heavy” (see Question 16 below), we may make a special top heavy contribution for participants other than “key employees.” This special contribution will be in an amount which, when added to the Matching Contributions and forfeitures allocated to the accounts of these employees, will equal the lesser of 3% of their Compensation or the greatest percentage of total Compensation credited to any “key employee.”

16. *What is a Top Heavy Plan?*

A plan is Top Heavy if the account balances of certain officers and employee-stockholders total more than 60% of the total account balances. The number of officers taken into account is limited, and only some of the employee-stockholders are considered.

The Code places special restrictions on Top Heavy Plans. This Plan is not a Top Heavy Plan. If you have any questions concerning the Top Heavy rules and how they may apply to you, ask the Plan Administrator.

17. *What are rollover contributions?*

You may also make “rollover” contributions to the Plan if you are otherwise eligible to participate in the Plan and if certain technical requirements are met.

There are two types of rollovers. A “direct” rollover means that money is transferred directly from another plan or arrangement to the Plan. The benefit of doing a direct rollover is that the distribution will not be subject to the mandatory 20% federal income tax or state withholding. A participant rollover contribution or an “indirect” rollover means that the other plan or arrangement pays the distribution to you and you then make a contribution to the Plan. If you do an indirect rollover, it is subject to mandatory 20% federal withholding and may also be subject to state withholding. Additionally, if you do an indirect rollover, you must complete the rollover within 60 days of the distribution from the other plan or arrangement.

If you receive an eligible rollover distribution from another plan or arrangement, the Plan will accept rollovers from the following sources:

- A qualified plan described in Section 401(a) or 403(a) of the Code;
- An annuity contract described in Section 403(b);
- An eligible plan under Section 457(b) which is maintained by a state, political subdivisions of a state, or any agency or instrumentality of a state or political subdivisions of a state; and

- Direct rollovers to a Roth Compensation Deferral Contributions Account only if it is a direct rollover from another Roth elective deferral account under an applicable retirement plan described in Section 402A(e)(1) of the Code and only to the extent the rollover is permitted under the rules of Section 402(c) of the Code.

Other than the Roth rollovers described above, the Plan will not accept rollover contributions and/or direct rollovers of any after-tax contributions.

The Plan will not accept a rollover contribution of the portion of a distribution from an individual retirement account or annuity described in Section 408(a) or 408(b) of the Code that is eligible to be rolled over and would otherwise be includible in gross income, except that the Plan will accept a rollover contribution of the portion of a distribution from an individual retirement account described in Section 408(a) of the Code that is a conduit IRA if the amount contributed by the Participant to such IRA would have initially been permitted to have been rolled over into the Plan had the Participant then been eligible to participate in the Plan and elected such a rollover

If you would like to rollover a distribution into the Plan, you should call the Fidelity Retirement Benefits Line at 1-800-835-5098 for details.

18. *Can I change the level of Compensation Deferral Contributions that I elect?*

You can increase or decrease the amount of your Compensation Deferral Contributions or stop making Compensation Deferral Contributions. If you elect to stop making Compensation Deferral Contributions, you can later elect to resume your Compensation Deferral Contributions (assuming that you are still eligible to participate in the Plan). Your election to change or stop contributions will be effective for the first payroll period commencing after the date that your election is received by the Company.

Additionally, if you are automatically enrolled in the Plan and you want to make Compensation Deferral Contributions at a rate higher or lower than 3% of your Compensation, or if you do not want to make Compensation Deferral Contributions, you may increase, decrease or stop your Compensation Deferral Contributions.

The amount of Compensation Deferral Contributions that you elect must not exceed or fall below any maximum and minimum amounts allowed under the Plan.

You can change your contributions by calling the Fidelity Retirement Benefits Line at 1-800-835-5098 or making a change over the internet through NetBenefits (www.401k.com).

Again, it is your responsibility to monitor how your election is implemented to make certain it is accurate.

19. *Can I withdraw my automatic contributions if I am automatically enrolled in the Plan?*

If you are automatically enrolled in the Plan, not later than the first 90 days after automatic contributions are first taken from your pay, you can elect to withdraw those contributions by calling and calling a Fidelity participant services representative at the number above. The amount you withdraw will be adjusted for any gains or losses you may have incurred since the contributions

were made. If you withdraw your automatic contributions, you lose any Matching Contributions that may have been made on the automatic contributions you are withdrawing. Your withdrawal will be subject to income tax in the year you receive the distribution (but not the extra 10% tax that normally applies to early distributions). The distribution may also be subject to state income tax.

If you withdraw automatic contributions during this 90-day window, the Company will treat you as having chosen to make no further contributions to the Plan. However, you can always choose to continue or restart your contributions at any time you are eligible to participate. You will not receive a withdrawal of your automatic contributions merely because you elect to stop making automatic contributions during this period. You must specifically request to withdraw your automatic contributions during this first 90-day period.

20. *What is the Fidelity Retirement Benefits Line and what is NetBenefits?*

Fidelity maintains the “Fidelity Retirement Benefits Line” phone system and “NetBenefits” online system to make it easier for you to conduct certain Plan transactions. The Fidelity Retirement Benefits Line automated voice response system is generally available 24 hours a day, 365 days a year and may be contacted by calling toll-free 1-800-835-5098. Fidelity participant services representatives are generally available through the Fidelity Retirement Benefits Line on business days to offer assistance. NetBenefits is available over the internet at www.401k.com.

For more information on the Fidelity Retirement Benefits Line and NetBenefits, please refer to your enrollment materials or contact Total Rewards at the address or telephone number given on page 1.

21. *If I am “highly compensated,” will my Plan benefits be affected?*

Applicable tax or other legal rules may prevent certain “highly compensated” or other participants from making Compensation Deferral Contributions or receiving any of the Company’s Matching Contributions or Non-Elective Contributions, at the full amounts noted herein. Generally, you are considered to be “highly compensated” for these purposes if you are a 5% owner of the Company or if your compensation for the preceding year exceeded a certain limit set by the IRS. This limit is \$160,000 for 2025 and is subject to change in the future. The Company will notify you if you are affected by these limits.

22. *When do I become vested in my Plan benefits?*

You are always 100% vested in (have a nonforfeitable right to) the Compensation Deferral Contributions and catch-up contributions that you make to your Account, any Matching Contributions and Non-Elective Contributions credited to your Account, your “rollover” contributions, and the earnings on those contributions, even if you leave the Company before retirement.

23. *Are there any special rules if I take military leave?*

Yes. The Plan complies with the requirements of the Uniformed Services Employment and Reemployment Rights Act of 1994 (“USERRA”). Under USERRA, if you are absent from

work because of military service, subject to certain limits and exceptions, you are generally entitled to reemployment. In addition, on reemployment, you are entitled to receive certain pension, profit sharing and similar benefits that would have been received but for your absence during military service.

USERRA requires, for example, that if you are rehired after qualified military leave (1) you be treated as not having incurred a break in service because of the period of military service, (2) your military service is treated as service for vesting purposes, (3) you are permitted to make up the Compensation Deferral Contributions you miss making during your period of military service, and (4) if you make up Compensation Deferral Contributions, you are entitled to any benefits that are contingent on Compensation Deferral Contributions to the Plan. With respect to any Compensation Deferral Contributions that you make up, the Company must make Matching Contributions that would have been required if the make-up contributions had actually been made during the period of military service.

Special distributions that may be available during qualified military leave are discussed in the response to Question 36, below.

As permitted by USERRA, the Plan also allows loan payments to be suspended during qualified military leave.

If you have any questions about qualified military leave and your reemployment rights, contact the Plan Administrator.

INVESTING YOUR ACCOUNT

24. *How is my Account invested?*

Your Account is invested in the investment options that you select. That is, your Account will be credited with earnings and losses based on the investment performance of the options that you select. You may elect to invest your Account in one or more of the investment options available in the Plan.

The Plan Administrator has designated an investment fund as the “default” fund for the investment of your Account should you not indicate your investment preferences upon enrollment. Thus, if you do not indicate your investment preferences, you will be deemed to have elected that 100% of your Account be invested in the Plan’s qualified default investment alternative (“QDIA”) based on your age and expected retirement date. The Plan Administrator has selected the Fidelity Freedom Funds as the QDIA. If you would like more information on the Fidelity Freedom Funds, please contact the Plan Administrator.

The objectives of the investment funds, the fund managers, and the particular investment options offered under the Plan may change from time-to-time.

The Plan is intended to satisfy the requirements of Section 404(c) of ERISA. Therefore, neither the Company, the Plan Administrator, the Trustee of the Plan’s trust nor any other person will be liable for any investment losses that result from an investment election that you make.

As with any investment, there are risks involved with all of the investment options available under the Plan. Each investment option offers its own risk and potential return. No assurances can be given that investment losses will not occur in connection with any of the investment options. The Company cannot, and does not, make any specific investment recommendations, nor does it guarantee participants safety against investment losses. None of the funds offered are insured or guaranteed by the U.S. government. More specific information on each of the funds is available through NetBenefits and the Fidelity Retirement Benefits Line.

25. *Does the Plan permit investment in Fortis, Inc. securities?*

The Company offers the Fortis Inc. Stock Fund (the “Fortis Stock Fund”) as an investment option under the Plan. The Fortis Stock Fund invests in the common stock of Fortis Inc. (“Fortis”), the parent corporation of the Company, as listed on the New York Stock Exchange under the symbol “FTS.” You may direct the investment of a portion of your Accounts under the Plan to the Fortis Stock Fund. The decision to invest or to not invest in the Fortis Stock Fund is solely yours and the Company neither encourages nor discourages such investment. For additional information about the Fortis Stock Fund, please see the Prospectus of the Tucson Electric Power Company 401(k) Plan (the “Prospectus”).

Unlike other investments available under the Plan, your contributions and transfers with respect to the Fortis Stock Fund are subject to both Fortis’s and UNS Energy Corporation’s insider trading policies. In general, the insider trading policies prohibit buying or selling Fortis stock if you possess or are otherwise aware of material non-public information about Fortis. The policies have been adopted to assist directors, officers and employees in avoiding transactions that constitute “insider trading” or that otherwise give the appearance of improper conduct.

In addition to the prohibition on insider trading, certain employees are also subject to “pre-clearance” procedures or “blackout periods” that may delay or restrict the ability to make contributions, withdrawals, loans or “intra-fund” transfers with respect to the Fortis Stock Fund. Please carefully consider the impact of the restrictions of the insider trading policies on your decision to invest in the Fortis Stock Fund.

If you are an “Insider,” you are prohibited from making contributions to the Fortis Stock Fund on a per pay period basis. Instead, you may only transfer Plan investments from other funds into the Fortis Stock Fund, subject to certain limitations as discussed in the Prospectus and in accordance with the insider trading policies. For purposes of the Plan, an “Insider” is any officer of UNS Energy Corporation or its affiliates with a title of Vice-President or higher.

The Plan also imposes a 20% cap on investments in the Fortis Stock Fund. Under this cap, you may not direct more than 20% of your Compensation Deferral Contributions, Matching Contributions, or Non-Elective Contributions to be invested in the Fortis Stock Fund. In addition, any transfer among your Plan investments that would cause the Fortis Stock Fund to comprise more than 20% of your total Plan accounts will not be honored.

The risk level of a fund composed of a single security, such as the Fortis Stock Fund, is higher than the risk level of a fund composed of many securities, such as other mutual funds available in the Plan. The Company neither encourages you to invest in, nor discourages you from

investing in, the Fortis Stock Fund. The decision to invest or to refrain from investing in the Fortis Stock Fund is solely your decision.

26. *How may I exercise ownership rights with respect to assets held in the Fortis Stock Fund?*

Voting, tender and similar rights that are incidental to your ownership of any asset held in the Fortis Stock Fund will be passed through to you. If you have an interest in the Fortis Stock Fund, you will receive notice of any annual or special shareholder meetings and materials related to any proxy solicitation or tender offer. Directions from you concerning the voting of Fortis stock or whether to tender or not to tender some or all of your shares of Fortis stock must be communicated to the Trustee in writing or by other means agreed to by the Trustee and the Company.

The Trustee will not vote or tender any shares of Fortis stock for which the Trustee has received no direction. However, the Trustee will vote or tender any unallocated shares of Fortis stock, if any, in the same proportion as it votes or tenders shares credited to Participants' Accounts for which the Trustee received direction. For additional information about the Fortis Stock Fund, please see the Prospectus.

27. *How does the Plan protect confidentiality with respect to investment in the Fortis Stock Fund?*

Information relating to the purchase, holding and sale of the Fortis Stock Fund and the exercise of voting, tender and similar rights shall be held in confidence and not divulged to the Company or its affiliates, or any officer or employee thereof, or any other person except to the extent necessary to ensure that your directions to purchase, hold or sell the Fortis Stock Fund or your exercise of voting, tender or similar rights are given effect and to comply with securities laws. Any person who willfully or negligently violates these confidentiality rules or in any related procedures adopted by the Plan Administrator will be subject to disciplinary action by the Company, and, to the extent the Plan Administrator deems it necessary, will be relieved of any duties which allow the person to gain access to such confidential information.

The Plan Administrator has appointed a person (the "confidentiality fiduciary") to monitor compliance with the foregoing procedures, and/or any expanded procedures adopted by the Plan Administrator. The confidentiality fiduciary shall appoint an independent fiduciary to carry out activities relating to any situations that the confidentiality fiduciary determines involve a potential for undue influence upon participants and beneficiaries with regard to the direct or indirect exercise of shareholder rights. For purposes of this confidentiality procedure, a fiduciary is not independent if the fiduciary is affiliated with the Company or its affiliates.

The confidentiality fiduciary may be reached at:

Confidentiality Fiduciary
c/o Pension Committee
Tucson Electric Power Company
88 East Broadway Blvd.
Tucson, AZ 85701
(520) 884-3702

For additional information about the Fortis Stock Fund, please see the Prospectus.

28. ***Are there any other restrictions on investment in the Fortis Stock Fund?***

Transfers from the Fortis Stock Fund are subject to the insider trading policies and to the provisions of SEC Rule 16b-3. In addition, shares received by an “affiliate” of the Company will be subject to the resale restrictions of Rule 144 under the Securities Act of 1933, as amended (the “Securities Act”).

For additional information about the Fortis Stock Fund, please see the Prospectus.

29. ***What additional information is available with respect to the investment funds?***

The following information is available to all participants:

- copies of all prospectuses, annual reports, and other materials provided to the Plan regarding the investments of the Plan;
- a list of the assets contained in each of the investment funds, the value of each asset (or the portion that it comprises), and with respect to fixed rate investments issued by a bank, savings and loan association, or insurance company, the term and rate of return on the contract;
- information concerning the value of shares or units in each of the investment funds; and
- information concerning the value of shares or units in each of the investment funds held by the participants.

The foregoing information may be obtained through NetBenefits (www.401k.com) or the Fidelity Retirement Benefits Line at 1-800-835-5098. You also may contact Total Rewards at 1-520-884-3702 or write to Total Rewards at the address given on page 1.

The Company has not verified the accuracy or completeness of the information contained in any fund description (including any information in fund descriptions that may be contained in your enrollment package or any fund information which may be obtained through NetBenefits, the Fidelity Retirement Benefits Line, or Total Rewards) and makes no representations with respect to the ability of the funds to satisfy their objectives, the achievement of any particular investment returns, or any other aspect of the funds.

30. ***How can I make investment elections for my Account?***

When you enroll in the Plan, you specify how you want your Compensation Deferral Contributions to be invested. You have discretion to choose one or more of the investment options offered under the Plan. You may divide your Account among these investment funds in any amounts you choose, as long as the total of all the investment options that you select equals 100%.

For example: Assume that your annual Compensation is \$40,000 and you decide that you want your Compensation Deferrals to equal 6% (\$2,400) of your annual Compensation. Of the

\$2,400, you want to invest 50% in one investment option, 25% in a second option, and 25% in a third option. Your total allocation will look like this:

1.	Investment Option Selection #1	\$1,200	50%
2.	Investment Option Selection #2	\$ 600	25%
3.	Investment Option Selection #3	<u>\$ 600</u>	<u>25%</u>
	Total =	\$2,400	100%

Your investment selections for Matching Contributions or Non-Elective Contributions may or may not be the same as the investment selections you make for your own Compensation Deferral Contributions.

If you do not indicate your investment selections, contributions will be directed into the default fund selected by the Plan Administrator.

Although Fidelity makes every effort to implement your investment election accurately, the possibility of error exists. It is your responsibility to monitor how your investment elections are implemented to make certain they are accurate. That is, if you discover that your Account is being invested in different investment options than those you selected or is not being invested in the percentages you elected, you should immediately call the Fidelity Retirement Benefits Line at 1-800-835-5098 or Total Rewards.

31. ***Can I change my investment elections?***

If you wish to change your investment elections, you may:

- exchange money that you currently have invested in one investment option to other investment options available through the Plan, and
- change how you invest new contributions to your Account.

Investment fund changes may be made through NetBenefits (www.401k.com) or the Fidelity Retirement Benefits Line at 1-800-835-5098.

32. ***Will I receive information about my Account?***

You will receive a statement each quarter that gives you updated information about your Account. This statement will include:

- your Account balance;
- a summary of your contributions, and the contributions that the Company has made to your Account;
- a summary of the earnings or losses credited to your Account;
- a summary of how your total Account is invested among the different investment options that you have chosen;

- a breakdown of contributions, earnings, and account balances for each of the investment options that you have selected; and
- a summary of the expenses charged to your Plan account.

You can also get instant, confidential information about your Account balance through NetBenefits (www.401k.com) or the Fidelity Retirement Benefits Line at 1-800-835-5098. Any discrepancies or questions with respect to your statement should be promptly reported by calling the Fidelity Retirement Benefits Line at 1-800-835-5098 or Total Rewards.

PLAN BENEFITS

33. *What are my benefits and when will they be paid?*

Your benefits will equal the value your Account. Your Account will be valued as of the date that it is liquidated from the investment options pending distribution.

If your Account balance is \$1,000 or less at the time your employment by the Company terminates, your benefits will be paid as soon as practical following the termination of your employment, but not until after the last Matching Contribution and Non-Elective Contribution have been contributed on your behalf.

If your Account balance exceeds \$1,000 at the time your employment by the Company terminates, you may:

- consent to the distribution of your Plan benefits at the time your employment terminates or any time thereafter (unless you become reemployed by the Company), in which case they will be paid to you as soon as administratively practical after your consent is received, but not until after the last Matching Contribution and Non-Elective Contribution have been contributed on your behalf; or

if you do not consent to the distribution of your Plan benefits, your Account will be maintained in the Plan until the earlier of (1) the date that you consent to a distribution, (2) your death, or (3) April 1 of the calendar year following the later of (a) the calendar year in which you terminate employment with the Company or (b) the calendar year in which you reach the “required beginning age.” The required beginning age is (i) age 70½, if you were born before July 1, 1949; (ii) age 72 if you were born on or after July 1, 1949 and before January 1, 1951, (iii) age 73 if you were born between 1951 and 1959, and (iv) age 75 if you were born in 1960 or later.

If your Account remains in the Plan following the termination of your employment, it will continue to be credited with earnings (or losses) based on the investment options that you select.

It is your responsibility to notify the Plan Administrator and Fidelity of any changes in your mailing address.

34. ***How will my benefits be paid?***

Distributions from the Plan are generally paid in cash, but they also may be paid in-kind, subject to any limitations as may be prescribed by the Plan Administrator. Any distribution of Fortis stock will be subject to procedures adopted by the Company, including any insider trading policies.

If you terminate employment, you may generally elect to receive a distribution of benefits in one or more of the following methods:

- A single lump sum equal to the balance of your Accounts; or
- Installment payments, which are available if you (1) incur a severance from employment during the calendar year in which you attain age 55 or later; or (2) incur a severance from employment prior to age 55 and you attain at least age 59½ by the date you elect to receive installment payments. Such installments shall be in the form of monthly, quarterly, semi-annual or annual installments over a fixed period that you select. The amount of the installments may be fixed at the time of the first distribution, or they may be determined by dividing the value of the Accounts as of the Valuation Date preceding the scheduled date of the installment by the remaining number of payments to be made, and until the Accounts are exhausted. Until the Accounts are exhausted by installment payments, the Accounts will share in the earnings and losses of the Plan trust. At any time following the commencement of installment payments, you may elect to change the frequency of the installments and/or the fixed period of time over which the installment distributions are received.

35. ***Can I borrow from my Account?***

As long as you are employed by the Company, you may borrow money from your Account subject to the following rules:

- *Loan Restrictions:* Loans may be used for any financial need, but only one loan may be outstanding at any time. You must also wait for 15 days after repaying a loan before applying for a new loan.
- *Application Process:* Loans may be requested through NetBenefits (www.401k.com) or the Fidelity Retirement Benefits Line at 1-800-835-5098.

You may continue to make contributions and actively participate in the Plan while you have an outstanding loan provided that you continue to meet the eligibility requirements of the Plan.

- *Loan Amounts:* You may borrow any amount subject to the following limits.

The maximum loan available is limited to the lesser of: (1) 50% of your vested Account balance; or (2) \$50,000, less any outstanding loan balance from the Plan during the prior 12 months.

The minimum loan allowed is \$1,000, subject to the above maximum limits.

- *Security:* Loans are secured by the vested portion of your Account. You must sign a promissory note. You must also consent to repaying your loan through payroll deductions and to the reduction of your Account balance by the amount of any required loan payment that you fail to make.
- *Interest Rate:* Interest will be charged on your loan. The interest rate on your loan will be a fixed rate equal to the prime rate plus 2%, as determined by the Plan Administrator, in effect on the first business day of the month in which your loan is made (unless your loan is made on the first business day of a month, in which case the rate will be the prime rate as in effect for the prior month). Current rates may be requested through the Fidelity Retirement Benefits Line or NetBenefits.
- *Duration:* All loans must be repaid within 5 years (except certain loans used to purchase a principal residence for which the Plan Administrator may allow a term of up to 15 years).
- *Terms of Repayment:* Loan payments must be paid no less frequently than monthly. Loans may be prepaid in full or in part at any time. Loans must be repaid on an after-tax basis through regular payroll deductions. **Once a loan is initiated, you CANNOT request to have the payroll deduction discontinued.** Loan repayments will be invested based on your investment elections in effect at the time of repayment.
- *Default of Loan:* Default will occur:
 - (1) when you fail to make a timely repayment (generally, default will occur when a payment is more than three months late); or
 - (2) when any other term of your loan is not satisfied.
- After a default occurs, if a distribution is permissible, your account balance will be reduced or offset by the outstanding loan balance. If a default occurs and a distribution is not permissible, the outstanding loan balance will be treated as a deemed distribution, meaning that it will be treated as a distribution for certain tax purposes, but it is not an actual distribution of your Plan account. Default of the loan is deemed to be a taxable distribution from the Plan to you under current tax law. Accordingly, if you default on your loan repayment, you will have to pay income taxes on the outstanding loan balance and you may be subject to an additional 10% penalty on the outstanding loan balance for early withdrawal.
- *Termination with the Company:* If your employment by the Company terminates, your loan generally will become immediately due and payable in full.

36. *Can I make withdrawals from my Account?*

You may request a withdrawal of all or any portion of your Account that corresponds to any rollover contributions that you made to the Plan. In addition, after you attain age 59½ or after you incur a break in employment and are no longer an “Employee” under the Plan, you may request

a withdrawal of all or a part of (1) your Compensation Deferral Contributions Account, (2) your Matching Contributions Account, or (3) your Non-Elective Contributions Account. You should consult with your tax advisor regarding the tax implications of taking a distribution before you attain age 59½.

If you are performing qualified service in the uniformed services while on active duty for a period of more than 30 days, you may elect to take a distribution from the Plan. If you elect to take a distribution under these circumstances, you will not be permitted to make Compensation Deferral Contributions for a period of six months beginning on the date of the distribution. You should consult with your tax advisor regarding the tax implications of taking a distribution while you are performing qualified service in the uniformed services while on active duty for a period of more than 30 days.

To request a withdrawal, call the Fidelity Retirement Benefits Line at 1-800-835-5098 and speak to a participant services representative. If you request a withdrawal, your withdrawal will be processed and paid within 90 days following the first day of the month that occurs at least 10 days after your withdrawal request is received.

37. *Can I make hardship withdrawals from my Account?*

If you experience an immediate and heavy financial hardship, you can withdraw your Compensation Deferral Contributions (including any earnings thereon) subject to the rules described below. To qualify for a hardship withdrawal, you must need your Plan savings to pay for:

- expenses for or necessary to obtain medical care for yourself, your spouse or your dependents or your primary beneficiary;
- college tuition, related educational fees, and room and board for the next 12 months of post-secondary education for yourself, your spouse or your children or dependents or your primary beneficiary;
- costs directly related to the purchase of your primary residence, or payments necessary to avoid eviction from or foreclosure on your primary residence;
- burial or funeral expenses for your deceased parent, spouse, children or tax dependents or primary beneficiary;
- expenses for the repair of damage to your principal residence that would qualify for the casualty deduction under section 165 of the Code (determined without regard to Section 165(h) and whether the loss exceeds 10% of adjusted gross income);
- expenses and losses (including loss of income) you incur on account of a disaster declared by the Federal Emergency Management Agency (“FEMA”), under the Robert T. Stafford Disaster Relief and Emergency Act, provided that your principal residence or principal place of employment at the time of the disaster was located in an area designated by FEMA for individual assistance with respect to the disaster; or

- any other deemed immediate and heavy financial needs identified by the IRS in any published revenue ruling, notice, or other document of general applicability.

Your primary beneficiary is the individual who is named as your beneficiary under the Plan and who has an unconditional right to all or a portion of your Account under the Plan upon your death.

A hardship withdrawal will be available only if, to the extent required by the IRS, (1) you have received all withdrawals available to you under the Plan and any other Plans maintained by the Company or an affiliate, and (2) you have represented that you have insufficient cash or other liquid assets to satisfy the immediate and heavy financial need to which the hardship distribution relates.

To request a hardship withdrawal, call the Fidelity Retirement Benefits Line at 1-800-835-5098 and speak to a participant services representative. You will be asked to complete forms which require you to explain why your need cannot be met through one of the other sources referred to above. You may be required to provide documentation to support your claim. Your hardship withdrawal cannot exceed the amount of your need, including anticipated taxes and penalties on the hardship withdrawal.

If you have not attained age 59½, you will be subject to tax penalties if you make a hardship withdrawal from the Plan. Make sure that you understand your options when making your request.

38. *Am I required to receive a distribution if I continue to be employed by the Company?*

You are generally not required to receive a distribution as long as you continue to be employed by the Company. However, if you have attained your “required beginning age” and either your employment with the Company or its affiliates has terminated or you own 5% or more of the Company’s stock, federal law generally requires that you receive a minimum amount (*i.e.*, a required minimum distribution) from your Account (excluding your Roth Compensation Deferral Contributions Account) by April 1 following the year in which you attain your required beginning age (or the year in which you retire, if applicable). For information on your required beginning age, see Question 33.

39. *In the event of my death, how will my benefits be paid?*

If you die before receiving a distribution from the Plan, then your beneficiary may elect to receive your benefits as a single lump sum equal to the balance of your Accounts, or to receive your benefits as a series of installments as discussed in Question 34 above, or a combination of the two. The Plan permits a spouse or non-spouse designated beneficiary to make a direct rollover to an inherited IRA. A distribution is eligible for direct rollover only if it otherwise meets the requirements of an eligible rollover distribution. The benefit on your death will begin at such time as elected by your beneficiary, but no later than the time permitted by Section 401(a)(9) of the Code. Therefore, it is important that you properly designate a beneficiary as described in the response to Question 7 above.

40. ***Can I elect a rollover of my distribution from the Plan (for example, distribution to an IRA)?***

You can generally elect to have your Account:

- paid directly to you; or
- paid (“rolled over”) directly to an IRA, a Roth IRA, an eligible plan under Section 457(b) that is maintained by a state, political subdivision of a state or any agency or instrumentality of a state or political subdivision of a state which agrees to separately account for amounts transferred into such plan from the Plan, an individual retirement annuity described in Section 408(b) of the Code, an annuity plan described in Section 403(a) of the Code, an annuity contract described in Section 403(b) of the Code or to another qualified retirement plan.

For example: If you retire at age 65 with an Account balance of \$10,000, the entire value of your Account will generally be paid to you as described above. However, you can usually make one of the following elections: (1) have the entire \$10,000 paid directly to you; (2) have the entire \$10,000 paid directly to your IRA, your Roth IRA, or another qualified retirement plan; or (3) have a portion of the \$10,000 paid directly to you (*e.g.*, \$1,000) and have the remaining portion paid directly to your IRA, your Roth IRA, or another qualified retirement plan (*e.g.*, \$9,000).

Hardship withdrawals may not be rolled over into an IRA or another qualified retirement plan.

41. ***Can my beneficiary elect a rollover of his or her distribution from the Plan?***

If you designate your spouse as your beneficiary, your spouse will have the option of having all or any portion of the amounts payable from the Plan after your death either:

- paid directly to your spouse; or
- rolled over as described in Question 40.

Your non-spouse designated beneficiary may make a direct rollover (but not an indirect rollover) to an IRA described in Section 408(a) or 408(b) of the Code or a Roth individual retirement account or annuity described in Section 408A of the Code that is established on behalf of your designated beneficiary and that will be treated as an inherited IRA. A distribution is eligible for direct rollover only if it otherwise meets the requirements of an eligible rollover distribution. If your non-spouse designated beneficiary chooses not to make a direct rollover, he cannot later choose to make an indirect rollover.

42. ***What happens if a Plan benefit is payable to a person for whom a conservator has been legally appointed?***

In the event that a benefit is payable to a person for whom a conservator has been legally appointed, such payment will be distributed to the conservator. The Plan Administrator has no duty to supervise or to inquire into the use of any funds so paid. Such a payment will constitute a complete discharge of any liability under the Plan for the payment.

PROTECTION OF YOUR ACCOUNT

43. *Can my Account be attached or pledged?*

Except for the domestic relations orders described below, your Plan benefits cannot be alienated, sold, transferred, pledged, anticipated, commuted, encumbered, assigned, attached or garnished. Your Plan benefits also cannot be directly subject to bankruptcy proceedings, the claims of any creditor, or an encumbrance of any kind. In addition, except for tax liens, no person has or may create a lien on any funds, securities, or other property held under the Plan.

Federal law requires the Plan Administrator to honor judgments, decrees or court-approved property settlement agreements arising under state domestic relations laws. To be honored they must require payment of all or part of your Plan benefit to your former spouse or dependent and must comply with certain requirements of federal law.

44. *Are there any conditions under which I would not receive benefits?*

Your benefits under the Plan may be less than you anticipated under certain circumstances:

- The investment options available under the Plan may decrease in value due to market fluctuations or other factors. The benefits payable under this Plan are not insured under Title IV of ERISA or any other government program. Those insurance provisions do not apply to defined contributions plans such as ours, under which your benefits are based on your account balance and are not fixed in amount.
- All or a portion of your benefits could be awarded to your spouse or a dependent under the terms of a qualified domestic relations order (“QDRO”), in which case any portion of your benefits that are not awarded to your spouse or dependent will be paid to you. You may obtain a copy of the Plan’s QDRO procedures, without charge, from the Plan Administrator.
- If the Company discontinues the Plan, no further contributions will be made to the Plan by the Company or Participants.
- If your benefits become distributable, they will be paid as soon as administratively practical. However, your investment options must be liquidated in order to facilitate the pending distribution. Your benefits will not include any earnings on the deemed investment options for the period beginning with the liquidation through the date on which you actually receive your benefits.
- Your benefits will not be paid if the Plan Administrator is unable to locate you (or your beneficiary in the event of your death) at the time payments become due. It is your responsibility (1) to keep the Plan Administrator informed of your current mailing address, and (2) to keep your beneficiary designation, including the correct addresses of your beneficiaries, up to date.

No recommendation is made by the Company, the Plan’s Trustee or any other party as to whether or not you should make contributions to the Plan or select any particular investment option available under the Plan. No assurances can be given that investment losses will not occur in

connection with any of the investment options. Each investment option offers its own risk and potential return. None of the investment options are insured or guaranteed by the U.S. government or any other entity. Fluctuations in the performance or value of each investment option should be expected. Further, there can be no assurances that your savings or investment objectives, or of the particular investment funds you select, will be realized. The performance of all of the various investment options will be affected by a number of factors such as general economic conditions, broad increases or decreases in prices in the equity markets, general changes in interest rates and the performance of particular securities or issuers.

The past performance, investment objectives and investment policies of, and risks associated with, each of the investment funds is described more fully in the current prospectuses for the investment funds. Copies of these prospectuses or of future prospectuses may be requested through NetBenefits (www.401k.com) or the Fidelity Retirement Benefits Line at 1-800-835-5098.

Neither the Company nor the Plan's Trustee has verified the accuracy or completeness of the information that is part of this Summary Plan Description, or part of any supplement to this Summary Plan Description, with respect to (1) any descriptions of the investment funds, or (2) any historical performance of the investment funds. No representations are made with respect to the ability of any investment fund to achieve any particular investment return.

45. *Are there any fees for participating in the Plan?*

Certain administrative fees associated with the Plan are paid from the Plan's forfeiture account. The Company pays all of the administrative fees associated with the Plan that are not paid from the Plan's forfeiture account, except that (1) participants who open a Brokerage Account will be charged annual and other fees associated with that account, (2) investment management fees for the investment funds are deducted from the investment returns for those funds, and (3) loan processing fees will be charged to participants who initiate a loan. However, the Company is not obligated to continue to pay any or all of the fees that it is currently paying. To the extent not paid by the Company, administrative fees will be charged to participants. **Fees deducted from a fund reduce the investment return for the fund.**

46. *Will Social Security benefits affect my Plan benefits?*

No. Benefits under the Plan are in addition to any Social Security benefits to which you may be entitled.

CLAIMS PROCEDURES

47. *What are the procedures for filing a claim under the Plan?*

If you do not receive a benefit you think you are entitled to, or if you are dissatisfied with the determination of your benefits, eligibility, participation, or any other right or interest under this Plan, you may file a written claim with the Plan Administrator in accordance with the claims procedures described below.

Please note that in order to file suit in a state or Federal court, you must first exhaust these claims procedures (*i.e.*, you must complete the entire claims process, including filing an appeal).

Generally, a claimant is prohibited from presenting, in any such legal or equitable action, evidence that was not timely presented to the Plan Administrator as part of the claims and appeals procedures. You must bring any action in connection with the Plan in the United States District Court for the District of Arizona and such action must be commenced not later than the earlier of (A) the shortest applicable statute of limitations provided by law; or (B) two years from the date the written copy of the Committee's decision described in Question 49 is delivered to you.

48. *When will the Plan Administrator respond to my claim?*

If your claim is wholly or partially denied, notice of the decision shall be furnished to you within 90 days after receipt of the claim by the Plan Administrator. If, however, the Plan Administrator determines that special circumstances require an extension of time to process the claim, written notice (including an explanation of the special circumstances requiring an extension and the date by which the Plan Administrator expects to render the benefits determination) will be furnished to you before the end of the original 90-day period. In no event will such extension be for more than 90 days from the end of the initial 90-day period.

The denial notice will be in writing, and will include the following:

- A. The specific reason or reasons for the denial;
- B. Specific reference to the pertinent plan provisions upon which the denial is based;
- C. A description of any additional material or information necessary for you to perfect the claim and an explanation of why such material or information is necessary;
- D. An explanation of the Plan's appeal procedure including the time limits applicable to the Plan's appeal procedures, and a statement of your right to bring a civil action under ERISA.

49. *How do I appeal if my claim is denied?*

You have the right to appeal a denial of a claim under the Plan to the Plan Administrator. Such appeal may be accomplished by sending a written notice of appeal to the Plan Administrator within 60 days after you receive notification of the denial. After you have filed a notice of appeal with the Plan Administrator, you or your authorized representative may review pertinent documents and may submit issues and comments in writing including reasons why your claim should be allowed.

You may request, free of charge, reasonable access to, and copies of, all documents, records, and other information "relevant" to your claim for benefits. Review of your claim shall take into account all comments, documents, records and other information submitted by you relating to the claim, without regard to whether such documents, records or other information were submitted or considered in the initial benefit determination. "Relevant" means that documents, records or other information were relied upon in making the benefit determination; were submitted, considered, or generated in the course of making the benefit determination, even if the Plan Administrator did not rely on them in making the benefit determination; or demonstrate compliance with the administrative processes and safeguards required for making of the benefit determination.

A decision by the Plan Administrator will be made within 60 days of the date that your written notice of appeal is filed with the Plan Administrator. If special circumstances require an extension of the 60-day period, you will be notified before the end of the original 60-day period. At most, your appeal will be decided within 120 days.

The Plan Administrator's decision will be in writing and shall include specific reasons for the decision. If your appeal is denied, your denial notice will set forth:

- A. The specific reason or reasons for denial of the claim;
- B. Reference to the specific Plan provisions upon which the denial is based;
- C. A statement that the claimant is entitled to receive, upon request and free of charge, reasonable access to, and copies of, all documents, records, and other information relevant to the claimant's claim for benefits; and
- D. A statement of the claimant's right to bring a civil action under ERISA.

ADDITIONAL PLAN INFORMATION

The Plan is a program designed to give you the opportunity to accumulate funds for your future financial needs.

50. *What legal document contains the precise terms of the Plan?*

The provisions of a Plan document determine your rights and benefits as a participant in the Plan. The information that is provided in this Summary Plan Description is intended to give you an easy-to-use summary of the Plan, but is not intended to cover all of the detailed provisions of the Plan document.

If any of the contents of this Summary Plan Description should conflict with the Plan document, or if any point is not covered here, the terms of the Plan document will govern.

In addition, if any verbal representations made concerning the Plan should conflict with the Plan document, the terms of the Plan document will govern.

If you wish to review the Plan document, contact Total Rewards at the address or telephone number given on page 1.

51. *Who is the Plan Administrator?*

The Plan is sponsored and administered by Tucson Electric Power Company, which pays all of the costs of administering the Plan, except as noted in the response to Question 45 above. TEP has delegated responsibility for Plan administration to a committee appointed by its Board of Directors (the "Committee"). The Committee has the power to control and manage the Plan.

52. *Can the Plan be amended or terminated?*

The Company expects to continue the Plan indefinitely, but it must and does reserve the right to change the Plan or even discontinue it (with respect to any and all provisions)

under any circumstances and at its sole discretion. The Company is not in any way obligated to continue the Plan.

If the Plan is terminated, you will have a fully vested interest in the benefits you accrued prior to the termination. The same rule applies if the Plan is partially terminated and you are affected by the partial termination.

No employer (including TEP) has any obligation to make any Matching Contributions. If any Matching Contributions are made, such contributions should not be construed as an indication that additional contributions will be made in the future.

53. *Does the Plan confer any right to continued employment?*

No. Participation in the Plan does not constitute a contract of employment between you and the Company and does not grant rights of continued employment.

54. *What is the Summary Plan Description?*

ERISA requires that certain information be provided to you as a Plan participant. This document constitutes the required summary plan description.

55. *What is the legal name of the Plan?*

The name of the Plan is the Tucson Electric Power Company 401(k) Plan.

56. *What type of retirement plan is the Plan?*

The Plan is a defined contribution plan.

57. *Who is the Plan sponsor?*

The Plan is sponsored by:

Tucson Electric Power Company
88 E. Broadway Blvd.
Mail Stop HQE202
Tucson, Arizona 85701
(520) 884-3702

58. *How is the Plan administered?*

The Committee administers the Plan according to the provisions of the Plan document. The Committee may be contacted at the address or telephone number of the Plan Sponsor, indicated above.

Please contact Total Rewards at the address or phone number given on page 1 if you want assistance with a Plan request or if you have any questions concerning the contents of this Summary Plan Description.

59. ***What are the employer and Plan identification numbers?***

The employer and Plan identification numbers are:

Employer Identification Number: 86-0062700

Plan Identification Number: 007

60. ***Who is the Trustee of the Plan?***

The assets of the Plan are held in a trust under the Tucson Electric Power Company Triple Investment Plan for Salaried Employees Trust Agreement. The Trustee of the Plan under the Trust Agreement is:

Fidelity Management Trust Company

82 Devonshire Street

Boston, Massachusetts 02109-3614

The Trustee may be contacted at the address of the Plan Sponsor, above.

61. ***Who is the Plan's agent for service of legal process?***

The Plan Administrator is designated as an agent for all purposes of legal process. Service of legal process may be made upon the Plan Administrator or the Trustee.

62. ***How is the Plan funded?***

The Plan is funded through Compensation Deferral Contributions from eligible employees who enroll in the Plan, and Matching Contributions and Non-Elective Contributions made by the Company.

63. ***What is the Plan Year?***

All Plan records are maintained on a calendar year basis.

64. ***Are my Plan benefits insured?***

The Plan is not eligible for, or covered by, government insurance (including insurance through the Pension Benefit Guaranty Corporation) since it is a defined contribution plan.

65. ***Is the Plan maintained pursuant to a collective bargaining agreement?***

Certain benefits described in this Summary Plan Description are maintained pursuant to collective bargaining agreements for certain groups of eligible employees. A copy of a collective bargaining agreement applicable to you may be obtained by participants and beneficiaries upon written request to the Plan Administrator. The collective bargaining agreements are also available for review during normal business hours at the Total Rewards offices of Tucson Electric Power Company and at the Union Hall.

ERISA RIGHTS

As a participant in the Plan, you are entitled to certain rights and protections under ERISA. ERISA provides that all participants shall be entitled to:

RECEIVE INFORMATION ABOUT YOUR PLAN AND BENEFITS

Examine, without charge, at the Plan Administrator's office and at other specified locations, such as worksites and union halls, all documents governing the Plan, including collective bargaining agreements, and a copy of the latest annual report (Form 5500 Series) filed by the Plan with the U.S. Department of Labor and available at the Public Disclosure Room of the Employee Benefits Security Administration.

Obtain, upon written request to the Plan Administrator, copies of documents governing the operation of the Plan, including collective bargaining agreements, copies of the latest annual report (Form 5500 Series) and updated summary plan description. The Plan Administrator may make a reasonable charge for the copies.

Receive a summary of the Plan's annual financial report. The Plan Administrator is required by law to furnish each participant with a copy of this summary annual report.

Obtain a statement telling you whether you have a right to receive a pension at normal retirement age (age 65) and if so, what your benefits would be at normal retirement age if you stop working under the Plan now. If you do not have a right to a pension, the statement will tell you how many more years you have to work to get a right to a pension. This statement must be requested in writing and is not required to be given more than once every twelve (12) months. The Plan must provide the statement free of charge.

PRUDENT ACTIONS BY PLAN FIDUCIARIES

In addition to creating rights for Plan participants, ERISA imposes duties upon the people who are responsible for the operation of the Plan. The people who operate your Plan, called "fiduciaries" of the Plan, have a duty to do so prudently and in the interest of you and other Plan participants and beneficiaries. No one, including your employer, your union, or any other person, may fire you or otherwise discriminate against you in any way to prevent you from obtaining a benefit or exercising your rights under ERISA.

If your claim for a benefit is denied or ignored, in whole or in part, you have a right to know why this was done, to obtain copies of documents relating to the decision without charge, and to appeal any denial, all within certain time schedules.

Under ERISA, there are steps you can take to enforce the above rights. For instance, if you request a copy of Plan documents or the latest annual report from the Plan and do not receive them within 30 days, you may file suit in a Federal court. In such a case, the court may require the Plan Administrator to provide the materials and pay you up to \$110 a day until you receive the materials, unless the materials were not sent because of reasons beyond the control of the Plan Administrator. If you have a claim for benefits which is denied or ignored, in whole or in part, you may file suit in a state or Federal court. In addition, if you disagree with the Plan's decision or lack thereof concerning the qualified status of a domestic relations order, you may file suit in Federal court. If

it should happen that Plan fiduciaries misuse the Plan's money, or if you are discriminated against for asserting your rights, you may seek assistance from the U.S. Department of Labor, or you may file suit in a Federal court. The court will decide who should pay court costs and legal fees. If you are successful the court may order the person you have sued to pay these costs and fees. If you lose, the court may order you to pay these costs and fees, for example, if it finds that your claim is frivolous.

ASSISTANCE WITH YOUR QUESTIONS

If you have any questions about your Plan, you should contact the Plan Administrator. If you have any questions about this statement or about your rights under ERISA, or if you need assistance in obtaining documents from the Plan Administrator, you should contact the nearest office of the Employee Benefits Security Administration, U.S. Department of Labor, listed in your telephone directory or the Division of Technical Assistance and Inquiries, Employee Benefits Security Administration, U.S. Department of Labor, 200 Constitution Avenue N.W., Washington, D.C. 20210. You may also obtain certain publications about your rights and responsibilities under ERISA by calling the publications hotline of the Employee Benefits Security Administration.