



UNS Energy Corp.

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MEMORANDUM

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**TO:** EMPLOYEES AND MEMBERS OF THE COMMUNITIES WE SERVE  
**FROM:** KAREN KISSINGER, CHIEF COMPLIANCE OFFICER  
**SUBJECT:** REVISIONS TO OUR CODE OF ETHICS & PRINCIPLES OF BUSINESS CONDUCT  
**DATE:** JANUARY 30, 2015

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This year we have made a number of revisions to our Code of Ethics and Principles of Business Conduct (the Code). We had two objectives: first, to continue making our code more heartfelt and positive in tone; second, to conform our policies to those of Fortis, Inc. (Fortis).

To achieve the first objective, we added a more personal introductory letter from Dave Hutchens to the front of the document. We then added a Preamble to the Code which references the corporate Mission, Vision, Focus Areas and Values developed earlier in the year.

With respect to the second objective, our Code was already of the same tenor as the Fortis Code, but the Fortis Code covered some areas in greater detail. These details do not change the expectations that the Company has for its employees but provide more information as to how those expectations might apply on a day to day basis. We hope these changes make it easier to comply with the Code. The areas with greater details:

- Employee Interests and Outside Activities, pages 12-13.
- Payments to Agents, Consultants and Government Officials, page 18.
- Responsibility to Protect Company Assets, pages 19-21.
- Confidential Information & Trade Secrets, pages 28-29.
- Securities Law, pages 30-31.

We also now have two new insider trading policies. The Fortis policy covers Fortis securities publicly traded in Canada while the UNS Energy policy covers securities of UNS Energy and its subsidiaries traded in the US. As employees of a subsidiary of Fortis we are bound to follow the rules which govern trading in Fortis, Inc. securities. The Fortis Insider Trading policy begins on page 52.

While UNS Energy no longer has publicly traded equity securities, Tucson Electric Power Company presently has debt publicly traded in the US. We must follow this policy when transacting in any TEP or other UNS Energy subsidiary publicly-traded securities. The UNS Energy Insider Trading policy begins on page 42.