SUPPLEMENT TO ANNUAL FUNDING NOTICE

Of NorthWestern Energy MT Pension Plan ("Plan")

For Plan Year Beginning January 1, 2024 and Ending December 31, 2024 ("Plan Year")

This is a temporary supplement to your annual funding notice which is required by the Moving Ahead for Progress in the 21st Century Act, the Highway and Transportation Funding Act of 2014 the Bipartisan Budget Act of 2015, the American Rescue Plan Act of 2021, and the Infrastructure Investment and Jobs Act of 2021. These federal laws changed how pension plans calculate their liabilities. The purpose of this supplement is to show you the effect of these changes. Prior to 2012, pension plans determined their liabilities using a two-year average of interest rates. Now pension plans also must take into account a 25-year average of interest rates. This means that interest rates likely will be higher and plan liabilities lower than they were under prior law. As a result, your employer may contribute less money to the plan at a time when market interest rates are at or near historical lows.

The "Information Table" compares the impact of using interest rates based on the 25-year average (the "adjusted interest rates") and interest rates based on a two-year average on the Plan's: (1) Funding Target Attainment Percentage, (2) Funding Shortfall, and (3) Minimum Required Contribution. The funding target attainment percentage is a measure of how well the plan is funded on a particular date. The funding shortfall is the amount by which liabilities exceed net plan assets. The minimum required contribution is the amount of money an employer is required by law to contribute to a plan in a given year. The following table shows this information determined with and without the adjusted interest rates. The information is provided for the plan year and for each of the two preceding plan years, if applicable.

INFORMATION TABLE

	2024		2023		2022	
	With Adjusted Interest Rates	Without Adjusted Interest Rates	With Adjusted Interest Rates	Without Adjusted Interest Rates	With Adjusted Interest Rates	Without Adjusted Interest Rates
Funding Target Attainment Percentage	91.20%	83.75%	90.34%	70.83%	111.92%	82.36%
Funding Shortfall	$ 37,041,465	$ 74,513,280	$ 45,723,270	$ 176,139,643	$ 0	$ 110,644,278
Minimum Required Contribution	$ 8,766,665	$ 12,786,693	$ 9,745,695	$ 22,096,040	$ 0	$ 17,490,824

ANNUAL FUNDING NOTICE
For
NorthWestern Energy MT Pension Plan

Introduction

This notice includes important information about the funding status of your single-employer pension plan ("Plan"). It also includes general information about the benefit payments guaranteed by the Pension Benefit Guaranty Corporation ("PBGC"), a federal insurance agency. All traditional pension plans (called "defined benefit pension plans") must provide this notice every year regardless of their funding status. This notice does not mean the Plan is terminating. It is provided for informational purposes and you are not required to respond in any way. This notice is required by federal law. This notice is for the plan year beginning January 1, 2024 and ending December 31, 2024 ("Plan Year").

How Well Funded is Your Plan?

The law requires the plan administrator to explain how well the Plan is funded, using a measure called the "funded percentage". The funded percentage is calculated by dividing Plan assets by Plan liabilities. In general, the higher the percentage, the better funded the plan. Plan liabilities are the present value of the benefits promised by the Plan, determined using a market-related interest assumption. The chart below shows the Plan's funded percentage for the Plan Year and the two preceding plan years. It also lists the value of the Plan's assets and liabilities for those years. Plan liabilities for the Plan Year in Line 3 of the chart reflect the plan administrator's reasonable, good faith estimate.

Funded Percentage			
	2024	**2023**	**2022**
1. Last day of relevant plan year	December 31	December 31	December 31
2. Plan assets	$ 344,540,416	$ 349,281,324	$ 395,123,750
3. Plan liabilities	$ 416,800,000	$ 424,018,572	$ 487,147,447
4. Funded percentage *(Line 2 ÷ Line 3)*	**83%**	**82%**	**81%**

If the Plan terminates, the Plan's liabilities calculated by the PBGC may be greater than the Plan liabilities shown in the above chart. When the PBGC takes over a terminated plan as trustee, it guarantees benefits up to a legal limit. See the section of this notice titled "Benefit Payments Guaranteed by the PBGC" for additional information.

Participant and Beneficiary Information

The following chart shows the number of participants and beneficiaries covered by the Plan on the last day of the Plan Year and the two preceding years. The numbers for the Plan Year reflect the plan administrator's reasonable, good faith estimate.

Number of participants and beneficiaries on last day of relevant plan year	**2024**	**2023**	**2022**
1. Last day of relevant plan year	December 31	December 31	December 31
2. Participants currently employed	309	349	387
3. Participants and beneficiaries receiving benefits	496	455	685
4. Participants and beneficiaries entitled to future benefits (but not receiving benefits)	244	254	283
5. Total number of covered participants and beneficiaries *(Lines 2 + 3 + 4 = 5)*	**1,049**	**1,058**	**1,355**

Funding and Investment Policies

Every pension plan must have a procedure to establish a funding policy for plan objectives. A funding policy relates to how much money is needed to pay promised benefits. The funding policy of the Plan is to generally contribute amounts as necessary, based on actuarial calculations to comply with applicable laws. Additional amounts may be contributed from time to time as business conditions warrant or where achieving a funded status makes economic or administrative sense to the plan sponsor.

Pension plans also have investment policies. These generally are written guidelines or general instructions for making investment management decisions. The investment policy of the Plan is to manage the pension plan assets to meet the current and future benefit payment needs while maximizing total investment returns (income and appreciation) after inflation within the constraints of diversification, prudent risk taking, and the Prudent Man Rule of the Employee Retirement Income Security Act of 1974, as amended (ERISA). The Plan is diversified across asset classes to achieve optimal balance between risk and return and between income and growth through capital appreciation. The portfolio asset mix of investments, or the allocation between the various classes of securities available, is an important component of the investment policy. The current asset allocation guideline is 38.50% invested in equities, 56.0% in fixed income investments and 5.5% in private real estate. The target asset allocation is reviewed on a quarterly basis. Generally, the asset mix will be rebalanced to the target mix as individual portfolios approach their minimum or maximum levels.

The Plan's investment policy allows for the Plan to be invested in commingled funds, including mutual funds, collective investment funds and bank commingled funds. Plan assets are invested in common collective trusts (CCTs), which are invested in equity, fixed income securities and private real estate. These pooled investment funds must have an adequate asset base relative to their asset class, be invested in a diversified manner, have a minimum of three years of verified investment performance experience or verified portfolio manager investment experience in a particular investment strategy, and have management and/or oversight by an investment advisor registered with the SEC. Investments in a collective investment vehicle are valued by multiplying the investee company's net asset value per share with the number of units or shares owned at the valuation date. Net asset value per share is determined by the trustee. Investments held by the CCT, including collateral invested for securities on loan are valued on the basis of valuations furnished by a pricing service approved by the CCT's investment manager, which determines valuations using methods based on quoted closing market prices on national securities exchanges, or at fair market value as determined in good faith by the CCT's investment manager if applicable. The funds do not contain any redemption restrictions. The direct holding of company stock is not permitted; however, any holding in a diversified mutual fund or collective investment fund is permitted. The policy prohibits any transactions that would threaten the tax-exempt status of the fund and actions that would create a prohibited conflict of interest or transactions between fiduciaries and parties in interest as defined under ERISA or Department of Labor interpretive guidance.

Fixed income investments can consist of U.S. as well as international instruments including emerging markets and high yield instruments, as well as government, corporate, asset backed and mortgage-backed securities. The liability hedging fixed income portfolio for the Plan must be rated at least "investment grade" by rating agencies including Moody's and Standard and Poor's. Performance of fixed income investments is measured by both traditional investment benchmarks as well as relative changes in the present value of the plan's liabilities. The overall effective duration of investments is 16.0 years as of December 31, 2024.

Equity investments consist primarily of U.S. stocks including large, mid and small cap stocks, which are diversified across investment styles such as growth and value. International equity investments have exposure to developing and emerging markets. Derivatives, options and futures are permitted for the purpose of reducing risk but may not be used for speculative purposes. Real estate consists primarily of global equity or debt interests consisting of land, buildings and other improvements in commercial and residential sectors.

Equity, fixed income and real estate portfolios may be comprised of both active as well as passive management strategies and additional detailed investment guidelines may be developed for individual manager mandates.

Under the investment policy, the Plan's assets were allocated among the following categories of investments, as of the end of the Plan Year. These allocations are percentages of total assets:

Asset Allocations	**Percentage**
Stocks	39.01%
Investment grade debt instruments	48.81%
High-yield debt instruments	5.97%
Real estate	6.18%
Cash	0.03%

The average return on assets for the Plan Year was 2.08%.

Right to Request a Copy of the Annual Report

Pension plans must file annual reports with the US Department of Labor. The report is called the "Form 5500." The report contains Plan financial and other information. You may obtain an electronic copy of your Plan's annual report by going to www.efast.dol.gov and using the search tool. Annual reports also are available from the US Department of Labor, Employee Benefits Security Administration's Public Disclosure Room at 200 Constitution Avenue, NW, Room N-1515, Washington, DC 20210, or by calling (202) 693-8673. Or, you may obtain a copy of the Plan's annual report by making a written request to the Employee Benefits Administration Committee c/o NorthWestern Energy Benefits Department at 11 East Park Street, Butte, MT 59701-1711; by email to benefits@northwestern.com or by intranet or internet access as follows: (1) For active employees, the notice can be accessed on iConnect, under "Employee Services" by selecting the "Forms and Document Libraries" link. Then under the Retirement Plan Benefits work group select the Regulatory Notice/Disclosure folder and open the document named Form 5500 – Montana Pension Plan. (2) For separated or retired employees and/or spouses, the notice can be accessed at https://northwesternenergy.com/retirees/benefits under "Annual Reports and Notices", "Form 5500 Filing for Montana Pension Plan." Individual information, such as the amount of your accrued benefit under the Plan, is not contained in the annual report. If you are seeking information regarding your benefits under the Plan, contact the plan administrator identified below under "Where To Get More Information."

Summary of Rules Governing Termination of Single-Employer Plans

If a plan terminates, there are specific termination rules that must be followed under federal law. A summary of these rules follows.

There are two ways an employer can terminate its pension plan. First, the employer can end the plan in a "standard termination" but only after showing the PBGC that such plan has enough money to pay all benefits owed to participants. Under a standard termination, a plan must either purchase an annuity from an insurance company (which will provide you with periodic retirement benefits, such as monthly for life or for a set period of time when you retire) or, if the plan allows, issue one lump-sum payment that covers your entire benefit. Your plan administrator must give you advance notice that identifies the insurance company (or companies) selected to provide the annuity. The PBGC's guarantee ends upon the purchase of an annuity or payment of a lump-sum. If the plan purchases an annuity for you from an insurance company and that company becomes unable to pay, the applicable state guaranty association guarantees the annuity to the extent authorized by that state's law.

Second, if the plan is not fully-funded, the employer may apply for a distress termination. To do so, however, the employer must be in financial distress and prove to a bankruptcy court or to the PBGC that the employer cannot remain in business unless the plan is terminated. If the application is granted, the PBGC will take over the plan as trustee and pay plan benefits, up to the legal limits, using plan assets and PBGC guarantee funds.

Under certain circumstances, the PBGC may take action on its own to end a pension plan. Most terminations initiated by the PBGC occur when the PBGC determines that plan termination is needed to protect the interests of plan participants or of the PBGC insurance program. The PBGC can do so if, for example, a plan does not have enough money to pay benefits currently due.

Learn more about single-employer plan terminations in PBGC's Pension Plan Termination Fact Sheet at https://www.pbgc.gov/about/factsheets/page/termination.

Benefit Payments Guaranteed by the PBGC

When the PBGC takes over a plan, it pays pension benefits through its insurance program. Only the benefits you have earned a right to receive and that cannot be forfeited (called vested benefits) are guaranteed. Most participants and beneficiaries receive all of the pension benefits they would have received under their plan, but some people may lose certain benefits that are not guaranteed.

The amount of benefits that the PBGC guarantees is determined as of the plan termination date. However, if a plan terminates during a plan sponsor's bankruptcy, then the amount guaranteed is determined as of the date the sponsor entered bankruptcy.

The PBGC maximum benefit guarantee is set by law and is updated each calendar year. For a plan with a termination date or sponsor bankruptcy date, as applicable in 2025, the maximum guaranteed benefit is $7,431.82 per month, or $89,181.84 per year, for a benefit paid to a 65-year-old retiree with no survivor benefit. If a plan terminates during a plan sponsor's bankruptcy, the maximum guarantee is fixed as of the calendar year in which the sponsor entered bankruptcy. The maximum guarantee is lower for an individual who begins receiving benefits from PBGC before age 65 reflecting the fact that younger retirees are expected to receive more monthly pension checks over their lifetimes. Similarly, the maximum guarantee is higher for an individual who starts receiving benefits from the PBGC after age 65. The maximum guarantee by age can be found on the PBGC's website, https://www.pbgc.gov/wr/benefits/guaranteed-benefits/maximum-guarantee. The guaranteed amount is also reduced if a benefit will be provided to a survivor of the plan participant.

The PBGC guarantees "basic benefits" earned before a plan is terminated, which include:

- pension benefits at normal retirement age;
- most early retirement benefits;
- annuity benefits for survivors of plan participants; and
- disability benefits for a disability that occurred before the date the plan terminated or the date the sponsor entered bankruptcy, as applicable.

The PBGC does not guarantee certain types of benefits:

- The PBGC does not guarantee benefits for which you do not have a vested right when a plan terminates, usually because you have not worked enough years for the company.
- The PBGC does not guarantee benefits for which you have not met all age, service, or other requirements.
- Benefit increases and new benefits that have been in place for less than one year are not guaranteed. Those that have been in place for less than five years are only partly guaranteed.
- Early retirement payments that are greater than payments at normal retirement age may not be guaranteed. For example, a supplemental benefit that stops when you become eligible for Social Security may not be guaranteed.
- Benefits other than pension benefits, such as health insurance, life insurance, death benefits, vacation pay, or severance pay, are not guaranteed.
- The PBGC generally does not pay lump sums exceeding $7,000.

If a terminating plan has enough assets to pay vested benefits that are not guaranteed by the PBGC, participants and beneficiaries may receive benefits greater than what is guaranteed. PBGC's determination of a plan's liabilities for this purpose uses assumptions that will generally produce a lower funded status than what is disclosed in the "How Well Funded Is Your Plan" section of this notice, above.

For additional general information about the PBGC and the pension insurance program guarantees, go to the "General FAQs about PBGC" on the PBGC's website at https://www.pbgc.gov/about/faq/pg/general-faqs-about-pbgc or call PBGC toll-free at 1-800-400-7242 (TTY/TDD users may call the Federal relay service toll free at 1-800-877-8339 and ask to be connected to 1-800-400-7242). Please contact your employer or plan administrator for specific information about your pension plan or pension benefit. PBGC does not have that information. See "Where to Get More Information", below.

Where to Get More Information

For more information about this notice, you may contact the NorthWestern Energy Benefits Department by phone at 1-888-236-6656; by mail at Employee Benefits Administration Committee c/o NorthWestern Energy Benefits Department 11 East Park Street, Butte, MT 59701-1711; or by email to benefits@northwestern.com. For identification purposes, the official plan number is 101 and the plan sponsor's name and employer identification number or "EIN" is NorthWestern Corporation EIN 46-0172280.

Disclosure Statement and Disclaimer

This notice is intended to comply with the requirements of Section 101(f) of ERISA and has been prepared based on a good faith interpretation of the applicable statutory and regulatory guidance. The information and estimates for the Plan Year are based on unaudited financial information, estimates and certain actuarial assumptions. Accordingly, although believed to be accurate, the actual results for the Plan Year (including information and computations regarding measurement of plan liabilities and reported value of plan assets) may change and will not be considered final until filed with the Department of Labor as part of the Annual Report (*i.e.*, the Form 5500). The company does not undertake any obligation to update or publicly release any revisions to this notice, and no such revisions or updates will be issued or provided to you. This document contains selected highlights of the company' employee benefits plans. If any statement herein, or any other communication, conflicts with the applicable plan documents, the plan documents will govern.