
Section 1: 8-K (8-K)

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D. C. 20549

FORM 8-K

CURRENT REPORT

PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934

Date of Report (Date of earliest event reported): November 15, 2018

<u>Commission File Number</u>	<u>Registrant; State of Incorporation; Address; and Telephone Number</u>	<u>I.R.S. Employer Identification No.</u>
333-21011	FIRSTENERGY CORP. (An Ohio Corporation) 76 South Main Street Akron, OH 44308 Telephone (800)736-3402	34-1843785

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2.):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (17 CFR §230.405) or Rule 12b-2 of the Securities Exchange Act of 1934 (17 CFR §240.12b-2).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 5.02 Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

As previously announced, on March 31, 2018 FirstEnergy Solutions Corp. (FES), all of its subsidiaries, and FirstEnergy Nuclear Operating Company (collectively, the FES Debtors), each wholly-owned subsidiaries of FirstEnergy Corp. (FirstEnergy), voluntarily filed petitions for relief under Chapter 11 of the U.S. Bankruptcy Code with the U.S. Bankruptcy Court for the Northern District of Ohio in Akron (the Bankruptcy Court). Additionally, on August 26, 2018, FirstEnergy, the FES Debtors, certain key creditor groups, and the official committee of unsecured creditors entered into a definitive settlement agreement, which was approved by order of the Bankruptcy Court on September 26, 2018. The settlement agreement permitted, among other things, FES to provide a voluntary enhanced retirement option to its employees for which FirstEnergy agreed to pay for the costs of the temporary pension enhancement portion (capped at, \$1,500 per month per eligible employee until age 65 or a minimum of two years).

On November 15, 2018, the board of directors of FES adopted a Voluntary Early Retirement Option (the FES VERO), in which the FES President, Donald R. Schneider, who is deemed a named executive officer of FirstEnergy, is eligible to participate. The FES VERO will be effective as of January 2, 2019.

The terms for the FES VERO, other than the election period and eligible participants, are substantially similar to the previously disclosed Voluntary Enhanced Retirement Program (VERP) and Executive Voluntary Enhanced Retirement Program (E-VERP) that FirstEnergy previously implemented in early June and July 2018, respectively. The FirstEnergy VERP and E-VERP were offered to eligible non-bargaining employees, other than the CEO, in FirstEnergy's shared services, utility services, and sustainability organizations. Certain FES employees designated as "insiders" in applicable bankruptcy filings (FES Insiders), including Mr. Schneider, are subject to additional terms of the FES VERO.

Active FES employees who are age 58 or older with at least 10 years of service as of such employee's retirement date, are eligible to participate in the FES VERO. The FES VERO includes the following benefits:

- a lump-sum payment equivalent to what the employee would have received under the applicable FirstEnergy severance benefits plan (subject to caps for FES Insiders in accordance with bankruptcy law and the Bankruptcy Court's order);
- a continuation of health care benefits for the equivalent severance period, up to a maximum of 18 months;
- a temporary monthly pension enhancement of \$1,500 up to age 65, with a minimum of 24 monthly payments; and
- payment of unused paid time off.

Benefits are contingent upon the execution and non-revocation of a release of claims acceptable to FES. Retirements under the FES VERO will begin January 2, 2019 and continue until the earlier of December 31, 2019 or the effective date of a court-approved plan of reorganization for FES. Individual retirement dates will be determined by FES based on its business requirements. Eligible employees will be notified and given until December 28, 2018, to elect whether or not to participate. FES Insiders will be separately notified and given until January 16, 2019, to elect to participate, which election is revocable until January 23, 2019.

The above description of the FES VERO does not purport to be complete and is qualified in its entirety by reference to the FES VERO program document, which is filed as Exhibit 10.1 hereto and incorporated herein by reference.

Item 9.01 Financial Statements and Exhibits

(d) Exhibits

<u>Exhibit No.</u>	<u>Description</u>
10.1	<u>FirstEnergy Solutions Corp. Voluntary Enhanced Retirement Option, effective as of January 2, 2019.</u>

Forward-Looking Statements: This Form 8-K includes forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 based on information currently available to management. Such statements are subject to certain risks and uncertainties and readers are cautioned not to place undue reliance on these forward-looking statements. These statements include declarations regarding management's intents, beliefs and current expectations. These statements typically contain, but are not limited to, the terms "anticipate," "potential," "expect," "forecast," "target," "will," "intend," "believe," "project," "estimate," "plan" and similar words. Forward-looking statements involve estimates, assumptions, known and unknown risks, uncertainties and other factors that may cause actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements, which may include the following: the ability to successfully execute an exit of commodity-based generation that minimizes cash outflows and associated liabilities, including, without limitation, the losses, guarantees, claims and other obligations of FirstEnergy Corp. (FE), together with its consolidated subsidiaries (FirstEnergy), as such relate to the entities previously consolidated into FirstEnergy, including FirstEnergy Solutions Corp. (FES), its subsidiaries, and FirstEnergy Nuclear Operating Company (FENOC), which have filed for bankruptcy protection (FES Bankruptcy); the risks that conditions to the definitive settlement agreement with respect to the FES Bankruptcy may not be met or that the settlement agreement may not be otherwise consummated, and if so, the potential for litigation and payment demands against FirstEnergy by FES, FENOC or their creditors; the risks associated with the FES Bankruptcy that could adversely affect FirstEnergy, its liquidity or results of operations; the accomplishment of our regulatory and operational goals in connection with our transmission and distribution investment plans; changes in assumptions regarding economic conditions within our territories, assessment of the reliability of our transmission and distribution system, or the availability of capital or other resources supporting identified transmission and distribution investment opportunities; the ability to accomplish or realize anticipated benefits from strategic and financial goals, including, but not limited to, our strategy to operate as a fully regulated business and to grow the Regulated Distribution and Regulated Transmission segments to continue to reduce costs through FE Tomorrow, FirstEnergy's initiative launched in late 2016 to identify its optimal organizational structure and properly align corporate costs and systems to efficiently support a fully regulated company going forward, and other initiatives, and to improve our credit metrics and strengthen our balance sheet; the risks and uncertainties associated with litigation, arbitration, mediation and like proceedings; the uncertainties associated with the sale, transfer or deactivation of our remaining commodity-based generating units, including the impact on vendor commitments, and as it relates to the reliability of the transmission grid, the timing thereof; the uncertainty of the timing and amounts of the capital expenditures that may arise in connection with any litigation, including New Source Review litigation, or potential regulatory initiatives or rulemakings; changes in customers' demand for power, including, but not limited to, changes resulting from the implementation of state and federal energy efficiency and peak demand reduction mandates; economic and weather conditions affecting future sales, margins and operations, such as significant weather events, and all associated regulatory events or actions; changes in national and regional economic conditions affecting FirstEnergy and/or our major industrial and commercial customers, and other counterparties with which we do business; the impact of labor disruptions by our unionized workforce; the risks associated with cyber-attacks and other disruptions to our information technology system that may compromise our generation, transmission and/or distribution services and data security breaches of sensitive data, intellectual property and proprietary or personally identifiable information regarding our business, employees, shareholders, customers, suppliers, business partners and other individuals in our data centers and on our networks; the impact of the regulatory process and resulting outcomes on the matters at the federal level and in the various states in which we do business, including, but not limited to, matters related to rates; the impact of the federal regulatory process on Federal Energy Regulatory Commission (FERC) regulated entities and transactions, in particular FERC regulation of PJM Interconnection, L.L.C. (PJM) wholesale energy and capacity markets and cost-of-service rates, as well as FERC's compliance and enforcement activity, including compliance and enforcement activity related to North American Electric Reliability Corporation's mandatory reliability standards; the uncertainties of various cost recovery and cost allocation issues resulting from American Transmission Systems, Incorporated's realignment into PJM; the ability to comply with applicable state and federal reliability standards and energy efficiency and peak demand reduction mandates; other legislative and regulatory changes, including the federal administration's required review and potential revision of environmental requirements, including, but not limited to, the effects of the United States Environmental Protection Agency's Clean Power Plan, Coal Combustion Residuals, and Cross State Air Pollution Rule programs, including our estimated costs of compliance, Clean Water Act (CWA) waste water effluent limitations for power plants, and CWA 316(b) water intake regulation; changing market conditions that could affect the measurement of certain liabilities and the value of assets held in our pension trusts and other trust funds, and cause us and/or our subsidiaries to make additional contributions sooner, or in amounts that are larger, than currently anticipated; the impact of changes to significant accounting policies; the impact of any changes in tax laws or regulations, including the Tax Cuts and Jobs Act, adopted December 22, 2017, or adverse tax audit results or rulings; the ability to access the public securities and other capital and credit markets in accordance with our financial plans, the cost of such capital and overall condition of the capital and credit markets affecting us and our subsidiaries; actions that may be taken by credit rating agencies that could negatively affect us and/or our subsidiaries' access to financing, increase the costs thereof, letters of credit and other financial guarantees, and the impact of these events on the financial condition and liquidity of FE and/or its subsidiaries; issues concerning the stability of domestic and foreign financial institutions and counterparties with which we do business; and the risks and other factors discussed from time to time in our United States Securities and Exchange Commission (SEC) filings, and other similar factors. Dividends declared from time to time on FE's common stock, and thereby on FE's preferred stock, during any period may in the aggregate vary from prior periods due to circumstances considered by FE's Board of Directors at the time of the actual declarations. A security rating is not a recommendation to buy or hold securities and is subject to revision or withdrawal at any time by the assigning rating agency. Each rating should be evaluated independently of any other rating. These forward-looking statements are also qualified by, and should be read together with, the risk factors included in our filings with the SEC, including but not limited to the most recent Quarterly Report on Form 10-Q, which risk factors supersede and replace the risk factors contained in the Annual Report on Form 10-K and previous Quarterly Reports on Form 10-Q, and any subsequent Current Reports on Form 8-K. The foregoing review of factors also should not be construed as exhaustive. New factors emerge from time to time, and it is not possible for management to predict all such factors,

nor assess the impact of any such factor on our business or the extent to which any factor, or combination of factors, may cause results to differ materially from those contained in any forward-looking statements. We expressly disclaim any obligation to update or revise, except as required by law, any forward-looking statements contained herein as a result of new information, future events or otherwise.

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INTRODUCTION

This document sets forth the benefits, rights and obligations under the FirstEnergy Solutions Corp. Voluntary Enhanced Retirement Option (the “VERO”) maintained by FirstEnergy Solutions Corp. (the “Company”). The VERO is an “employee welfare benefit plan” within the meaning of Section 3(1) of the Employee Retirement Income Security Act of 1974, as amended, and the rules and regulations promulgated thereunder (collectively, “ERISA”). The VERO shall be effective as of January 2, 2019 (the “Effective Date”).

Effective as of the Effective Date, if you are eligible to participate in the VERO, and:

- you are notified by the Company that you are eligible to participate in the VERO;
- you inform the Company of your election of VERO Benefits (as defined below) within the designated time period; and
- you retire from the Company; then

you are eligible to receive certain employee benefits as described in this document, provided you fulfill the conditions precedent set forth herein.

It is the intent that this document serves as both the summary plan description and the written plan document of the VERO. The VERO describes further herein the ERISA rights of plan participants. You should keep this document for future reference and refer to your Employee Compensation & Benefits Handbook or contact your local Human Resources representative for specific details regarding other benefit availability upon retirement.

1. ELIGIBILITY

Generally, if you are an active employee of the Company, and you will be at least fifty-eight (58) years old by the Retirement Date (as defined below), with a minimum of ten (10) years of credited service under the FirstEnergy Corp. Master Pension Plan (the “Pension Plan”), you may be offered VERO Benefits if you volunteer to retire during the “specified period.” The “specified period” shall generally begin on January 2, 2019 and end on June 30, 2019. The VERO shall terminate on the earlier of the Plan of Reorganization Effective Date¹ or December 31, 2019 (the “Termination Date”); provided, however, such termination will not adversely affect the rights of any person who has elected to receive VERO Benefits and terminated his or her employment due to retirement in accordance with the VERO on or prior to the Termination Date, and who timely meets all other requirements for VERO Benefits in accordance with the VERO. In some cases, based on business

¹ “Plan of Reorganization Effective Date” means the date upon which all of the conditions to the effective date contained in a plan of reorganization for the Company that has been confirmed by an order of the United States Bankruptcy Court for the Northern District of Ohio, Eastern Division (the “Bankruptcy Court”) have each been satisfied or waived.

need and on a limited basis, the “specified period” and any individual retirement date may be extended one or more times, but in no event beyond the earlier of the Plan of Reorganization Effective Date or December 31, 2019. In all cases, designation of your retirement date (such date, the “Retirement Date”) during the “specified period” shall be at the sole discretion of the Company.

If you meet eligibility requirements, you will be notified of your eligibility and will be given until December 28, 2018 to decide whether to elect VERO Benefits unless you are a person identified as a potential “insider” by the Company in footnote 17 in the Wages Motion (an “Insider”).² By 5 p.m. EST on December 28, 2018, an eligible employee (other than an Insider) must elect in writing, on a designated form, to participate in the VERO. Unless you are an Insider, you will have until the Effective Date to revoke that election. Thereafter, the election shall be irrevocable. **(Please Note: Once the revocation period lapses your election will be considered an irrevocable notice of retirement.)** If you are an Insider, you will have until January 16, 2019 to elect in writing, on a designated form, to participate in the VERO, and you will have until January 21, 2019 to revoke that election. Thereafter, the election shall be an irrevocable notice of retirement for any electing Insider. Your Retirement Date will be determined by the Company, and it will endeavor to provide you as much notice as possible. All statements of expected benefits provided in connection with the election of VERO Benefits are estimates.

Employees still on the Company’s payroll after the date the VERO is announced, who had previously provided written notice of their intent to retire in the future, may request revocation of that notice and participate in the VERO if they are otherwise eligible and make a timely election to participate in the VERO as described above.

Temporary employees are not eligible for VERO Benefits.

2. ANY OTHER TERMINATION OF EMPLOYMENT

No VERO Benefits will be offered to you if you separate from employment with the Company for any reason other than retirement pursuant to the procedures set forth in the VERO. You will also be ineligible for benefits under the VERO if you are involuntarily terminated, either under circumstances that qualify you for severance benefits under the Severance Plan (as defined below) or otherwise. The Company expressly reserves the right to limit the circumstances under which VERO Benefits will be offered. If you have been previously notified of your eligibility for benefits under the Severance Plan, but remain employed on the Company’s payroll after December 28, 2018, then you may elect either to receive benefits under the VERO (subject to the eligibility and election timing requirements in Section 1) or the Severance Plan, but not both.

² “Wages Motion” means Debtors’ Motion for Entry of Interim and Final Orders Authorizing the Debtors to (A) Pay Certain Prepetition Compensation and Reimbursable Employee Expenses, (B) Pay and Honor Employee and Retiree Medical and Other Benefits, (C) Continue to Participate in FE Corp.’s Employee Compensation, Welfare, Retiree Benefit and Pension Plans and Programs, and (D) Continue to Participate in FE Corp.’s Workers Compensation Program and Modify the Automatic Stay With Respect Thereto[Docket No. 53] filed in the Bankruptcy Court.

3. RIGHTS TO EMPLOYMENT

It is not the intent of the Company to confer through the VERO, either expressly or by implication, any rights to employment, any recall rights, any right of rehire or preference in rehire upon any employee. It is further not the intent of the Company to suggest that it may terminate the employment of any employee only upon a showing of misconduct, poor job performance, or absenteeism. The Company specifically reserves the right to terminate the employment of any employee at any time in accordance with applicable law and/or Company policy.

4. RELEASE OF CLAIMS

Notwithstanding any provision herein to the contrary, the payment of any VERO Benefits to you shall be conditioned on your execution, delivery to the Company, non-revocation of a release of claims in a form approved by the Company (the “Release”) within the Release Execution Period (as defined below) and the expiration of the Release Revocation Period (as defined below) (such date, the “Release Effective Date”). You shall have forty-five (45) days following the Retirement Date to execute the Release (the “Release Execution Period”). Following your execution of the Release, you shall have seven (7) days to revoke such Release (the “Release Revocation Period”). If you fail to execute the Release during the Release Execution Period, or if you timely revoke your acceptance of such Release following its execution, then you shall not be entitled to receive any VERO Benefits.

Accepting a position with an Affiliate of the Company, either before the date you sign the Release, or up until the receipt of a VERO Benefit, will result in ineligibility for VERO Benefits. For purposes of the VERO, “Affiliate” shall have the same meaning as such term is defined in Section 101(2) of Title 11 of the United States Code and shall not include any entity that acquires all or substantially all of the assets of the Company on or before the Plan of Reorganization Effective Date provided that such entity is not owned by FirstEnergy Corp.

5. PENSION PLAN

You may already be eligible to begin receiving early or normal retirement benefits under the Pension Plan as of your Retirement Date. In such case, you may immediately commence your early or normal pension benefit in accordance with the terms and conditions of the Pension Plan. Your eligibility for an early or normal retirement benefit under the Pension Plan is not in any manner diminished or enhanced by your receipt of VERO Benefits.

6. VERO BENEFITS

Subject to your eligibility for and timely election to participate in the VERO, your continued employment with the Company through, and voluntary termination of your employment with the Company as of, the Retirement Date (and assuming you do not accept a position with an Affiliate as provided in Section 4), and subject to your timely execution (and non-revocation) of a Release

pursuant to Section 4 of the VERO, you will be entitled to receive the following payments and benefits (together, the “VERO Benefits”):

- (a) *Lump Sum Payment*. You will be paid a lump sum cash payment (the “Cash Severance Payment”) in an amount equivalent to your cash severance payment benefit under the FirstEnergy Severance Benefits Plan or the FirstEnergy Executive Severance Benefits Plan, as applicable (collectively, the “Severance Plan”), except that if you are an Insider your Cash Severance Payment will be capped in accordance with section 503(c)(2) of Title 11 of the United States Code and the Final Order Approving Wages Motion³. The Cash Severance Payment will be paid to you in a lump sum as soon as administratively practicable after the Release Effective Date, but in no event later than the second regularly scheduled payroll date following the Release Effective Date; provided, that, in the event your Retirement Date is later than November 1, 2019, the payment will be made no later than the second regularly scheduled payroll date of 2020. The Cash Severance Payment is subject to income tax withholding at a supplemental federal rate in addition to any applicable state or local withholding. Applicable FICA and Medicare withholding also will apply. The Cash Severance Payment is not considered compensation for the Pension Plan or any other retirement plan or for any other benefits determination, except as set forth above.
- (b) *Continuation of Medical Coverages*. You may elect for you and your eligible dependents to continue Health Care, Prescription, Dental and Vision Coverage through the Company’s Consolidated Omnibus Budget Reconciliation Act of 1985, as amended (“COBRA”) administrator at retirement at active employee rates. For the period following your termination of employment equal to the number of weeks used to calculate your severance payment under the Severance Plan (the “Benefits Continuation Period”), you will continue to pay the portion of the premium for the COBRA coverage you elect, at the same rates set from time to time for active employees and for the same plan options; provided, that, no such period shall exceed eighteen (18) months following your termination. Any amendment to any Health Care, Prescription, Dental and Vision Coverage plan that applies to active employees of the Company, shall also be applicable to any coverage you elect. The Claims Administrator (as defined below) may amend, modify or terminate any such plan. If you are a “highly compensated employee” as defined under Section 105(h) of the Internal Revenue Code of 1986 and the rules and regulations promulgated thereunder (collectively, the “Code”), the value of the active employee Health Care, Prescription, Dental and Vision Coverage may be taxable to you if the VERO is discriminatory under Section 105(h).

³ “Final Order Approving Wages Motion” means Final Order Authorizing the Debtors to (A) Pay Certain Prepetition Compensation and Reimbursable Employee Expenses, (B) Pay and Honor Employee and Retiree Medical and Other Benefits, (C) Continue to Participate in FE Corp.’s Employee Compensation, Welfare, Retiree Benefit and Pension Plans and Programs, and (D) Continue to Participate in FE Corp.’s Workers Compensation Program and Modify the Automatic Stay With Respect Thereto[Docket No. 491] issued by the Bankruptcy Court on May 8, 2018.

After the Benefits Continuation Period expires, you and your eligible dependents may continue your coverage by paying the full COBRA premium for the remainder of the period you are eligible for COBRA benefits. COBRA coverage may be continued for a period of eighteen (18) months (or longer, if required by applicable law) (the “COBRA Period”) less the months of coverage subsidized by the Company during the Benefits Continuation Period.

Following the expiration of the COBRA Period and in the event you have not yet attained the age of sixty-five (65), you will have access to the government planned health care exchanges (as a result of the federal health care legislation) or a Private Exchange through Via Benefits (formerly OneExchange), or you may choose to maintain coverage under the FirstEnergy Access Plan, which includes Rx Base prescription drug coverage as part of the Base PPO medical coverage, by paying the full premium. Retirees who are age sixty-five (65) or older will have access to purchase an individual Medicare plan through Via Benefits.

- (c) *Temporary Pension Enhancement.* You will be paid a monthly temporary pension enhancement payment in the amount of \$1,500 until such time as you reach the age of sixty-five (65); provided, that, you will be entitled to at least twenty-four (24) monthly payments and, if applicable, will continue to receive such payments following your sixty-fifth (65th) birthday until you have received twenty-four (24) monthly payments in total (the “Temporary Pension Enhancement Payments”). The first Temporary Pension Enhancement Payment will be paid to you, less all applicable federal, state or local tax withholdings, as soon as administratively practicable after the Release Effective Date, but in no event later than the second regularly scheduled payroll date following the Release Effective Date; provided, that, in the event your Retirement Date is later than November 1, 2019, the payment will be made on the second regularly scheduled payroll date of 2020 (with the first such payment inclusive of any payments which would otherwise have been made during such initial period), after which the remaining Temporary Pension Enhancement Payments shall thereafter be paid to you on a monthly basis. You will begin to receive your Temporary Pension Enhancement Payments in accordance with the payment schedule provided herein irrespective of whether you have commenced receiving payments under the Pension Plan.
- (d) *Paid Time Off Payment.* You will receive in your final regularly scheduled paycheck from the Company prior to or on your Retirement Date: (i) payment for any unused paid time off (“PTO”) and deferred PTO and (ii) payment for any purchased PTO that is unused but for which employee contributions have been made and any unused banked/frozen vacation (collectively, the “PTO Payment”).
- (e) *Termination Date.* At least one business day before the Termination Date, the Company will pay to the Claims Administrator all unpaid amounts due and owing by the Company under clauses (a) and (d) (excluding unused banked and frozen vacation) for those employees

whose Retirement Date is on or before the Termination Date. In the event that you do not sign a Release in accordance with Section 4 herein or you revoke the Release prior to the expiration of the Release Revocation Period, then the Claims Administrator shall return to the Company all such funds which would have been paid to you under clauses (a) and (d) (excluding banked and frozen vacation). The Claims Administrator is FirstEnergy Service Company or its designee.

7. NO DUPLICATION; SET-OFF

VERO Benefits are not intended to duplicate or replace benefits such as severance pay or similar benefits under other benefit plans or employment contracts of the Company or applicable laws, including the Worker Adjustment Retraining Notification Act of 1988, as amended. To the extent permitted by law and should such other benefits be payable, your VERO Benefits will be reduced by the amount of any other such payments that have already been made. As an alternative, VERO Benefits previously paid under the VERO will be treated as having been paid to satisfy such other benefit obligations. In either case, the Plan Administrator (as defined below) will determine how to apply this provision and may override other provisions in the VERO by doing so. The Company further reserves the right to reduce the amount of VERO Benefits to recover any amounts that you may otherwise owe to the Company.

8. PLAN ADMINISTRATION

(a) *Authority of the Plan Administrator.* Every ERISA plan has a “Plan Administrator.” The “Plan Administrator” for the VERO is FirstEnergy Solutions Corp. or its designee. The Plan Administrator may delegate any of its duties or authorities to any person or entity. Except as provided herein, the Plan Administrator has the authority to make all decisions under the VERO, including making determinations about eligibility pursuant to the terms of the VERO, and the amounts of VERO Benefits payable under the VERO, and construing and interpreting all VERO provisions. The Plan Administrator may use its discretion to resolve conflicts between the provisions of this document and any other documents related to the VERO. The determinations of the Plan Administrator are final and binding on the plan participants and all other parties, except as otherwise provided by law or under the VERO. Because the Plan Administrator has discretion to construe and interpret the VERO, decisions made by the Plan Administrator will be given deference if reviewed by a court.

(b) *Named Fiduciary.* Every ERISA plan has a “Named Fiduciary” who controls and manages the VERO’s operation and administration. The VERO’s “Named Fiduciary” is the Plan Administrator. The Plan Administrator may delegate responsibilities for the VERO’s operation and

administration, may employ persons to assist in fulfilling its responsibilities under the VERO, and may allocate or reallocate fiduciary responsibilities under the VERO.

(c) *Fiduciary Duties and Responsibilities.* The Plan Administrator is a plan fiduciary under ERISA. The VERO may have other fiduciaries as well. Each plan fiduciary must discharge his or her duties with respect to the VERO solely in the interest of plan participants and their beneficiaries, for the exclusive purpose of providing benefits to those individuals and defraying reasonable expenses of the VERO's administration, and in accordance with the terms of the VERO. Each fiduciary must act with the care, skill, prudence and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with such matters would use in exercising that authority.

A fiduciary may serve in more than one fiduciary capacity. A named fiduciary may allocate any of the named fiduciary's responsibilities for the VERO's operation and administration to other fiduciaries. Either the named fiduciary or another fiduciary appointed by the named fiduciary may employ one or more persons to render advice regarding any responsibilities the fiduciary has under the VERO.

(d) *Plan Construction.* The VERO will be governed and construed in accordance with the laws of the state of Ohio, without giving effect to any choice of law or conflicting provision or rule that would cause the laws of any jurisdiction other than the state of Ohio to be applied, except to the extent such laws are preempted by federal law. If any VERO provision is held invalid or unenforceable, the VERO will be construed and enforced as if the invalid or unenforceable provision had not been included in the VERO.

9. CLAIMS PROCEDURES

(a) Applying for Benefits

VERO Benefits will be offered automatically to those who qualify under the provisions of the VERO. It is not necessary for you to submit a claim for VERO Benefits (a "Claim") unless you believe you qualify and you have not been notified that you will be offered VERO Benefits. A Claim related to VERO eligibility must be filed with the Claims Administrator within sixty (60) days of the Effective Date.

(b) Claims and Appeals Procedures

The following is an outline of the procedures for the processing of a Claim and summarizes the duties and responsibilities of the Plan Administrator and the Appeals Committee. The "Appeals Committee" means the committee designated by the Plan Sponsor, which shall consist of at least three (3) employees of the Plan Administrator. The Appeals Committee handles the appeal of any

Claim determination made by the Plan Administrator with respect to the eligibility and entitlement of a participant, beneficiary or other claimant to VERO Benefits. The procedures defined in this document are intended to comply with ERISA.

(i) Plan Administrator Determination. A Claim must be in writing, signed by the participant, beneficiary or other claimant, and submitted in a manner acceptable to the Plan Administrator. A Claim is initially reviewed by the Plan Administrator who has the sole discretion and authority to interpret the VERO and determine whether an employee qualifies for VERO Benefits. The Plan Administrator shall process the Claim and notify you of the initial determination with respect to the Claim within ninety (90) days of the date of receipt of the Claim (the “Initial Claims Determination Period”). The Plan Administrator may take up to an additional ninety (90) days following the expiration of the Initial Claims Determination Period (the “Extended Claims Determination Period” and together with the Initial Claims Determination Period, the “Claims Determination Period”) to make a determination with respect to a Claim if extenuating circumstances require such an extension. If an additional extension of up to ninety (90) days is required, you will be notified in writing of the extension, the extenuating circumstances requiring the extension and the date by which the Plan Administrator expects to make a determination. Except as provided below, all decisions of the Plan Administrator with respect to such Claims are final and binding.

If the Plan Administrator is unable to reach a decision with respect to a Claim because of unresolved issues or missing information, the Plan Administrator will notify you that it is unable to reach a decision, provide you with the reason it is unable to reach a decision, identify the additional information it needs (if any) for it to make a decision, and generally explain the standards on which it makes Claim determinations. You will be given forty-five (45) days following your receipt of such notice to resolve such issues or to provide any such additional information to the Plan Administrator. The Claims Determination Period will be tolled during the period of time from the date the Plan Administrator mails you such notice to the date the Plan Administrator receives your response. If you fail to respond to the request within the forty-five (45)-day period, the Plan Administrator will make a determination with respect to such Claim based on the circumstances surrounding unresolved issues and information available to the Plan Administrator at that time.

If the Plan Administrator denies any part, or all, of your Claim, you will be notified in writing of such determination and the notification will state the reason for the denial and the VERO provisions on which the denial is based. You shall be entitled to receive, upon written request, reasonable access to and copies of all documents, records and other information relevant to such Claim. The notice of denial will also provide a description of any additional information or material necessary for you to perfect the Claim, an explanation as to why the additional information or material is required and an explanation of the Claim appeal procedure and the time limits for filing an appeal. Such notice of denial or any other notice as referred to in this procedure shall be deemed duly given

when addressed to you and mailed by first class mail to the address last appearing in the records of the Appeals Committee.

You shall have sixty (60) days from the date of the Plan Administrator's determination to file an appeal. You will have the opportunity to submit written comments, documents or other information in support of the Claim as part of the appeal. The appeal must be mailed to the FirstEnergy Employee Benefits Claims and Appeals Committee, 76 South Main Street, Akron, Ohio 44308.

(ii) Appeals Committee. The Appeals Committee shall consist of at least three (3) employees of the Company who shall be appointed by the Company. The Appeals Committee will meet monthly to review and render a decision on any appeal of the Plan Administrator's determination on a Claim. In making its decision, the Appeals Committee will have full power and authority to interpret the VERO, to resolve ambiguities, inconsistencies and omissions, to determine any question of fact, to determine the right to VERO Benefits, and the amount of VERO Benefits, if any, payable to the claimant in accordance with the provisions of the VERO. The Appeals Committee will not defer to the Plan Administrator's determination but will independently review the Claim and consider all comments, documents and other information submitted as part of the appeal in making its decision. In addition, the Plan Administrator shall not participate in the decision on the appeal.

The Appeals Committee will review and make its decision on the appeal of a Claim denial at its next regularly scheduled meeting following the date the appeal is received. However, if the appeal is received less than thirty (30) days before its next regularly scheduled meeting, the Appeals Committee may defer its review and decision to the second regularly scheduled meeting following the date the appeal of the Claim denial is received. Extenuating circumstances may permit an extension to the third regularly scheduled meeting from the date the appeal is received. If such an extension is required, the claimant will be notified in writing of the extension, the extenuating circumstances requiring the extension and the date by which the Appeals Committee expects to make its decision.

You will be notified in writing of the Appeals Committee's decision within five (5) workdays of the decision being made. If the Appeals Committee's decision is to uphold the denial of the Claim, the notification will include the reason for the denial and the VERO provisions on which the denial is based. You shall be entitled to receive, upon written request, reasonable access to and copies of all documents, records and other information on which the decision was based. The decision will further provide a notice of your right to appeal the decision of the Appeals Committee in accordance with ERISA and the time limits for filing an appeal.

You must exhaust the VERO's appeals process prior to taking any action at law, in equity, pursuant to arbitration or otherwise with respect to your Claim. You shall have one hundred and eighty (180)

days from the date of the decision of the Appeals Committee to file an appeal action under ERISA. No legal action may be commenced against the VERO, the Plan Administrator or the Appeals Committee more than one hundred and eighty (180) days after the Appeals Committee's decision has been made with respect to all or any portion of the Claim.

10. OTHER VERO INFORMATION

(a) Benefits Rights

The VERO may be amended or terminated by the Company, at any time and for any reason; provided, that, no such amendment or termination will adversely affect the rights of any person who is eligible for, and has elected to receive, VERO Benefits, and had agreed to voluntarily terminate his or her employment due to retirement. The Company is voluntarily offering and providing VERO Benefits; it is under no legal obligations to provide or offer VERO Benefits other than as set forth in the VERO.

This summary describes the VERO Benefits available to eligible employees. When it deems it is in the Company's best interest to do so, the Company may authorize the Plan Administrator to offer additional voluntary enhanced retirement benefits not contained in the VERO to an eligible employee on a case-by-case basis.

(b) Source of Benefits

The VERO is unfunded. The Cash Severance Payment, the portion of the continuation of health benefits for the Benefits Continuation Period paid by the Company and the PTO Payment (excluding frozen and banked vacation which shall be paid by FirstEnergy Corp.) shall be paid directly by the Company from its general assets. Temporary Pension Enhancement Payments shall be paid from the FirstEnergy System Master Retirement Trust.

(c) Participant's Rights

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

Receive Information about the VERO and VERO Benefits

- Examine, without charge, at the Plan Administrator's office or local Human Resources office, all documents governing the plan, a copy of the latest annual report filed with the Department of Labor (if it is required that such a report be filed) and the plan description.
- Obtain copies of documents governing the operation of the VERO, the latest annual report (if it is required that such a report be filed) and an updated summary plan description or other

VERO information upon written request to the Plan Administrator. The Plan Administrator may make a reasonable charge for the copies.

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 employee benefit plan. The people who operate the VERO, called “fiduciaries” of the VERO, have a duty to do so prudently and in the interest of you and other plan participants and beneficiaries. No one - the Company or any other person - may discriminate against you in any way to prevent you from obtaining benefits or exercising your rights under ERISA.

Enforce Your Rights

- If your Claim 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 your rights. For instance, if you request a copy of plan documents or the latest annual report from the VERO and do not receive them within thirty (30) days, you may file suit in 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 which is denied or ignored, in whole or in part, you may file suit in a state or federal court. If it should happen that plan fiduciaries misuse the VERO’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 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 your Claim is frivolous.

Assistance with Your Questions

- If you have any questions about the VERO, you should contact the Plan Administrator at the address or phone number listed below. 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.

(d) Section 409A Compliance

It is the intention and purpose of the Company that the VERO shall be, at all relevant times, in compliance with (or exempt from) Section 409A of the Code (“Section 409A”) and all other applicable laws, and the VERO shall be so interpreted and administered. In addition to the general amendment rights of the Company with respect to the VERO, the Company specifically retains the unilateral right (but not the obligation) to make, prospectively or retroactively, any amendment to the VERO or any related document, as it deems necessary or desirable, to more fully address issues in connection with compliance with (or exemption from) Section 409A and such other laws. In no event, however, shall this section or any other provisions of the VERO be construed to require the Company to provide any gross-up for the tax consequences of any provisions of, or payments under, the VERO and the Company shall have no responsibility for tax or legal consequences to you (or your beneficiaries) resulting from the terms or operation of the VERO. All references to “termination of employment,” “termination” or a “separation” in the VERO shall refer to events which constitute a “separation from service” as defined under Section 409A.

If any VERO Benefits are subject to, and not exempt from, Section 409A, then the following rules apply:

- If you are a “specified employee” as determined under the Company’s policy for determining specified employees on the date of your separation from service, VERO Benefits that are subject to, and not exempt from, Section 409A that would otherwise be paid or provided during the first six (6) months following such separation from service, shall be accumulated during that six (6)-month period and paid or provided (together with interest at the applicable federal rate under Section 7872(f)(2)(A) of the Code) on the first business day following the six (6) month anniversary of such separation from service. Notwithstanding the foregoing, VERO Benefits delayed pursuant to this paragraph shall commence as soon as practicable following the date of your death prior to the end of the six (6) month period, but in no event later than ninety (90) days following the date of death.
- Any reimbursement of expenses or in-kind VERO Benefits subject to, and not exempt from, Section 409A, shall be subject to the following additional rules: (i) any reimbursement of eligible expenses shall be paid as they are incurred (but not prior to the end of the six (6)-month delay period applicable to “specified employees” as set forth above) and shall always be paid on or before the last day of your tax year following the tax year in which the expenses were incurred; provided, that, you first provide documentation of such expenses in reasonable detail not later than sixty (60) days following the end of the calendar year in which the eligible expenses were incurred; (ii) the amount of expenses eligible for reimbursement, or in-kind benefits provided,

during any calendar year shall not affect the amount of expenses eligible for reimbursement, or in-kind benefits to be provided, during any other calendar year; and (iii) the right to reimbursement or in-kind benefits shall not be subject to liquidation or exchange for another benefit.

- Notwithstanding any other provision of the VERO, you must execute (and not revoke) a Release as provided in Section 4 herein for payment of the VERO Benefits. Any VERO Benefit subject to Section 409A will be forfeited if the Release is not executed (or is revoked after execution) as provided in Section 4 herein.
- No payments made by the Company through any other plan, program, policy or arrangement shall be a substitute for the payment of any VERO Benefits that is subject to Section 409A.
- Each payment in a series of payments hereunder shall be deemed to be a separate payment for purposes of Section 409A.

(e) *Summary of Plan Information*

Plan Sponsor:	FirstEnergy Solutions Corp. 341 White Pond Drive Building B3 Akron, OH 44320 1-888-254-4769 EIN: 31-1560186
Name of Plan:	FirstEnergy Solutions Corp. Voluntary Enhanced Retirement Option
Plan Number:	
Plan Effective Date:	Plan is effective as of January 2, 2019
Plan Year:	January 2 to December 31
Plan Administrator:	FirstEnergy Solutions Corp., as Plan Administrator Voluntary Enhanced Retirement Option c/o Michelle Imobersteg 341 White Pond Dr., Bldg A3 Akron, OH 44320 330-436-1488
Agent for Service of Legal Process:	FirstEnergy Solutions Corp. c/o CT Corporation System 400 Easton Commons Way Suite 125 Columbus, Ohio 43219