

## **CHARTER OF THE COMPENSATION COMMITTEE**

### **PURPOSE**

The purpose of the Compensation Committee (the “Committee”) of the Board of Directors (the “Board”) of FirstEnergy Corp. (the “Company”) is:

1. To discharge the responsibilities of the Board relating to compensation of certain executive officers of the Company, including the chief executive officer (the “CEO”),<sup>1</sup> the Company’s other officers (other than the Chairman of the Board, if the Chairman is not an employee) required to file reports regarding personal transactions and holdings in Company securities pursuant to Section 16 (together with the CEO, the “Section 16 Officers”) of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), the Chairman of the Board (if the Chairman is not an employee) and other individuals named in the Company’s annual proxy statement;
2. To review, discuss, and endorse a compensation philosophy and objectives that support competitive pay for performance and are consistent with the corporate strategy;
3. To assist the Board in establishing the appropriate annual salary, incentive compensation and equity-based plans for the Company’s Section 16 Officers, remaining Executive Council members, and certain other senior-level officers, to administer such plans in order to attract, retain and motivate skilled and talented executives and to align such plans with Company and business unit performance, business strategies and growth in shareholder value;
4. To review and discuss with the Company’s management, prior to the filing of the Company’s annual report on Form 10-K and/or proxy statement for the annual meeting of shareholders, the disclosures in the Compensation Discussion and Analysis required by applicable rules and regulations and, based upon such review and discussions, to recommend to the Board whether the Compensation Discussion and Analysis should be included (or incorporated by reference as applicable) in the Company’s annual report on Form 10-K and proxy statement;
5. To produce the Compensation Committee Report to be included in the Company’s annual report on Form 10-K and proxy statement, in accordance with applicable rules and regulations; and
6. To perform such other duties and responsibilities enumerated in and consistent with this Charter.

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<sup>1</sup> “President” shall be substituted for each reference in this Charter to “CEO” if the office of CEO is vacant for any reason.

## **COMPOSITION**

The Committee shall be comprised of not fewer than three members of the Board, as shall be determined from time to time by the Board. The members of the Committee shall be appointed by the Board upon the recommendation of the Corporate Governance and Corporate Responsibility Committee of the Board. All of the members or any individual member of the Committee may be removed from the Committee with or without cause by the affirmative vote of a majority of the Board.

Each member shall qualify as independent as defined in the Company's Corporate Governance Policies and the rules and regulations of the New York Stock Exchange (the "NYSE") and the Securities and Exchange Commission (the "SEC"). In addition, each member shall qualify as an "outside director" as such term is defined in Section 162(m) of the Internal Revenue Code of 1986, as amended (the "Code"), and the regulations promulgated thereunder or any successor provisions thereto, and as a "non-employee director" as such term is defined in Rule 16b-3 under the Exchange Act, and the rules and regulations promulgated thereunder, or any successor provisions thereto.

## **RESPONSIBILITIES AND AUTHORITY**

The Committee has the following responsibilities and authority:

1. Executive and Board Compensation

The Committee shall:

- (a) Establish a process, considering objective and subjective performance criteria, to obtain an evaluation from all independent Directors of the CEO's performance;

- (b) Review and recommend for approval by the Board, corporate goals and objectives relevant to the compensation of the Section 16 Officers. The Section 16 Officers may not be present during any meetings in which the Committee is deliberating or voting on his or her compensation;

- (c) Review, approve and inform the Board, corporate goals and objectives relevant to the compensation of the remaining Executive Council members or any other senior-level officers. The remaining Executive Council members, or any other senior-level officers may not be present during any meetings in which the Committee is deliberating or voting on his or her compensation;

- (d) At least annually, evaluate the CEO's performance in light of such corporate goals and objectives, present the results of such evaluation to the independent Directors of the Board, and cause such results to be communicated to the CEO;

- (e) Review and recommend for approval by the Board, the CEO's compensation level based on the evaluation in (c) above (including annual salary,

short-term incentive, long-term incentive and other direct and indirect benefits) to the independent Directors of the Board who shall determine and approve such compensation;

(f) In determining the long-term incentive component of the CEO's compensation, consider, among other items, the Company's performance and relative shareholder return, the value of similar incentive awards to CEOs at comparable companies, and the awards provided to the Company's CEO in the past;

(g) Review and recommend for approval by the Board, the compensation levels (including annual salary, short-term incentive, long-term incentive and other direct and indirect benefits) with respect to the Section 16 Officers other than the CEO;

(h) Review, approve and inform the Board, the compensation levels (including annual salary, short-term incentive, long-term incentive and other direct and indirect benefits) with respect to the remaining Executive Council members;

(i) Review new executive compensation programs and recommend for approval by the Board incentive compensation and equity-based plans and programs that provide benefits to Section 16 Officers, remaining Executive Council members and certain other senior-level officers. Shareholders shall be given the opportunity to vote on plans pursuant to all applicable rules and regulations as defined by the NYSE, the SEC, Internal Revenue Service, and other governing bodies, as applicable;

(j) Monitor executive compensation programs to determine whether they are properly coordinated and achieve their intended purpose;

(k) Establish and periodically review policies for the administration of executive compensation programs;

(l) Modify (or, if applicable, recommend to the Board that it modify), as necessary and appropriate, any executive compensation program that yields payments and benefits that are not achieving their intended purpose, reasonably related to executive and corporate performance or not reasonably comparable to programs of peer businesses;

(m) For the CEO, periodically, and as appropriate, review and recommend for approval by the independent Directors of the Board any (i) employment agreements and severance arrangements; (ii) change in control agreements and change in control provisions affecting any elements of compensation and benefits; and (iii) special or supplemental compensation and benefits. For all non-CEO Section 16 Officers and remaining Executive Council members, periodically, and as appropriate, review and recommend for approval (i), (ii), or (iii) referenced above by the Board;

- (n) Review the impact of change in control, spin-offs and other significant corporate events on compensation plans;
- (o) Periodically review and approve the companies included in the group of peer companies used for compensation comparison purposes based on criteria the Committee deems appropriate;
- (p) Annually assess the rigor of the performance targets and ranges included in the Company's short-term and long-term incentive programs for Section 16 Officers, remaining Executive Council members and other senior-level officers;
- (q) Review and discuss the Compensation Discussion and Analysis with management, prior to the filing of the Company's annual report on Form 10-K and/or proxy statement for the annual meeting of shareholders, and based on such review and discussions, the Committee shall recommend to the Board whether the Compensation Discussion and Analysis should be included (or incorporated by reference as applicable) in the Company's annual report on Form 10-K and proxy statement;
- (r) Establish and periodically review the Company's share ownership guidelines and monitor each Section 16 Officer's, remaining Executive Council members, and each Director's compliance with the Company's share ownership guidelines;
- (s) At least once every two years, review and, if appropriate, make recommendations to the Board regarding the compensation and benefits of the non-employee Directors, including the Chairman, if the Chairman is not an employee, including cash and equity-based retainers and meeting fees for regular Board meetings and Committee meetings;
- (t) Oversee the risk assessment of the Company's compensation arrangements applicable to the Company's Section 16 Officers, remaining Executive Council members, other senior-level executives, and other employees and review and discuss at least annually the relationship between risk management policies and practices and compensation and determine whether any such policies and practices are reasonably likely to have a material adverse effect on the Company;
- (u) In conjunction with the Board's Corporate Governance and Corporate Responsibility Committee, oversee (i) the Company's compliance with SEC rules and regulations regarding shareholder approval of certain executive compensation matters, including shareholder advisory votes on executive compensation required by Section 14A of the Exchange Act ("Say-on-Pay") and the frequency of such votes and (ii) the engagement with shareholders and proxy advisory firms on executive compensation matters;
- (v) Review, consider, and discuss the results of the previous Say-on-Pay votes and any other feedback garnered through the Company's ongoing

shareholder engagement that may be in effect from time-to-time, and recommend to the Board whether and how the Company should respond to such a vote outcome;

(w) Recommend to the Board for approval the frequency with which the Company will include in its proxy and information statement a management proposal permitting shareholders to have a Say-on-Pay. This review should take into account the most recent shareholders advisory vote on the frequency of Say-on-Pay resolutions at the Company;

(x) Administer, review and approve the revision of the recoupment policy allowing the Company to recoup compensation paid to Section 16 Officers, remaining Executive Council members, and certain other senior-level officers;

(y) Assist the Board in its oversight of the Company's policies and strategies relating to human capital management and culture, in support of the Company's values and behaviors;

(z) Review, in conjunction with the Board, the performance, development and leadership capabilities of key executives and the Company's succession planning strategies of the Company, including workforce diversity, related to positions held by the CEO and certain other members of senior management on an annual basis; and

(aa) Approve and make recommendations to the Board of Directors on any revision of anti-hedging and anti-pledging components of the Company's Insider Trading Policy or implement a standalone anti-hedging and anti-pledging policy, if any, at the discretion of the Committee.

## 2. Executive and Director Compensation Plans

The Committee shall:

(a) Administer or oversee the administration of the Company's compensation plans, including stock option and other non-qualified deferred compensation plans, of the Company in accordance with the terms of such plans;

(b) Review and make recommendations to the Board regarding the Company's compensation plans and policies, including incentive compensation plans and policies and equity-based plans and policies, taking into account the results of the most recent Say-on-Pay vote;

(c) Provide necessary approval to qualify for exemptions as may be established by the SEC under Section 16 of the Exchange Act;

(d) When determined it is appropriate or necessary, provide determinations and actions in connection with executive compensation so that such compensation may be eligible to qualify for tax deductions in excess of limitations under Section 162(m) of the Code;

(e) Review and pre-approve any additional services to be performed for the Company or its affiliates by the compensation consultant, legal counsel, or other advisor during a fiscal year in which the Committee has retained such compensation consultant, legal counsel, or other advisor to provide advice or recommendations on the form or amount of executive and Director compensation.

3. Compensation Consultant, Independent Legal Counsel, and Other Advisors

The Committee shall:

(a) Be authorized, in its sole discretion, to retain or obtain the advice of a compensation consultant, independent legal counsel or other advisor;

(b) Be directly responsible for the appointment, compensation and oversight of the work of any compensation consultant, independent legal counsel or other advisor retained by the Committee;

(c) Cause the Company to provide for appropriate funding, as determined by the Committee, for payment of reasonable compensation to a compensation consultant, independent legal counsel or any other advisor retained by the Committee;

(d) Be authorized to select a compensation consultant, legal counsel or other advisor to the Committee only after taking into consideration, all factors relevant to that person's independence from Company management, including the factors as required by the NYSE, the SEC and applicable law and such other factors as the Committee determines are relevant. Annually, the Committee will reconsider the six factors required by the NYSE and the SEC, as follows:

- (i) The provision of other services to the Company by the person or firm that employs the compensation consultant, legal counsel or other advisor;
- (ii) The amount of fees paid by the Company to the person or firm that employs the compensation consultant, legal counsel or other advisor, as a percentage of the total revenue of the person or firm that employs the compensation consultant, legal counsel or other advisor;
- (iii) The policies and procedures of the person or firm that employs the compensation consultant, legal counsel or other advisor that are designed to prevent conflicts of interest;
- (iv) Any business or personal relationship of the compensation consultant, legal counsel or other advisor with a member of the compensation committee;
- (v) Any stock of the Company owned by the compensation consultant, legal counsel or other advisor; and

(vi) Any business or personal relationship of the compensation consultant, legal counsel, other advisor or the person or firm employing the advisor with a Section 16 Officer.

(e) Annually, the Committee will reconsider the six enumerated factors set forth above with respect to a compensation consultant, legal counsel or other advisor whom it has previously selected or from whom it continues to receive advice; and

(f) The Committee also shall evaluate whether any compensation consultant to the Committee retained or to be retained by it has any conflict of interest in accordance with Item 407(e)(3)(iv) of Regulation S-K.

4. In discharging the above duties, the Committee acknowledges that, as authorized by the provisions of Section 1701.17 of the Ohio Revised Code the Board has delegated authority to the CEO of the Company to establish the compensation of senior-level officers other than Section 16 Officers and remaining Executive Council members.

5. The Committee shall produce the Compensation Committee Report to be included in the Company's proxy statement for the annual meeting of shareholders and incorporated by reference into the Company's annual report on Form 10-K as required by applicable rules and regulations of the SEC.

6. The Committee shall perform such other activities and functions related to executive compensation as may be assigned from time to time by the Board, including, but not limited to preparing or causing to be prepared any reports or other disclosure required with respect to the Committee by any applicable proxy or other rules of the SEC, the NYSE, or any other applicable listing standards.

7. The Committee shall report regularly to the Board concerning its activities. Discussion of CEO compensation among the members of the Committee and the Board is not precluded under this Charter.

8. The Committee shall conduct an annual performance evaluation of the Committee and report to the Board on such evaluation. Such evaluation shall be overseen by the Corporate Governance and Corporate Responsibility Committee of the Board.

9. In conjunction with the Board's Corporate Governance and Corporate Responsibility Committee, the Committee shall review and reassess, at least annually, the adequacy of this Charter.

10. To the extent permitted under NYSE Listing Standards and applicable law (including, without limitation, Section 162(m) of the Code and Section 16 of the Exchange Act) and consistent with any applicable provisions of the Corporate Governance Policies, the Committee is authorized to delegate its responsibilities and authority established under this Charter to one or more subcommittees.

11. At least annually, the Committee shall review all change in control agreements and periodically review the prevailing competitive practices concerning severance agreements and report on such review to the Board.

12. The Committee shall annually oversee the evaluation of management.

13. The Committee shall ensure the minutes of each meeting be kept and filed with the minutes of the Company.

#### **AMENDMENT**

This Charter and any provision contained herein may be amended or repealed by the Board.

Revised: September 15, 2020