

FIRSTENERGY CORP
Form DEF 14A
April 01, 2016
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

SCHEDULE 14A INFORMATION

Proxy Statement Pursuant to Section 14(a) of the
Securities Exchange Act of 1934

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material Pursuant to §240.14a-12

FirstEnergy Corp.
(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

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76 South Main Street

Akron, Ohio 44308

Rhonda S. Ferguson

Vice President and Corporate Secretary

April 1, 2016

Dear Shareholder:

You are cordially invited to attend the 2016 FirstEnergy Corp. Annual Meeting of Shareholders on Tuesday, May 17, 2016, at 8:00 a.m., Eastern Time, at the John S. Knight Center, 77 E. Mill Street, Akron, Ohio. If you plan to attend this meeting, you must register in advance. For information on how to register, see [Attending the Annual Meeting](#) section of the [Questions and Answers about the Annual Meeting](#) in the accompanying proxy statement.

The notice and proxy statement contain important information about proxy voting and the business to be conducted at the meeting. We encourage you to read it carefully before voting. Then, whether or not you plan to attend the meeting in person, please vote by following the voting instructions described in the accompanying materials to ensure that your shares are represented at the meeting. We encourage you to take advantage of our Internet or telephone voting options. **Your Board of Directors recommends that you vote FOR Items 1 through 5 and AGAINST each of the shareholder proposals, which are Items 6 through 9.**

The proxy statement demonstrates our ongoing commitment to provide a clear and detailed discussion of matters that will be addressed at the meeting. It includes a proxy statement summary starting on page 1 which summarizes the matters to be voted on and provides a high level overview of some of the important corporate governance and executive compensation matters discussed in more detail in the proxy statement. We encourage you to read the proxy statement summary with the more detailed information elsewhere in the proxy statement.

We are pleased to again take advantage of the Securities and Exchange Commission's notice and access rules that permit us to deliver proxy materials to some of our shareholders over the Internet. This delivery method provides our shareholders with the information they need and allows us to lower our printing and mailing costs, reduce the impact on the environment by decreasing the amount of paper needed to print the proxy statement and related materials, and reduce the resources required to deliver these materials.

The accompanying notice and proxy statement are being mailed to shareholders on or about April 1, 2016.

Your vote and support are important to us. Thank you in advance for voting promptly.

Sincerely,

Important Note Regarding Voter Participation

Pursuant to applicable rules, if your shares are held in a broker account, you must provide your broker with voting instructions for all matters to be voted on at the Annual Meeting of Shareholders except for the ratification of PricewaterhouseCoopers LLP as FirstEnergy Corp.'s independent registered public accounting firm. Your broker does not have the discretion to vote your shares on any other matters without the specific instruction from you to do so.

Please take time to **vote your shares!**

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Notice of Annual Meeting of Shareholders

April 1, 2016

To the Holders of Shares of Common Stock:

The 2016 FirstEnergy Corp. Annual Meeting of Shareholders (later referred to as the Annual Meeting or the Meeting) will be held on Tuesday, May 17, 2016, at 8:00 a.m., Eastern Time, at the John S. Knight Center, 77 E. Mill Street, Akron, Ohio. The purpose of the Meeting will be to:

Elect the 14 nominees to the Board of Directors named in the accompanying proxy statement to hold office until the 2017 annual meeting of shareholders and until their successors shall have been elected;

Ratify the appointment of PricewaterhouseCoopers LLP as our independent registered public accounting firm for 2016;

Advisory vote to approve named executive officer compensation;

Approve a management proposal to amend the Company's Amended Articles of Incorporation and Amended Code of Regulations to replace existing supermajority voting requirements with a majority voting power threshold under certain circumstances;

Approve a management proposal to amend the Company's Amended Code of Regulations to implement proxy access;

Vote on four shareholder proposals, if properly presented at the Meeting; and

Take action on other business that may come properly before the Meeting and any adjournment or postponement thereof.

Please carefully review this notice, the annual report and the accompanying proxy statement and vote your shares by following the instructions on your proxy card/voting instruction form or Notice of Internet Availability of Proxy Materials to ensure your representation at the Meeting. Only shareholders of record as of the close of business on March 18, 2016, or their proxy holders, may vote at the Meeting.

If you plan to attend the Annual Meeting, you must register in advance. See the questions and answers "Attending the Annual Meeting" section of the accompanying proxy statement for instructions on how to register.

On behalf of the Board of Directors,

Rhonda S. Ferguson

Vice President and Corporate Secretary

Akron, Ohio

Important Notice Regarding the Availability of Proxy Materials for the Annual Meeting of Shareholders to be held on May 17, 2016. This proxy statement and the annual report are available at www.ReadMaterial.com/FE.

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Time and Date: 8:00 a.m., Eastern Time, on Tuesday, May 17, 2016

Location: John S. Knight Center, 77 E. Mill Street, Akron, Ohio

Record Date: March 18, 2016

Voting: Shareholders of record of FirstEnergy Corp. common stock as of the Record Date are entitled to receive the Notice of Annual Meeting of Shareholders and they or their proxy holders may vote their shares at the Annual Meeting.

Admission: If you plan to attend the Annual Meeting, you must register in advance. For instructions on how to register, see the Attending the Annual Meeting section of the Questions and Answers about the Annual Meeting below.

Voting Matters

		Board Vote		Page Reference (for more detail)
		Recommendation FOR	AGAINST	
Item 1	Election of 14 Director Nominees named in this proxy statement	ü		28
Item 2	Ratify the appointment of PricewaterhouseCoopers LLP as our independent registered public accounting firm for 2016	ü		29

Item 3	Advisory vote to approve named executive officer compensation	ü	29
Item 4	Approve a management proposal to amend the Company’s Amended Articles of Incorporation and Amended Code of Regulations to replace existing supermajority voting requirements with a majority voting power threshold under certain circumstances	ü	30
Item 5	Approve a management proposal to amend the Company’s Amended Code of Regulations to implement proxy access	ü	32
Items 6 to 9	Shareholder Proposals	ü	35
How to Cast Your Vote			

Your vote is important! Even if you plan to attend our Annual Meeting in person, please cast your vote as soon as possible by:

Internet (or by scanning the QR Code if provided on your proxy card/voting instruction form)

Telephone

Mail by returning your proxy card/voting instruction form

Please follow the instructions provided on your proxy card/voting instruction form (later referred to as the proxy card), Notice of Internet Availability of Proxy Materials, or electronic or other communications included with your proxy materials. Also refer to the **How You Can Vote** section of the **Questions and Answers about the Annual Meeting** below for more details.

Table of Contents*Proxy Summary (Continued)***Board Nominees**

Your Board of Directors (later referred to as your Board) has 14 members that will stand for re-election. Each member stands for re-election annually. The following table provides summary information about each director nominee standing for re-election to your Board.

Director					# of Other Public Company Boards ¹
Name	Age	Since	Independent	Committee Memberships	
Paul T. Addison	69	2003	Yes	Audit, Finance (Chair)	0
Michael J. Anderson	64	2007	Yes	Corporate Governance (Chair), Finance	1
William T. Cottle	70	2003	Yes	Corporate Governance, Nuclear (Chair)	0
Robert B. Heisler, Jr.	67	2006	Yes	Audit, Compensation	3
Julia L. Johnson	53	2011	Yes	Corporate Governance, Nuclear	3
Charles E. Jones	60	2015	No	N/A	0
Ted J. Kleisner	71	2011	Yes	Compensation (Chair), Nuclear	0
Donald T. Misheff	59	2012	Yes	Audit, Compensation	2
Thomas N. Mitchell ²	60	2016	Yes	Nuclear	0
Ernest J. Novak, Jr.	71	2004	Yes	Audit (Chair), Finance	2
Christopher D. Pappas	60	2011	Yes	Compensation, Finance	2
Luis A. Reyes	64	2013	Yes	Corporate Governance, Nuclear	0
George M. Smart	70	1997	Yes	Audit, Corporate Governance	1
Dr. Jerry Sue Thornton	69	2015	Yes	Compensation, Finance	3

¹ As defined under New York Stock Exchange Listed Company Manual Section 303A Corporate Governance Standards Frequently Asked Questions.

² Mr. Thomas N. Mitchell was elected to your Board effective January 19, 2016 and is a nominee for election by shareholders at the Annual Meeting.

Ms. Catherine A. Rein and Mr. Wes M. Taylor retired from your Board, effective May 19, 2015. Additionally, Mr. Anthony J. Alexander concluded his services to your Board, effective April 30, 2015 and will not be standing for re-election.

Corporate Governance Highlights

Your Company is committed to good corporate governance, which we believe is important to the success of our business and in advancing shareholder interests. Highlights include:

- ü The positions of Chairman of the Board and Chief Executive Officer (later referred to as our CEO) are separated.
- ü Annual election of all directors
- ü All directors are independent, other than the CEO
- ü Board committees comprised entirely of independent directors
- ü Director Resignation Policy requiring any director nominee in an uncontested director election who receives a majority withheld votes to tender his or her resignation
- ü Diversity reflected in Board composition
- ü Independent directors meet without management present at every regular Board and committee meetings
- ü Corporate Governance Committee and Board engage in rigorous director succession planning
- ü Mandatory retirement age of 72 for our directors per our Corporate Governance Policies
- ü Directors attended at least 87 percent or more of Board and applicable committee meetings in 2015
- ü Our Corporate Governance Policies provide that your Board considers diversity, age, business or administrative experience and skills and other attributes when evaluating nominees for your Board
- ü Risk oversight by full Board and its committees

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Proxy Summary (Continued)

- ü Required annual Board and committee assessments per our Corporate Governance Policies
- ü Active shareholder engagement and outreach
- ü Shareholders of 25 percent or more of our shares outstanding and entitled to be vote have the right to call a special meeting
- ü Robust stock ownership guidelines
- ü Policy prohibiting short sales, hedging, margin accounts and pledging by our directors and executive officers
- ü Robust director orientation and continuing education

Our corporate governance practices are described in greater detail in the Corporate Governance and Board of Directors Information section.

Executive Compensation Highlights

What we do	What we DON T do
ü Pay-for-performance	ü Do not allow repricing of stock options
ü Consider peer groups in establishing compensation	ü Do not allow hedging or pledging of Company stock by our directors and executive officers
ü Review tally sheets	ü Do not have excise tax gross-ups
ü Robust stock ownership guidelines	ü Do not pay tax gross-ups on our limited perquisites
ü Clawback policy	ü Do not provide excessive perquisites
ü Retain an independent compensation consultant	
ü Annual advisory vote to approve named executive officer compensation	
ü Compensation Committee that is comprised entirely of independent directors	

Our executive compensation practices are described in greater detail in the Executive Compensation section.

Note About Forward-Looking Statements: Certain of the matters discussed in this proxy statement are forward-looking statements, within the meaning of the Private Securities Litigation Reform Act of 1995, that are subject to risks and uncertainties. These statements include declarations regarding management’s intents, beliefs and

current expectations, including regarding future financial and operational performance (whether associated with compensation arrangements or otherwise), and typically contain, but are not limited to, the terms anticipate, potential, expect, forecast, goal, 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. These forward-looking statements are qualified by, and should be read together with, the risk factors included in (a) Item 1A Risk Factors and Item 7 Management's Discussion and Analysis of Financial Condition and Results of Operations in our most recent Annual Report on Form 10-K and (b) other factors discussed in our other filings with the Securities and Exchange Commission. We expressly disclaim any current intention to update, except as required by law, any forward-looking statements contained herein as a result of new information, future events or otherwise. Except as otherwise noted, the information herein is as of March 23, 2016, the date we commenced printing in order to commence mailing on or about April 1, 2016.

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Questions and Answers about the Annual Meeting

Proxy Materials

1 Q: Why did I receive these proxy materials?

A: You received these proxy materials because you were a holder or beneficial owner (as defined below) of shares of common stock of FirstEnergy Corp. (later referred to as FirstEnergy, the Company, we, us or our) as of the close of business on March 18, 2016, the record date (later referred to as the Record Date). Your Company's Annual Meeting of Shareholders (later referred to as the Meeting) will be held on Tuesday, May 17, 2016. We began distributing these proxy materials to shareholders on or about April 1, 2016.

2 Q: Can I view future FirstEnergy proxy materials and annual reports on the Internet instead of receiving paper copies?

A: Yes. If you received paper copies of this proxy statement and the annual report and you are a shareholder of record, you can elect to view future proxy statements and annual reports on the Internet by marking the designated box on your proxy card or by following the instructions when voting by Internet or by telephone. If you choose this option, prior to the next annual meeting, you will be mailed a paper copy of the proxy card along with instructions on how to access the proxy statement and annual report using the Internet unless applicable regulations require delivery of printed proxy materials. Your choice will remain in effect until you notify us that you wish to resume mail delivery of these documents.

If you previously elected to access your proxy materials over the Internet, you will not receive a Notice of Internet Availability of Proxy Materials (later referred to as a Notice of Internet Availability) or paper copies of proxy materials in the mail unless applicable regulations require delivery of printed proxy materials. Instead, you will receive a paper copy of the proxy card along with instructions on how to access the proxy statement and annual report using the Internet.

If you received a Notice of Internet Availability, you may not receive printed copies of proxy statements and annual reports in the future unless applicable regulations require delivery of printed proxy materials. However, you may elect to be mailed a paper proxy card with instructions on how to access proxy statements and annual reports using the Internet for future meetings by following the instructions when voting. The Notice of Internet Availability also contains instructions on how you may request delivery of proxy materials in printed form for this Meeting or on an ongoing basis, if desired.

If you are a beneficial owner, refer to the information provided by your broker, bank or other nominee for instructions on how to elect to view future FirstEnergy proxy statements and annual reports on the Internet instead of receiving paper copies.

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3 Q: Why did I receive a one-page notice in the mail regarding the Internet availability of proxy materials instead of receiving a full set of printed proxy materials?

A: To reduce the environmental impact and related costs of the Meeting, we are pleased to again furnish the proxy materials over the Internet. As a result, we are sending a number of our shareholders a Notice of Internet Availability instead of a printed copy of the proxy materials. All shareholders receiving the Notice of Internet Availability will have the ability to access the proxy materials and vote via the Internet and to request a printed copy of the proxy materials by mail, if desired. Instructions on how to access the proxy materials over the Internet, to vote online, and to request a printed copy may be found in the Notice of Internet Availability. In addition, the Notice of Internet Availability contains instructions on how you may request delivery of proxy materials in printed form for this Meeting or on an ongoing basis, if desired.

4 Q: Can I vote my shares by filling out and returning the Notice of Internet Availability, if I received such notice?

A: No. The Notice of Internet Availability identifies the items to be voted on at the Meeting, but you cannot vote by marking the Notice of Internet Availability and returning it. The Notice of Internet Availability provides instructions on how to vote via the Internet, how to request proxy materials in printed form so that you can vote by telephone or by returning a paper proxy card by mail, and how to submit a ballot in person at the Meeting.

5 Q: Why did we receive just one copy of the proxy statement and annual report when we have more than one stock account in our household?

A: Where applicable, we follow the Securities and Exchange Commission (later referred to as the SEC) rule that permits us to send one copy each of this proxy statement and the annual report to a household if shareholders provide written or implied consent. We previously mailed a notice to eligible registered shareholders stating our intent to use this rule unless a shareholder provided an objection. Using this rule reduces unnecessary publication and mailing costs. Shareholders continue to receive a separate proxy card or opportunity to vote via the Internet, as applicable, for each stock account. If you are a registered shareholder and received only one copy each of the proxy statement and the annual report in your household, you can request multiple copies of the proxy statement and the annual report for some or all accounts for this year or in the future, either by calling Shareholder Services at 1-800-736-3402 or by writing to FirstEnergy Corp., c/o American Stock Transfer & Trust Company, LLC, P.O. Box 2016, New York, NY 10272-2016, and we will promptly deliver the requested copies. You also may contact us in the same manner if you are receiving multiple copies of this proxy statement and/or the annual report in your household and desire to receive one copy. If you are not a registered shareholder and your shares are held by a bank, broker, or other nominee you will need to contact such bank, broker, or other nominee to revoke your election and

receive multiple copies of these documents.

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6 Q: What is the difference between holding shares as a shareholder of record and holding shares in street name or as a beneficial owner ?

A: *Shareholder of Record:* If your shares are registered directly in your name with our transfer agent, American Stock Transfer & Trust Company, LLC (later referred to as AST), you are a shareholder of record of the shares. As the shareholder of record, you have the right to vote your shares directly or to grant a proxy to vote your shares to a representative of your Company or to another person. As a record holder you have received either a proxy card to use in voting your shares or a Notice of Internet Availability which instructs you how to vote.

Beneficial Owner: If your shares are held through a bank, broker, or other nominee, it is likely that they are registered in the name of such bank, broker, or other nominee and you are the beneficial owner of shares, meaning that you hold shares in street name. You are also a beneficial owner if you own shares through the FirstEnergy Corp. Savings Plan.

As a beneficial owner of shares, you have the right to direct the registered holder to vote your shares, and you may attend the Meeting (please see the [Attending the Annual Meeting](#) section of the [Questions and Answers about the Annual Meeting](#) below for instructions on how to register in advance). Your bank, broker or other nominee has provided a voting instruction form for you to use in directing how your shares are to be voted. However, since a beneficial owner is not the shareholder of record, you may not vote your shares in person at the Meeting unless you obtain a legal proxy from the registered holder of the shares giving you the right to do so. If you are a FirstEnergy Corp. Savings Plan participant, because the Savings Plan's Trustee is the only one who can vote your Savings Plan shares, you cannot vote your Savings Plan shares in person at the Meeting (although you may attend the Meeting by following the instructions on how to register in advance in the [Attending the Annual Meeting](#) section of the [Questions and Answers about the Annual Meeting](#) below).

7 Q: Who is soliciting my vote, how are proxy cards being solicited, and what is the cost?