



FirstEnergy Corp. Policy 101

Code of Business Conduct



Dear Fellow Employee:

Maintaining high ethical standards builds trust with our customers, shareholders, fellow employees, and the communities we serve. At FirstEnergy, we are all responsible for upholding high standards and being aware of ethical issues that we may face on the job. Our Code of Business Conduct communicates the fundamentals of ethical behavior in the workplace and provides important guidelines to ensure we maintain our high standards. It applies equally to all employees of FirstEnergy Corp., including the Chief Executive Officer, Chief Financial Officer and Chief Accounting Officer.

Everything we do reflects on us both personally and as a company. We owe it to each other to do our best, especially in the manner we conduct business activities.

If you know or have reason to suspect a Code of Conduct violation, please immediately talk to your supervisor, call our Employee Concerns Line (1-800- 683-3625) or contact our Chief Ethics Officer, Rhonda S. Ferguson.

Sincerely,

Charles E. Jones
President and Chief Executive Officer

“Everything we do reflects on us both personally and as a Company. We owe it to each other to do our best, especially in the manner we conduct business activities.”

Charles E. Jones
FirstEnergy President and Chief Executive Officer

FirstEnergy Code of Conduct Introduction

Our vision is to become a leading regional energy provider, recognized for operational excellence, customer service and its commitment to safety; the choice for long-term growth, investment value and financial strength; and a company driven by the leadership, skills, diversity and character of its employees.

The Board of Directors, in concert with the CEO and Executive Council will lead the Company in updating, communicating and implementing FirstEnergy's strategic vision.

We are committed to a set of core values fundamental to achieving our vision to provide superior value to customers and investors, and to provide a quality work environment for all employees.

Commitment to Maintaining the Highest Standards of Business Conduct

This Code of Business Conduct (the “Code”) serves as a reminder of the high standards we must meet in our day-to-day business activities. It also helps to guide us when formulating and pursuing Company goals and objectives. The Code is not intended to cover all situations we might encounter on the job; its guidelines help reinforce our own good judgment and personal integrity in all our business activities.

As FirstEnergy employees we are all responsible for complying with the principles included in this Code. Violations of these principles may result in disciplinary action up to and including discharge. You are encouraged to direct questions regarding proper business conduct to your supervisor. Normally, these questions will be answered and issues resolved at this level. When that is not possible, or when your supervisor requires additional guidance, the Chief Ethics Officer is available for consultation.

Supervisors are responsible for ensuring that everyone within their work group is familiar with the provisions of this Code.

Where to Go for Help and To Report Violations

As Vice President, and FirstEnergy’s Chief Ethics Officer, Rhonda Ferguson is responsible for compliance oversight in relationship to the Code. Ms. Ferguson has been given the authority to resolve your questions regarding proper business conduct, except that waivers of our Code of Business Conduct for our executive officers require consideration by our Board of Directors or an applicable Board Committee.

Known or suspected violations of laws, rules, regulations or this Code are serious matters and must be dealt with accordingly. If you become aware of or suspect a violation, you must report it immediately to your supervisor. This reporting requirement includes any actual, potential or suspected violations of the securities laws (such as any accounting, investor or financial and financial reporting related matters). If you are a FENOC employee, you also have the right to report concerns to the U.S. Nuclear Regulatory Commission as well as to the Company.

Supervisors are obliged to follow up on all reported violations of law or this Code, and to alert Ms. Ferguson’s office if an actual violation is confirmed. In the event a supervisor receives a report related to violations of the securities laws, Ms. Ferguson’s office is to be alerted immediately whether or not an actual violation has been confirmed.

When confidentiality is a concern, you may personally direct reports of violations or other business conduct inquiries to Ms. Ferguson’s office or use the Employee Concerns Line. If you are a FENOC employee, you may also use an additional reporting method called the FENOC Employee Concerns Program (“ECP”) for reporting issues such as nuclear safety, quality, reliability and regulatory compliance.

A toll-free Employee Concerns Line (1-800-683-3625) is maintained outside the Company to ensure that we have an effective and anonymous means to report compliance issues in the event that other reporting methods are not chosen. The line is operational 24 hours a day and affords complete anonymity to callers.

This Employee Concerns Line is a service established by the Company and made available to you for reporting actual or suspected violations of this Code and other Company policies and practices. Staffed by an outside agency not affiliated with the Company, the Employee Concerns Line can

be used to communicate your concerns by telephone instead of directly reporting them to your supervisor or Ms. Ferguson's office. When using this service, you will not be asked to identify yourself. You will be able to use the Employee Concerns Line to obtain updated information on any actions taken by the Company with respect to your report.

Using the Code of Conduct as Our Guide

No single book or code of conduct policy can provide answers to every situation. This Code of Business Conduct is to be used as a guide for ethical conduct. It is endorsed by top FirstEnergy executives, communicates our culture of intolerance for retaliation, provides policy guidance, and concludes with a question and answer section.

Retaliation is Unacceptable

You may make use of this procedure without fear of retaliation. It is unacceptable for anyone using this procedure to be discharged, demoted, suspended, threatened, harassed, intimidated or negatively impacted, or in any other manner discriminated against in any way as a result of filing a good faith complaint or participating in an investigation of an internal discrimination complaint.

Supervisors are cautioned that any retaliatory or other employment action taken against individuals as a result of their making a report or filing a complaint or otherwise participating in an investigation of a complaint or report under this policy shall in itself be treated as a violation of this policy and will subject the supervisor to discipline up to and including termination from employment. As with any other employment action contemplated by supervisors, employment actions being considered with respect to anyone who has filed a complaint or made a report under this policy, the supervisor must seek further guidance from appropriate representatives within the Human Resources or Legal Departments in advance of taking such action.

If the Company confirms a violation of laws, rules, regulations or this Code of Business Conduct, the Company will take corrective action against the offending individual, including discipline up to and including termination of employment, as appropriate.

General Disclaimer

The policies, practices, and procedures set forth in this Code are for information only and may be changed at any time. This Code is not an employment contract or guarantee of employment, expressed or implied.

Guiding Principles of Business Conduct

It is the responsibility of every one of us to comply with all applicable laws, rules and regulations and all provisions of this Code and related policies and procedures. This Code is designed to encourage you to lead by example with ethics and integrity and engage in open, honest, direct and ongoing dialogue. In addition, our Company has adopted a Corporate Compliance Program ("Program") to assist all business units and employees to fully comply with all applicable laws, regulations and policies. The Program demonstrates that we intend to operate our business in accordance with sound business ethics. It includes many guiding principles for specific standards of conduct.

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Relationships with Others

Fair Dealing - We have built a reputation as a trustworthy and ethical member of our community and our industry. We are committed to maintaining the highest levels of integrity and fairness within our Company. When we fail to negotiate, perform or market in good faith, we may seriously damage our reputation and lose the loyalty of our customers. You must conduct business, including dealings with the Company's customers, suppliers, competitors and other employees, honestly and fairly and not take unfair advantage of anyone through any misrepresentation of material facts, manipulation, concealment, abuse of privileged information, fraud or other unfair business practice.

Dealing with Customers - Strive to extend to our customers courteous and fair treatment. An honest effort must be made to satisfy

their needs for accurate and complete information and to provide them timely and quality services of superior value consistent with established Company standards and practices.

Dealing with Each Other - You are encouraged to engage in professional debate, constructive feedback and straight talk on strategic issues and personal and organizational performance. You should provide open, mutual support and strive for team excellence by pulling together for the Company's success and to support strategic issues once a decision is made. You are entitled to mutual respect. It is the policy of the Company to provide and maintain a work environment that is free from all forms of unlawful discrimination, including, without limitation, sexual harassment and harassment based on race, color, religion, gender, national origin, age, disability, ancestry, sexual orientation or veteran status. Members of management are responsible for encouraging appropriate workplace behaviors and reporting known or suspected policy violations. Any form of unlawful discrimination is a breach of respect that must be reported.

Q: You recently received an unsolicited "inappropriate" e-mail that you thought was very funny. You want to forward it to a friend who is a co-worker. Since this is a private joke between two friends, is it okay to forward this e-mail?

A: No. Our Company e-mail system is not to be used to send or receive this type of communication. If you are consistently receiving such material, request the recipients to stop sending it to you. The e-mail that you exchange with friends, inside or outside of the Company, may be accessed and read by our Company at random.

Further, e-mail transmitted on our network that violates any law or is deemed to be offensive may subject you to disciplinary action.

Dealing with Suppliers - Deal with our suppliers in a fair and impartial way so that no supplier is given an improper competitive advantage over another. Strive to objectively evaluate suppliers' offers for goods and services, and make buying decisions that are in the best interest of the Company and our customers from a cost, value and ethical perspective. Avoid soliciting our suppliers financially to support any Company or employee sponsored function where the Company or the employee directly benefits. If a decision is made to accept such support offered by a vendor, it must be approved by the

Chief Ethics Officer.

Conflicts of Interest – We should all be aware of any potential influences that impact or appear to impact our loyalty to our Company. A “conflict of interest” can occur when your personal interest interferes with – or may appear to interfere with – the interests of the Company as a whole. Conflicts of interest also arise when an employee, or a member of his or her immediate family, receives improper personal benefits as a result of his or her position as an employee of the Company. Avoid situations in which your personal interests are in conflict, or appear to be in conflict with the interests of the Company or your job responsibilities. This includes the use of knowledge gained through your employment to make decisions that will lead to personal gain and that are contrary to the law or the interests of the Company. This also includes financial relationships, including equity interests and loans to, or guarantees of obligations of, the party with the FirstEnergy relationship. Furthermore, the Company will not make any loans or guarantees to executive officers or their family members.

If you are not an employee represented by a labor union, you have specific responsibility of understanding and abiding by the Company's expanded Conflicts of Interest Policy.

If you have or believe that you may have a conflict of interest with respect to outside work, financial interest or otherwise, you must immediately report this to your supervisor or the Chief Ethics Officer.

Q: Some friends of yours are starting an Internet company. You're planning to work evenings and weekends until it gets off the ground, at which point you'll quit your current job. As long as all work for this startup is done on your own time, would joining the company be a conflict of interest?

A: Your first responsibility is to perform your current job. If your job requires overtime, then you must be sure that your new venture does not interfere with this. Also, if your new venture is a potential competitor, consider waiting until you can afford to join them on a full-time basis. Because this situation represents a potential conflict of interest, you should discuss it with your supervisor or the Chief Ethics Officer.

Q: Your job requires that you locate a vendor for a product

needed in your department. Your supervisor has strongly suggested that you use a particular company that you know is owned by a relative of his. Is this a potential conflict of interest?

A: Yes. You should talk about this with your supervisor. Then, solicit bids as you normally would. Consider all of the factors in choosing the vendor. The supervisor must maintain an arm's length relationship in the matter. If pressure from this supervisor continues, speak with the Chief Ethics Officer, call the Employee Concerns Line or, in this type of matter, contact the CEO directly with your concerns.

Corporate Opportunities – Corporate opportunities relating to the kinds of products and services we usually sell or the activities we typically pursue that arise during the course of your employment or through the use of our property or information belong to us. Similarly, other corporate opportunities that fit into our strategic plans or satisfy our commercial objectives that arise under similar conditions also belong to us. You may not take personal advantage of any business or investment opportunity that you may learn about through your work for the Company and that the Company may want to pursue – unless and until the Company has had an opportunity to evaluate it and has chosen not to pursue it. Employees are prohibited from: (a) taking for themselves personally opportunities that are discovered through the use of corporate property, information or position; (b) using the Company's information, assets, or position for personal profit; or (c) competing with the Company for business opportunities. Also, you may not direct corporate opportunities to our competitors, to other third parties or to other businesses that you own or are affiliated with.

Protection of Corporate Assets, Including Corporate Funds – We have a responsibility to protect Company assets entrusted to us from loss, theft, misuse and waste. Company assets and funds may be used only for legitimate business purposes and may never be used for illegal purposes. Do not keep undisclosed funds nor establish any undisclosed accounts while conducting your work. Do not knowingly cause corporate funds to be used for unlawful purposes or for purposes other than those described by the documentation supporting payment. If you become aware of theft, waste or misuse of Company assets or funds or have any questions about your proper use of them, you should speak immediately with your supervisor or the Chief Ethics Officer.

Q: You usually fill out your boss's expense report. Occasionally your boss gives you receipts for dinner engagements and you know these were not business related. What should be your first step?

A: Remind your boss that it's against Company policy to include the expenses. All financial reporting has to be accurate; our customers and shareholders depend upon it. Only legitimate expenses should be put on expense reports. Never falsify a Company document. If your boss insists on including the expenses, you should report the incident to the Chief Ethics Officer.

Confidential Information – Each employee must maintain the confidentiality of information entrusted to them by the Company and any other confidential information about the Company or its customers that comes to them, from whatever source, in their capacity as an employee, except when disclosure is authorized or legally mandated. Our business relations are built on trust, and our customers and suppliers count on that trust. If you learn information from them that is not otherwise public, you should keep that information confidential also. For purposes of this Code of Business Conduct, "confidential information" includes all non-public information relating to the Company that might be of use to competitors, or harmful to the Company or its customers, if disclosed.

Q: In a request received from a customer, you are asked to provide account balance information contained in Account X. Should you provide the information, no questions asked?

A: No. Employees are prohibited from releasing any contents of an account before first verifying the requestor is the principal owner of the account. Disclosing this information to anyone other than the principal owner can result in a data loss violation.

Corporate Records - Information derived from our records is provided to our shareholders and investors as well as government agencies. Ensure you accurately record all financial transactions in a timely manner in accordance with prescribed accounting principles. Make full, fair, accurate, timely and understandable disclosure of financial and nonfinancial information as required by law and regulation, including reports we file with the Securities and Exchange Commission (the "SEC") and other public communications. Never knowingly record false or misleading information on any Company record, report, or document, including those reports and documents submitted to any government

agency, including but not limited to the SEC. Falsifying records or keeping unrecorded funds and assets is a severe offense and may result in prosecution or loss of employment.

Q: You noticed a coworker charged the Company for time she took to go to a doctor's appointment. What should you do?

A: Remind her she went to the doctor and advise her to fix her time sheet. All Company records, including time sheets, must be accurate. If she continues to abuse this situation, involve her supervisor or the Chief Ethics Officer.

Political Activities – FirstEnergy participates in the political process through political action committees and lobbying activity to the extent permitted and encouraged by law. Do not bring pressure on employees, customers, suppliers or shareholders, etc. to contribute to, support, or oppose any political group or candidate.

Q: Your boss is a volunteer for a local political candidate's campaign. He wants you to use the Company copier to duplicate twenty flyers. Is this okay?

A: No. Our Company's resources may not be used to support any candidate or issue.

Environmental Commitment – You have an obligation to help FirstEnergy protect the environment by striving to perform your work in a manner consistent with established Company standards and practices and all applicable environmental laws and regulations.

Q: Your department regularly uses chemical solutions during equipment maintenance activities. You learn that coworkers are discarding the used chemicals down the floor drain. Is this an environmentally-friendly practice?

A: No. Always check chemical and manufacturer instructions for proper and safe disposal of chemicals. Report any unsafe practices to the environmental or safety contacts at your facility.

Fitness for Duty – You have a duty to help FirstEnergy meet its responsibility and commitments to the public welfare, to comply with state and federal regulations, and to ensure a safe work environment for your fellow employees, by coming to work free from the effects of

alcohol or illegal drug usage.

Q: Your coworker admitted they have an alcohol problem. What should you do?

A: Advise the employee to report it to supervision and request referral to the Employee Assistance Program before they hurt themselves or others. If the employee does not comply, report it to supervision or the Chief Ethics Officer.

Compliance with the Law - Endeavor to comply with both the letter and spirit of all applicable U.S. and foreign laws, rules and regulations, seeking any necessary clarifications from your immediate supervisor or the Legal Department. Do not knowingly take, or permit to be taken, any action on behalf of the Company that violates any law, rule or regulation. Acknowledge that you are expected to have an understanding of the applicable laws, rules and regulations that affect our work assignments.

Insider Trading - Because we are a public company, we are subject to a number of laws concerning the purchase and sale of our stock and other publicly traded securities. Regardless of your position with us, if you are aware of what is known as “material nonpublic information” regarding our Company, business, affairs or prospects, you may not disclose that information to anyone outside our Company, and you are not allowed to buy or sell our stock or other publicly-traded securities of the Company until the material nonpublic information is known not only by individuals within our Company, but also by the general public. “Material nonpublic information” is any information concerning us that is not available to the general public and which an investor would likely consider to be important in making a decision whether to buy, sell or hold our stock or other securities. A good rule of thumb to determine whether information about us is material nonpublic information is whether or not the release of that information to the public would have an effect on the price of our stock. The improper use of material nonpublic information is known as insider trading. Insider trading is unethical and a criminal offense and is strictly prohibited. All employees should read and understand the Company's Insider Trading Policy, which is available on the Company's portal.

Q: Your department prepares financial statements. You learn that lower-than-expected quarterly earnings are about to be announced. Is this insider information?

A: Yes. This is insider information because it has not yet been

announced to the public and a reasonable investor would consider the information important for deciding whether to buy or sell the stock.

Questions and Answers

Ethics-related questions arise almost every day in our personal and business lives. There is no doubt that, in the long run, honesty is always the best policy. Unfortunately, it is not always easy for us to determine the most ethical course of action, particularly if the situation encountered is complex or is subject to different interpretations.

Our Code of Business Conduct was developed to help you make good decisions when ethical issues arise thereby protecting the name and integrity of the Company. Many questions are dispersed throughout this Code. However, a good rule of thumb is, take this quick business conduct test ... ask yourself the following two questions:

- *Will my actions be consistent with the guidelines provided by our Code of Business Conduct?*
- *Could I comfortably reveal all of my actions to my supervisor, fellow employees, the general public, and my family?*

Below are some other questions typically asked:

Q: If I only suspect a violation of the Code of Business Conduct, should I report it?

A: Yes. Report all known and suspected violations of the law or of the Code to your supervisor immediately. If confidentiality is a factor, you may report the issue directly to the Company Chief Ethics Officer or use the Employee Concerns Line.

Q: If I am not sure whether an action I am considering is a violation of the Code of Business Conduct, who should I contact for clarification?

A: Address questions regarding proper business conduct to your supervisor or, if appropriate, the Chief Ethics Officer.

Q: Why do I need a Code of Business Conduct since honesty is common sense?

A: We all must maintain the highest standards of honesty and integrity. Even honest individuals are sometimes not sure of what is appropriate business conduct since not everyone shares the same perspective and values. The Code of Business Conduct provides guidelines for appropriate business conduct and a formal method of establishing accountability for noncompliance.

Q: What are some warning signs that actual or contemplated business activities may be contrary to the Code of Business Conduct?

A: If you hear any of the following types of statements, there could be a problem:

- *"Shred those documents immediately."*
- *"No one will ever be the wiser."*
- *"This sounds too good to be true."*
- *"I know it's not totally above board, but it's the only way to get the results we need."*
- *"Everybody does it."*
- *"It never happened. Right?"*
- *"OK, but just this once."*
- *"I don't care how you do it, just make it happen within the deadline."*
- *"A little white lie won't hurt anything."*

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