



FREQUENTLY ASKED QUESTIONS ABOUT THE ANNUITY PURCHASE

This document contains frequently asked questions (FAQs) about the annuity purchase that will occur with respect to the FirstEnergy Corp. Master Pension Plan (the Pension Plan). Please review this information carefully and contact the FirstEnergy Pension Center at Aon at **1-855-326-8167** if you have additional questions.

WHAT IS CHANGING AND WHY

1.1. Why is FirstEnergy purchasing an annuity for my pension?

The transfer will provide FirstEnergy with cost reductions as we strive to manage the overall pension trust, control costs, and ultimately benefit the security of retirees' pensions. FirstEnergy fully funded the pension benefit obligation transferred to Banner Life Insurance Company ("Banner Life") and RGA Reinsurance Company ("RGA").

1.2. Whose benefits are being included in the annuity purchase?

Certain retirees and their surviving beneficiaries receiving monthly pension payments from the Pension Plan as of January 1, 2023, are part of the annuity purchase.

1.3. Do I need to do anything?

You do not need to do anything. The administrative transfer to Banner Life will happen automatically without any action on your part.

You can expect to receive additional information from Banner Life about your annuity and how to contact them.

1.4. What insurance company has been selected?

Banner Life and RGA have been selected to provide retirement income to retirees and beneficiaries included in this group annuity purchase. While your benefits are backed financially by both of these insurers, Banner Life will be the lead administrator and your point-of-contact in providing your benefit going forward.

1.5. What does it mean that the Pension Plan purchased an annuity for my pension?

The financial responsibility for your monthly pension payments was transferred from the Pension Plan to Banner Life and RGA as of January 1, 2024. Banner Life will be the lead administrator and your point-of-contact in providing your benefit.

Under the terms of the group annuity contracts, all promised monthly pension payments to covered retirees and beneficiaries are financially guaranteed by the Banner Life and RGA.

While the company that makes your monthly payment will change, this does not affect the amount of your monthly payment. Your January, February and March 2024 monthly payments are payable by Banner Life. However, to facilitate a smooth transition, these three monthly payments will be handled by FirstEnergy on behalf of Banner Life. Beginning in April 2024, Banner Life will pay your monthly pension payments to you directly. The amount of your benefit will not change as a result of this transition.

IMPACT ON THE MONTHLY PAYMENT

2.1. Will my monthly payment change?

No. The transfer of pension payments to an annuity contract will **not** change the amount of your monthly payment.

Over time, the net payment you receive each month could change based on your personal selections at the time your benefit commenced or due to changes in tax withholdings, just as it would if payments were made by the Pension Plan. For example:

- Your tax withholdings could change due to annual changes in tax rates or if you change your withholding instructions.
- If you have any garnishments or other legally required deductions from your pension payments that change or cease in the future, your pension payment may be impacted.
- If the form of payment you elected to receive is set to change for any reason.

2.2. Can Banner Life/RGA change my benefit in the future?

No. The agreements with Banner Life and RGA are an irrevocable commitment to make monthly payments under the same payment terms you have under the Pension Plan.

2.3. I use direct deposit for my monthly pension payments. Do I need to send my banking information to Banner Life?

No. FirstEnergy will transfer your banking information so there should be no interruption to your monthly pension payments.

2.4. Will my monthly annuity payment be charged fees by Banner Life/RGA?

No. Banner Life/RGA will not charge you fees. The group annuity contracts will provide you with the same monthly payment under the same terms as you have today.

2.5. What happens in the event of a death (mine or my spouse's)?

Banner Life will honor the elections you made when you elected your pension benefits, including any survivor benefits. What will change is whom you contact to report a death. Starting March 5, 2024, you should report any death directly to Banner Life. More information about how to contact Banner Life will be provided before the company takes over the responsibility of administering your monthly pension payments on April 1, 2024.

If you still have other benefits (i.e., life insurance), you will still need to contact the FirstEnergy HR HelpDesk at 1-800-543-4654 to notify us of the death. This transition only impacts the payment of your pension benefit.

ABOUT THE TRANSITION

3.1. When will I start receiving annuity payments from Banner Life instead of pension payments?

Banner Life will take on administrative responsibility for your annuity payments starting April 1, 2024. To facilitate a smooth transition, monthly payments will be provided by FirstEnergy on behalf of Banner Life until then. The transition to Banner Life will happen with no interruption to your monthly pension payments.

3.2. Who do I call if I have questions after the transition occurs?

You will receive additional information from Banner Life in mid-March. This will include contact information should you:

- Have questions about your monthly annuity payment
- Need to change your address, update your bank information, or modify your tax withholding
- Need to report a death or divorce that could affect your monthly payments

If you have other benefits (i.e., life insurance), you will need to contact the FirstEnergy HR Help Desk at 1-800-543-4654 with any questions.

3.3. Does the payment I receive from Banner Life continue to be considered a pension plan benefit?

No. Your monthly payment will transition from a pension plan benefit to an annuity payment, fully guaranteed by Banner Life, with respect to 25% of the payment and RGA, with respect to 75% of the payment, based on the provisions of the annuity contracts. The annuity contracts are designed to continue payments that satisfy the pension you were promised under the Pension Plan. (Refer to the “Protection of monthly payments” section in this document to learn more.)

SELECTION OF THE INSURANCE COMPANY

4.1. How was the insurance company selected?

In conducting the assessment, the Plan's fiduciary committee and its advisors went through an exhaustive process and followed the fiduciary standards set forth under the Employee Retirement Income Security Act (ERISA), the federal law that governs pension plans, and the applicable DOL Interpretive Bulletin. The Interpretive Bulletin provides plan fiduciaries with guidance on the criteria that need to be analyzed when selecting an insurance company for this purpose. After a thorough analysis, including a review of these factors, the Plan's fiduciary committee selected Banner Life and RGA to provide your future pension benefit payments. Banner Life is looking forward to administering your pension benefits in the future.

4.2. Why was an independent annuity expert hired to evaluate the insurance companies?

Under federal law governing pension plans, plan fiduciaries are obligated to make plan decisions prudently and for the exclusive benefit of plan participants and beneficiaries. FirstEnergy decided it was best to hire an independent annuity expert to provide the Plan's fiduciary committee with a comprehensive evaluation of the various insurance companies.

4.3. Where can I learn more about the insurance companies that will guarantee my benefits?

You can find additional information on the insurance company's website at <https://www.lgamerica.com/retirement>.

PROTECTION OF MONTHLY PAYMENTS

5.1. How was my pension benefit protected before it was transferred to Banner Life and RGA?

Prior to the transfer of your benefit to Banner Life and RGA, your benefit was guaranteed by the Pension Plan. In the rare event of a default by the Pension Plan to meet pension obligations, your benefit was insured by the Pension Benefit Guaranty Corporation (PBGC), a U.S. government agency that provides protections—up to certain limits—for pension benefits in the event the Pension Plan could no longer pay benefits. (Learn more about the PBGC at pbgc.gov.) While the PBGC is a U.S. government agency, the federal government does not fund or guarantee payments by the PBGC.

5.2. How will my pension benefit be protected now that it has been transferred to Banner Life?

Under the group annuity contracts, the amount of your pension benefit will be guaranteed by Banner Life and RGA. Insurance companies are heavily regulated to protect the interests of individuals receiving annuity payments. For example, there are regulations requiring Banner Life and RGA to hold funds in excess of the amount expected to be needed to make the guaranteed payments. Both Banner Life and RGA hold assets well in excess of the minimum required. In the unlikely event an insurer becomes insolvent, additional protection is provided by the state guaranty association, with coverage that is subject to certain limits that may vary by your state of residence. State guaranty associations act as a form of insurance for insurance companies.

For more information on state guaranty associations, visit the National Organization of Life & Health Insurance Guaranty Associations at nolhga.com. Click on *Facts & Figures*, then click on *GA Law Summaries* and scroll through the drop-down menu to select your state.

5.3. What state guaranty association will provide protection for my annuity payment?

Generally speaking, in the rare case that Banner Life and/or RGA is unable to pay their respective portions of your annuity benefit, where you live at the time determines which state guaranty association is responsible (subject to applicable limits). In certain circumstances, other factors such as where the insurance company is licensed to do business determine which state guaranty association may be responsible.

5.4. How can I assess the financial health of an insurance company?

Insurance companies file an annual report that is available on their websites. In addition, you should know that FirstEnergy had a fiduciary obligation under ERISA to consider the financial health of the insurance company that was ultimately selected. Reviewing the financial health of each company was part of the analysis undertaken by the Plan's fiduciary committee during the process of selecting an insurance company.

EXPLANATION OF TERMS

6.1. What is an annuity?

An annuity is series of payments made over a specific period of time, such as a fixed time period or over the lifetime of one or more individuals. Annuity payments may be made by pension plans or by insurance companies.

6.2. What is a group annuity contract?

A group annuity contract is the written agreement between an insurance company and an organization covering annuity payments to multiple individuals. The group annuity contract outlines each party's obligations in an annuity coverage agreement and defines the terms of the annuity payments. Each individual under a group annuity contract has a right to his or her specific annuity amount.

6.3. What is the Pension Benefit Guaranty Corporation (PBGC)?

The Pension Benefit Guaranty Corporation – or PBGC – is a U.S. federal government agency that provides protections – up to certain limits – for defined benefit pension benefits in the event a plan can no longer pay benefits. The FirstEnergy Corp. Master Pension Plan is a defined benefit pension plan.