

**EXELON CORPORATION  
BOARD OF DIRECTORS**

**COMPENSATION COMMITTEE CHARTER**

**ORGANIZATION**

**Membership**

The Compensation Committee shall be composed of three or more independent, outside, non-employee directors (as each such term is defined, respectively, in the Board's Corporate Governance Principles, Section 162(m) of the Internal Revenue Code, and Section 16 of the Securities Exchange Act of 1934) of Exelon Corporation (Exelon or the Company). Membership is determined annually, and may be changed at other times, by the Board of Directors upon the recommendation of the Corporate Governance Committee. The Committee Chair is appointed by the Board upon the recommendation of the Corporate Governance Committee. The Board fills vacancies in the membership of the Committee upon the recommendation of the Corporate Governance Committee.

**Meetings and Resources**

The Committee shall meet in accordance with the annual schedule approved by the Board. Additional meetings shall be scheduled as the Committee Chair deems appropriate. A majority of the Committee members shall constitute a quorum for the transaction of business. Approval by a majority of the Committee members present at a meeting at which a quorum is present shall constitute approval by the Committee. The Committee may also act by unanimous written consent without a meeting. The Secretary or an Assistant Secretary shall record minutes of Committee meetings. The Chief Executive Officer and the Executive Vice President and Chief Human Resources Officer may attend meetings at the invitation of the Committee Chair, but will not be present for discussion of matters pertaining to their own compensation.

Consultants. The Committee is authorized to retain and terminate, without Board or management approval, the services of one or more independent advisors and consultants to provide such advice and assistance as the Committee deems appropriate. Such advisors and consultants shall report directly to the Committee. The Committee has the sole authority to approve such advisors' and consultants' fees and other retention terms, and shall review at least twice per year any other services that the consultant or the consultant's firm may provide to the Company. The Company will fund the cost of the Committee's advisors and consultants.

**BASIC FUNCTION AND PURPOSE**

The Committee shall:

- Ensure that executive compensation levels and targets are aligned with, and designed to achieve, Exelon's strategic and operating objectives.

- Review recommendations from management, outside consultants and the Board (where appropriate) and approve (or recommend approval of) matters of executive compensation for officers of Exelon and its subsidiaries including:
  - Base salary;
  - Incentive awards;
  - Restricted stock units;
  - Stock options;
  - Performance Shares;
  - Dividend Equivalents;
  - Perquisites; and
  - Any other forms of compensation.
- Have the authority to review, prior to implementation, the compensation policies and decisions of affiliates that the Company does not wholly own.

## **RESPONSIBILITIES**

### **Chairman and Chief Executive Officer**

- The Committee makes recommendations to the independent directors regarding the compensation of the Chairman and Chief Executive Officer.
- The independent directors determine and approve the compensation of the Chairman and Chief Executive Officer based upon the evaluation of the performance of the Chairman and Chief Executive Officer in light of the performance criteria established by the Board with the recommendation of the Corporate Governance Committee and consistent with any employment agreements of the Chairman and Chief Executive Officer.

### **Exelon President and Executive Vice Presidents**

- The Committee makes recommendations to the Board regarding the compensation of the President (if different from the Chief Executive Officer) and the Executive Vice Presidents of Exelon.
- The full Board elects and approves the compensation of the President (if different from the Chief Executive Officer) and the Executive Vice Presidents of Exelon.

### **All Other Exelon Corporate Officers**

- The Committee acts to elect and approves the compensation of all senior vice presidents and vice presidents of Exelon.

### **Subsidiary Senior Vice Presidents and Above**

- The Committee acts to approve the compensation of subsidiary officers, senior vice president and above, provided that with respect to Commonwealth Edison Company (ComEd), the Committee makes recommendations to the ComEd Board of Directors with respect to the compensation of ComEd officers, senior vice president and above. Subject to applicable law and any limits in any delegation of authority of any

subsidiary of Exelon, the Committee acts to elect or concur in the election of officers of subsidiaries of Exelon at or above the level of senior vice president.

### **Other Officers and Employees**

- Except as may be provided below with respect to equity awards, compensation for employees of Exelon and its subsidiaries and affiliates who are not officers described above shall be determined by the appropriate officers of the Company or its subsidiaries and affiliates, under the direction of the Chief Executive Officer and the Chief Human Resources Officer (or, with respect to ComEd, ComEd's Chief Executive Officer).

### **Delegations**

- The Committee designates one or more officers to whom it delegates the authority for approval of salaries, incentives and other compensation and benefit programs (other than Stock-based Awards, with respect to which the Committee delegates authority to the extent provided in the applicable plan and except as set forth in the Scope of Authority above), and amendments to such programs, for Exelon and its subsidiaries and affiliated entities, including controlled affiliates; provided that the total potential expenditures under any such program (or related to any such amendment) so approved shall not exceed \$50 million.
- The Committee delegates to the Chairman and Chief Executive Officer and the Chief Human Resources Officer the authority to adjust base salaries and make grants of restricted stock units, stock options, and cash recognition awards to officers below the level of executive vice president on an interim basis, subject to ratification by the Committee and to the limitations on equity grants set forth below.

### **Executive Compensation**

- The Committee is responsible for setting the Company's general policy regarding executive compensation to ensure that executive compensation levels and targets for Exelon and its subsidiaries are consistent with the Board's compensation philosophy and aligned with, and designed to achieve, Exelon's strategic and operating objectives.
- The Committee shall review at least annually the Company's executive compensation plans and programs in light of Exelon's strategic goals and objectives and in light of competitive practices of the peer group of companies and emerging "best practices" in executive compensation. In reviewing executive compensation, the Committee may utilize the services of an independent compensation consultant who reports directly to the Committee.
- Based on its review of the Company's executive compensation plans and programs, and if it deems it appropriate, the Committee shall act to adopt new, or amend existing, executive compensation plans or programs or, to the extent an amendment or adoption requires Board or shareholder approval, recommend to the Board the approval of an amendment to an existing plan or the adoption of a new plan.

### **Administration of Incentive Compensation Plans**

- The Committee approves the performance goals and formulae for applying such goals under annual incentive compensation plans and programs and administers and interprets the terms of such plans and programs. The Committee evaluates the performance of the Company in meeting the specific performance goals and

formulae, and to the extent that the goals are based on adjusted (non-GAAP) operating earnings, the Committee determines what items are to be included in or excluded from adjusted (non-GAAP) operating earnings for purposes of making annual incentive compensation awards.

- The Committee administers and interprets the terms of the Long Term Incentive Plan and any programs thereunder. The Committee approves the performance goals and formulae for applying such goals under the Long Term Incentive Plan and any programs thereunder and approving or ratifying all awards of stock options, restricted stock units, dividend equivalents, stock appreciation rights, performance units, performance shares and phantom stock under such plan (“Stock-based Awards”). The Committee evaluates the performance of the Company in meeting the specific performance goals and formulae of any Stock-based Awards. Notwithstanding the scope of authority described above with respect to the various classes of officers and employees, the Committee or the full Board of Directors must approve any Stock-based Awards to an executive officer of the Company.
- It shall be the policy of the Company not to reprice options awarded under the Long Term Incentive Plan and to seek shareholder approval of all new equity compensation plans and material changes in existing equity compensation plans.

#### **Employment Agreements, Severance and Change in Controls Plans and Perquisites**

- The Committee reviews and approves employment agreements, severance and change in control or similar plans or agreements, and payments to be made to any executive officer.
- The Committee annually reviews the Company’s perquisites and compliance with the Company’s perquisites policies.
- The Committee reviews and pre-approves any compensation arrangement or other perquisite that is outside of the Company’s approved policies.
- The Committee annually reviews the Company’s total compensation liabilities to the Chief Executive Officer and the named executive officers under various scenarios, including voluntary termination, retirement, involuntary termination and change in control.
- The Committee acts to adopt and amend employee benefit, retirement, deferred compensation and other plans applicable to officers and employees of Exelon and its subsidiaries and affiliated entities, subject to the limitations established by the Board and the Bylaws of the Company and any limitations in authority over such subsidiaries and affiliated entities.
- The Committee monitors compliance with the stock ownership requirements for directors and executives as set forth in the Exelon Corporate Governance Principles.

#### **Disclosure**

- The Committee reviews and discusses with management the executive compensation disclosures and the compensation discussion and analysis (CD&A) required by the Securities and Exchange Commission and recommends to the Board that the CD&A be included in the Company’s annual proxy statement and annual report on Form 10-K.

- The Committee prepares the report on executive compensation required to be included in the Company's annual proxy statement.

**Other Responsibilities**

- The Committee acts on behalf of the full Exelon Board of Directors on matters for which the Board has delegated authority to the Committee.
- The Committee evaluates annually its performance in the fulfillment of its functions and the performance of its responsibilities.

**REPORTING RESPONSIBILITY**

All action taken by the Committee shall be reported to the Board of Directors at the next regularly scheduled Board meeting following such action.