

EXELON CORP
Form DEF 14A
April 02, 2014
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a)
of the Securities Exchange Act of 1934
(Amendment No.)

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**
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- Definitive Proxy Statement
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EXELON CORPORATION

(Name of Registrant as Specified In Its Charter)

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

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April 1, 2014

**NOTICE OF THE ANNUAL MEETING
AND 2014 PROXY STATEMENT**

To the shareholders of Exelon Corporation:

Our Annual Meeting of Shareholders will be held on Tuesday, May 6, 2014 at 9:00 a.m. Eastern Time at PECO Energy Company headquarters, 2301 Market Street, Philadelphia, Pennsylvania to:

- 1) Elect director nominees named in the attached proxy statement;
 - 2) Ratify PricewaterhouseCoopers LLP as Exelon's independent accountant for 2014;
 - 3) Approve the compensation of our named executive officers as disclosed in the attached proxy statement;
 - 4) Renew the Exelon Corporation Senior Executive Annual Incentive Plan, effective January 1, 2014;
 - 5) Vote on one shareholder proposal, if properly presented at the meeting; and
 - 6) Conduct any other business that properly comes before the meeting.
- Shareholders of record as of March 14, 2014 are entitled to vote at the annual meeting.

This notice and proxy statement, voting instructions, and Exelon's 2013 annual report are being mailed to shareholders beginning on April 1, 2014.

Bruce G. Wilson

Senior Vice President,

Deputy General Counsel and Corporate Secretary

Your vote is important. We encourage you to vote promptly.

Internet and telephone voting are available through 11:59 p.m.

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Proxy Statement Summary

We are providing these proxy materials in connection with the solicitation by the board of directors of Exelon Corporation (Exelon, the company, we, us, or our), a Pennsylvania corporation, of proxies to be voted at our 2014 annual meeting of shareholders and at any adjournment or postponement. The annual meeting of shareholders will take place on May 6, 2014 beginning at 9:00 a.m., Eastern Time, at PECO Energy Company headquarters, 2301 Market Street, Philadelphia, Pennsylvania.

MATTERS FOR SHAREHOLDER VOTING

At this year's annual meeting, we are asking our shareholders to vote on the following matters:

Proposal 1: Election of Directors

The board of directors recommends a vote FOR the election of the director nominees named in this proxy statement. See pages 1 through 14 for further information on the nominees.

Proposal 2: Appointment of PricewaterhouseCoopers LLP for 2014

The board of directors recommends a vote FOR this proposal. See page 35 for details.

Proposal 3: Advisory Approval of Executive Compensation

The board of directors recommends a vote FOR this proposal. See pages 36 through 80 for details.

Proposal 4: Approval of Senior Executive Incentive Plan

The board of directors recommends a vote FOR this proposal. See pages 81 through 83 for details.

Proposal 5: Shareholder proposal regarding executive compensation

The board of directors recommends a vote AGAINST this proposal. See pages 84 through 86 for details.

The board of directors knows of no other matters to be presented for action at the annual meeting. If any matter is presented from the floor of the annual meeting, the individuals serving as proxies intend to vote on these matters in the best interest of all shareholders. Your signed proxy card gives this authority to Darryl M. Bradford and Bruce G. Wilson.

Please refer to the material on pages 89 - 92 for information about how to cast your votes, who may attend the meeting, and other frequently asked questions.

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Proxy Statement Summary

GOVERNANCE HIGHLIGHTS

Exelon is committed to maintaining the highest standards of corporate governance. Strong corporate governance practices help us achieve our performance goals and maintain the trust and confidence of our investors, employees, customers, regulatory agencies and other stakeholders. Our corporate governance practices are described in more detail on pages 15-30 and in our Corporate Governance Principles, which can be found in the Investors section of our website.

Director Independence

13 of our 15 nominees are independent.

Our CEO is the only management director.

During 2013, all of our board committees (except the generation oversight committee) were composed exclusively of independent directors.

Board Leadership

We have an independent Lead Director, selected by the independent directors.

The Lead Director serves as non-exclusive liaison between management and the other non-management directors.

The positions of Chairman and CEO are separated

Executive Sessions

The independent directors regularly meet in executive sessions without management.

The Lead Director presides at these executive sessions.

Board Oversight of Risk Management

Our board reviews Exelon's systematic approach to identifying and assessing risks faced by Exelon and our business units.

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The board considers enterprise risk in connection with emerging trends or developments and the evaluation of capital investments and business opportunities.

The finance and risk committee oversees our risk management strategy, policies and practices and financial condition and risk exposures.

Stock Ownership Requirements

Our independent directors must hold at least 15,000 shares of Exelon common stock within five years after joining the board.

Our CEO must, after five years of employment, hold Exelon Common Stock valued at five times base salary.

Executive vice presidents and higher officers must, within five years after employment or September 30, 2012, hold Exelon Common Stock, valued at three times base salary.

Board Practices

Our board annually reviews its effectiveness as a group.

Continuing director education is provided during regular board and committee meetings.

Directors may not stand for election after age 75.

Accountability

All directors stand for election annually.

In uncontested elections, directors must be elected by a majority of votes cast.

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Proxy Statement Summary

2013 EXECUTIVE COMPENSATION HIGHLIGHTS

As more fully explained in Compensation Discussion and Analysis beginning at page 41, our compensation program is designed to retain and reward leaders who create long-term value for our shareholders. Since our last annual meeting, we have modified the compensation program to further enhance this alignment, conform to best practices and respond to input from investors.

CHANGES TO EQUITY COMPENSATION PROGRAMS

We made a number of changes to the performance share award program:

Lengthened the performance period from one to three years;

Reinstated total shareholder return as a modifier;

Reduced the number of goals from six to two, operational excellence and financial management;

Changed the metrics used in the goals from qualitative to quantitative.

We also eliminated stock option grants and changed the mix of equity awards for the named executive officers to 67% performance shares and 33% restricted stock units.

Because the change from a one-year to a three-year performance period for the performance share award program would significantly decrease the targeted equity payments that would vest in 2014 and 2015, we made a one-time grant of performance-based transition awards to level out the vesting of performance shares during the transition period. The transition awards use the same goals as performance shares; however, they do not include the total shareholder return modifier or individual performance multipliers.

CEO COMPENSATION HIGHLIGHTS

Two elements drove the increase in the 2013 total compensation of Exelon's President and Chief Executive Officer, Christopher M. Crane as compared to 2012: the board decision to increase his target total direct compensation to the market median from 20% below the market median and the one-time grant of the performance-based transition award discussed above.

Approximately 90% of Mr. Crane's compensation is at risk, which is a greater percentage than the pay at risk of CEOs at our peer companies.

2013 COMPENSATION PAYOUT DECISIONS

Base salary increases for the named executive officers averaged 3.4%.

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Annual incentive payout approved at 104.35% of target based on adjusted operating earnings of \$2.50 versus a target of \$2.49.

Performance share plan performance for 2013 was at 147.8% of target based on outstanding operational performance and solid financial management performance, but the compensation and leadership development committee reduced the performance factor to 125% of target to better align with a lagging stock price for the year.

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Cautionary Statements Regarding Forward-Looking Information

This proxy statement contains certain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 that are subject to risks and uncertainties. The factors that could cause actual results to differ materially from the forward-looking statements made by Exelon Corporation include those factors discussed herein, as well as the items discussed in (1) Exelon's 2013 Annual Report on Form 10-K in (a) ITEM 1A. Risk Factors, (b) ITEM 7. Management's Discussion and Analysis of Financial Condition and Results of Operations and (c) ITEM 8. Financial Statements and Supplementary Data: Note 22; and (2) other factors discussed in filings with the Securities and Exchange Commission by Exelon. Readers are cautioned not to place undue reliance on these forward-looking statements, which apply only as of the date of this proxy statement. Exelon does not undertake any obligation to publicly release any revision to its forward-looking statements to reflect events or circumstances after the date of this proxy statement.

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Election of Directors

PROPOSAL 1: ELECTION OF DIRECTORS

DIRECTOR NOMINEES

Upon the recommendation of the corporate governance committee, the board nominated the 15 candidates named below for election as directors, each to serve a term ending with the annual meeting in 2015. Each of the following nominees has agreed to be named in this proxy statement and to serve as a director, if elected. If any director is unable to stand for election, the board may reduce the number of directors or designate a substitute. In that case, shares represented by proxies may be voted for a substitute director. Exelon does not expect that any director nominee will be unable to serve.

The corporate governance committee believes that the current membership of the board represents an effective mix of directors in terms of the range of backgrounds and experience and diversity. The current board consists of directors who range in age from 55 to 73, with an average age of 64 and a median age of 66.5. The tenure of the directors is similarly varied, with two directors having served since the company's creation in 2000, one since 2002, one since 2004, one since 2005, two since 2007, one since 2008, one since 2009, five since 2012 and one joining in 2013. Five directors come from the Chicago area, two from the Philadelphia area, and one from the Baltimore area, the company's three primary markets, while seven come from other parts of the country. Two directors are African-Americans, two are women, one is Hispanic, and one is Asian-American.

The current directors have a wide diversity of experiences that fill the needs of the board and its committees. Nine directors are current or former CEOs of corporations; one is the former CEO of a university. Two directors have strong nuclear experience. Six directors have experience in banking and investment management. Two have served in government and one has flag officer military experience. Individual directors have experience or expertise in accounting, utility regulation and operations, and environmental matters, law, the economics of energy and government affairs.

The board of directors held seven meetings during 2013. The board also attended a two-day strategy retreat with the senior officers of Exelon and subsidiary companies. All directors attended at least 75% of all board and committee meetings that they were eligible to attend, with an average attendance of approximately 98.21% across all directors for all board and committee meetings. Although Exelon does not have a formal policy requiring attendance at the annual shareholders meeting, all directors generally attend the annual meeting and all of them, with the exception of Mr. Anthony K. Anderson, did so in 2013. Mr. Anderson was out of the country on business scheduled before he became a director in January 2013.

The board of directors recommends a vote FOR each of the director nominees below.

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Election of Directors

<p>ANTHONY K. ANDERSON</p>	<p>In 2012, Mr. Anderson retired as the Vice Chair and Midwest Area Managing Partner of Ernst & Young, after a 35-year career with E&Y. In that capacity, Mr. Anderson oversaw a practice of 3,500 audit, tax, and transaction professionals serving clients through the Midwest. Mr. Anderson also served for six years in the Los Angeles area as managing partner of E&Y’s Pacific Southwest region. Mr. Anderson also served as a member of Ernst & Young’s governing body, the Americas Executive Board. Mr. Anderson currently serves on the boards of AAR Corp. (aerospace and defense), where he serves on the audit and compensation committees; Avery Dennison Corporation (labeling and packaging materials), where he serves on the audit committee; and First American Financial Corporation (financial services), where he serves on the governance and nominating committee. Mr. Anderson also served as a director of the Federal Reserve Bank of Chicago from 2008-2010. Mr. Anderson is the chairman of the board of the Perspectives Charter School. He is also a member of the boards of Chicago Urban League, The Chicago Council on Global Affairs, the Regional Transportation Authority and World Business Chicago. In Los Angeles, Mr. Anderson served as chairman of Town Hall Los Angeles, the Children’s Bureau of Southern California, and the California Science Center. Mr. Anderson is a member of the American, California, and Illinois Institute of Certified Public Accountants. Mr. Anderson’s experience as the vice chair of a global professional services firm and his training and experience as an audit partner and certified public accountant enhance his contribution to the Exelon board and add value to his experience on the audit, finance and risk and generation oversight committees.</p>
<p>Retired Vice Chair and Midwest Area Managing Partner of Ernst & Young</p>	
<p>Age: 58</p>	
<p>Director since: 2013</p>	
<p>Committees:</p>	
<p>Member-Audit Committee (effective March 1, 2013)</p>	
<p>Member-Finance and Risk Committee (effective January 1, 2014)</p>	
<p>Member-Generation Oversight Committee (effective January 1, 2014)</p>	

<p>ANN C. BERZIN</p>	<p>Ms. Berzin has been a director of Exelon since March 12, 2012. Previously, Ms. Berzin served as a director of Constellation Energy Group from 2008 through March 2012 when Constellation merged with Exelon. From 1992 to 2001, Ms. Berzin served as Chairman and Chief Executive Officer of Financial Guaranty Insurance Company (FGIC), an insurer of municipal bonds, asset-backed securities and structured finance obligations. Ms. Berzin joined FGIC in 1985 as its</p>
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**Former
Chairman and
Chief**

**Executive Officer
of Financial**

**Guaranty
Insurance
Company**

(FGIC)

General Counsel following seven years of securities law practice in New York City. Ms Berzin is a director of Ingersoll-Rand plc, Chair of its finance committee, and a member of its audit committee, and previously served as a director of Kindred Healthcare, Inc. (healthcare services) from 2006-2012. Ms. Berzin has broad business and executive leadership experience, as well as expertise in the financial services sector, which is particularly valuable in the area of risk management. Ms. Berzin also serves on the board of BGE, an Exelon subsidiary.

Age: 62

Director since:
2012

Committees:

Member-Audit
Committee

Member-Energy
Delivery

Oversight
Committee
(through

December 31,
2013)

Member-Finance
and Risk

Committee

Table of Contents**Election of Directors****JOHN A. CANNING, JR.**

**Chairman and co-founder
of Madison Dearborn
Partners,**

LLC

Age: 69

Director since: 2008

Committees:

Chair-Compensation and
Leadership Development
Committee

Member-Corporate
Governance Committee

Mr. Canning is the Chairman and co-founder of Madison Dearborn Partners, LLC (MDP), which specializes in management buyout and special equity investing. MDP has raised investment funds with more than \$18 billion in limited partner commitments from over 400 endowments, pension funds and other sophisticated investors. MDP has made significant investments in the energy and power industry. Prior to co-founding Madison Dearborn Partners, Mr. Canning spent 24 years with First Chicago Corporation, where he managed the bank's venture investments. Mr. Canning has over 33 years of experience in private equity investing, including reviewing financial statements and audit results and making investment and acquisition decisions. Mr. Canning is a former director and Chairman of the Federal Reserve Bank of Chicago, giving him insight into economic trends important to the business of Exelon. Mr. Canning also serves on the board of Corning, Inc., a specialty glass and ceramics producer. Mr. Canning has also served on the board of directors of Jefferson Smurfit Group plc and on the audit committees of several charitable organizations, including the Irish Pension Reserve Fund. In addition to his business experience, he also has a law degree. Mr. Canning is a recognized leader in the Chicago business community with knowledge of the economy of the Midwestern United States and the northern Illinois communities that Exelon serves. Mr. Canning's business experience and service on the boards of other companies and organizations enable him to contribute to the work of the Exelon board. Mr. Canning's experience in banking and in managing investments, and his experience on the audit committees of other organizations, make him a valued member of the compensation and leadership development committee and the corporate governance committee.

CHRISTOPHER M. CRANE

**President and Chief Executive
Officer of Exelon Corporation**

Age: 55

Director since: 2012

Mr. Crane is President and Chief Executive Officer of Exelon Corporation since March 12, 2012. Previously, he served as President and Chief Operating Officer, Exelon; President and Chief Operating Officer, Exelon Generation since 2008. In that role, he oversaw one of the U.S. industry's largest portfolios of electric generating capacity, with a multi-regional reach and the nation's largest fleet of nuclear power plants. He directed a broad range of business including major acquisitions, transmission strategy, cost management initiatives, oversight of major capital programs, generation asset optimization and generation development. Mr. Crane is one of the leading executives in the electric utility and power industries. Mr. Crane served as a director of Aleris International Inc. from 2010 through October 2013 (manufacture and sale of aluminum rolled and extruded products), where he served on the compensation committee and as the chair of the nominating and corporate governance committee. He is a member of the executive committee of the Edison Electric Institute and the board of directors of the Institute of Nuclear Power Operations, the industry organization promoting the highest levels of safety and reliability in nuclear plant operation. He is vice chairman of the Nuclear Energy Institute, the nation's nuclear industry trade association, where he has also served as chairman of the New Plant Oversight Committee and as a member of the Nuclear Strategic Issues Advisory Committee, the Nuclear Fuel Supply Committee and the Materials Initiative Group.

Committees:

Member-Generation Oversight
Committee

Member-Investment Oversight
Committee (effective
January 1, 2014)

Table of Contents**Election of Directors****YVES C. DE BALMANN**

**Former Co-Chairman of
Bregal
Investments LP**

Age: 67

Director since: 2012

Committees:

Member-Audit Committee

Member-Compensation and
Leadership Development
Committee (effective
January 1, 2014)

Member-Finance and Risk
Committee

Mr. de Balmann has been a director of Exelon since March 12, 2012. Mr. de Balmann served as a director of Constellation Energy Group from 2003 through March 2012 when Constellation merged with Exelon. Mr. de Balmann served as the Co-Chairman of Bregal Investments LP, a private equity investing firm, from September 2002 through December 2012. He was Vice-Chairman of Bankers Trust Corporation, in charge of Global Investment Banking, until its merger with Deutsche Bank in 1999 when he became Co-Head of Deutsche Bank's Global Investment Bank, and Co-Chairman and Co-Chief Executive Officer of Deutsche Banc Alex. Brown from June 1999 to April 2001, and then a Senior Advisor to Deutsche Bank AG from April 2001 to June 2003. Mr. de Balmann is a director of Laureate Education, Inc., he is non-executive Chairman of Conversant Intellectual Property Management. He also has served as a director of ESI Group, a technology company based in France, in the past five years. Mr. de Balmann has extensive experience in corporate finance, including the derivatives and capital markets.

NICHOLAS DEBENEDICTIS

**Chairman, President and Chief
Executive Officer of Aqua
America Inc.**

Age: 68

Mr. DeBenedictis is the Chairman (since 1993), President and Chief Executive Officer (since 1992) of Aqua America Inc., a water utility with operations in 10 states. Aqua America is the second largest U.S.-based, publicly-traded water and wastewater company in the country. As CEO, Mr. DeBenedictis has experience in dealing with many of the same development, land use and utility regulatory issues that affect Exelon and its subsidiaries. Mr. DeBenedictis also has extensive experience in environmental regulation and economic development, having served in two cabinet positions in the Pennsylvania government, as Secretary of the Pennsylvania Department of Environmental Resources and as Director of the Office of Economic Development. He also spent eight years with the U.S. Environmental Protection Agency and was President of the Greater Philadelphia Chamber of Commerce for three years. Mr. DeBenedictis has also served as a director of P.H. Glatfelter, Inc. (global supplier of specialty papers and engineered products) since 1995, where he has served on the audit, compensation & finance, and nominating and corporate governance committees. Mr. DeBenedictis served as a director of Met-Pro Corporation (global provider of solutions and products for product recovery, pollution control, and fluid handling applications) (1997-February 2010). While a director of Met-Pro, he served as presiding independent director, chair of the corporate governance and nominating

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Director since: 2002

Committees:

Chair-Energy Delivery Oversight Committee (through December 31, 2013)

Member-Corporate Governance Committee

Member-Finance and Risk Committee (effective January 1, 2014)

Member-Generation Oversight Committee

committee and a member of the audit committee. Mr. DeBenedictis has a master's degree in environmental engineering and science. As a leader in the greater Philadelphia business community, he has knowledge of the communities and local economies served by PECO. Mr. DeBenedictis' contribution to the Exelon board is enhanced by his experience as the CEO of a public company, his experience on the boards of other companies, his experience as a utility executive, and his experience with environmental regulation, all of which bring useful perspectives to the Exelon board's finance and risk committee and the generation oversight committee. His prior experience as the presiding director and chair of the corporate governance committee of another public company offers additional insight to the functions of the Exelon corporate governance committee. Mr. DeBenedictis also serves on the boards of ComEd and PECO, which are Exelon subsidiaries.

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Election of Directors

<p>NELSON A. DIAZ</p> <p>Contract Partner at Dilworth Paxson LLP</p> <p>Age: 66</p> <p>Director since: 2004</p> <p>Committees:</p> <p>Member-Energy Delivery</p> <p>Oversight Committee (through December 31, 2013)</p> <p>Member-Finance and Risk Committee</p> <p>Member-Generation Oversight Committee</p>	<p>Judge Diaz is a contract partner at Dilworth Paxson LLP, a Philadelphia-based regional law firm. Previously, he was Of Counsel to Cozen O Connor from May 2007 through June 2011. He was also previously a partner of Blank Rome LLP (a law firm), from March 2004 through May 2007, and from February 1997 through December 2001. He served as the City Solicitor for the City of Philadelphia from December 2001 through January 2004, and Judge of the Court of Common Pleas, First Judicial District of Pennsylvania (1981-1993), where he served as Administrative Judge responsible for supervising judges and staff and managing the budget. Judge Diaz also served as General Counsel, United States Department of Housing and Urban Affairs (1993-1997). He serves as a director of PECO and formerly served as Chairman of the board of trustees of Paradigm Multi Strategy Fund I, LLC. Judge Diaz is a Trustee of Temple University. His undergraduate education was in accounting, and he has participated in a number of seminars and conferences on corporate governance. Judge Diaz’s legal and governmental experience at the federal level and in a city and state where a significant portion of Exelon’s business is conducted has enabled him to contribute to the board and its committees on matters related to federal, state and local regulation and public policy. In addition, Judge Diaz’s Puerto Rican heritage adds diversity to the Exelon board. He serves on the boards of the National Association for Hispanic Elderly and the National Foundation for Credit Counseling. Judge Diaz is also a member of the President’s Commission on White House Fellowships. He is active in Philadelphia government and community affairs and neighborhood development and has made contributions to Exelon’s outreach to diverse groups within Philadelphia and neighboring communities. Judge Diaz serves on the Exelon board’s finance and risk and generation oversight committees where his experience in legal matters and government regulation is best utilized in overseeing Exelon’s business operations and the legal and regulatory risks that Exelon faces.</p>
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Election of Directors

SUE L. GIN	Ms. Gin is the founder, owner, chairman and CEO of Flying Food Group LLC, a leading wholesale food production company with 17 U.S. kitchens. Flying Food Group provides catering services to over 100 international and domestic airlines. Ms. Gin chairs the audit committee and serves on the finance and risk committee. Ms. Gin has also served on the corporate governance and investment oversight committees. Ms. Gin has also served since 2000 as a director of ComEd, an Exelon subsidiary. Ms. Gin also serves on the board of Servair, the global Air France catering arm. She is on the board of The Foundation for the National Archives, Washington, D.C. Ms. Gin's Chicago-area board memberships include DePaul University, The Field Museum, Chicago Botanic Gardens and Rush University Medical Center. A Chicago-based entrepreneur, she is also president and founder of New Management Ltd., a real estate sales, leasing management and development firm with strategic Chicago-area commercial and residential holdings.
Founder, owner, chairman and CEO of Flying Food Group LLC	
Age: 72	
Director since: 2000	
Committees:	
Chair-Audit Committee	
Member-Corporate Governance Committee (through January 28, 2014)	
Member-Finance and Risk Committee	
Member-Investment Oversight Committee (through January 28, 2014)	

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Election of Directors

<p>PAUL L. JOSKOW, PH. D.</p>	<p>Dr. Joskow has been the President of the Alfred P. Sloan Foundation since January 1, 2008. The Sloan Foundation is a philanthropic institution that supports research and education in science, technology and economic performance. He is also the Elizabeth and James Killian Professor of Economics and Management Emeritus at the Massachusetts Institute of Technology (MIT). Dr. Joskow joined the MIT faculty in 1972 and served as head of the MIT Department of Economics (1994-1998) and Director of the MIT Center for Energy and Environmental Policy Research (1999-2007). At MIT he was engaged in teaching and research in the areas of industrial organization, energy and environmental economics, competition policy, and government regulation of industry for over 35 years. Much of his research and consulting activity has focused on the electric power industry, electricity pricing, fuel supply, demand, generating technology, and regulation. He is a Fellow of the American Academy of Arts and Sciences, the Econometric Society and a Distinguished Fellow of the American Economic Association. He has served on the U.S. Environmental Protection Agency's (EPA) Acid Rain Advisory Committee, on the Environmental Economics Committee of EPA's Science Advisory Board, and on the National Commission on Energy Policy. He presently serves on the Secretary of Energy Advisory Board. He is the Chair of the National Academies Board of Science, Technology and Economic Policy. He is also a Trustee of the Putnam Mutual Funds. In addition to his teaching, research, publishing and consulting activities, he has experience in the energy business, serving as a director of New England Electric System, a public utility holding company (1987-2000), until it was acquired by National Grid. He then served as a director of National Grid plc, an international electric and gas utility holding company, and one of the largest investor-owned utilities in the world (2000-2007). Dr. Joskow served as a director of TransCanada Corporation from 2004 until March 2013. TransCanada is an energy infrastructure company with gas pipelines, electric power operations, and natural gas storage facilities. He served on the audit and governance committees of TransCanada. He previously served on the audit committee of National Grid (2000-2005) and was chair of its finance committee until 2007. He also served on the audit committee of New England Electric System and as the chair of the audit committee of the Putnam Mutual Funds (2002-2005).</p>
<p>President of the Alfred P. Sloan Foundation</p>	
<p>Age: 66</p>	
<p>Director since: 2007</p>	
<p>Committees:</p> <ul style="list-style-type: none"> Member-Audit Committee Member-Energy Delivery Oversight Committee (through December 31, 2013) Member-Finance and Risk Committee Member-Investment Oversight Committee 	

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Former Chairman of the Board of McCormick & Company, Inc.

Age: 67

Director since: 2012

Committees:

Chair-Corporate Governance Committee

Member-Compensation and Leadership Development Committee

Mr. Robert J. Lawless has been a director of Exelon since March 12, 2012. Mr. Lawless served as a director of Constellation Energy Group from 2002 through March 2012 when Constellation merged with Exelon. Mr. Lawless served as Chairman of the Board of McCormick & Company, Inc. (food manufacturing industry) from January 1997 until March 2009, having also served as President until December 2006 and Chief Executive Officer until January 2008, and is now retired. He is also a director of The Baltimore Life Insurance Company. Mr. Lawless has extensive executive leadership and strategic planning experience. As a former chief executive officer of a public company, he can provide a critical perspective on issues affecting public companies. Mr. Lawless serves on the compensation and leadership development committee and as the chair of the corporate governance committee.

RICHARD W. MIES

President and Chief Executive Officer of The Mies Group, Ltd.

Age: 69

Director since: 2009

Admiral Mies is President and Chief Executive Officer of The Mies Group, Ltd, a private consulting firm that provides strategic planning and risk assessment advice and assistance to clients on international security, energy, defense, and maritime issues. A distinguished graduate of the Naval Academy, he completed a 35-year career as a nuclear submariner in the US Navy. Admiral Mies has a wide range of operational command experience; he served as the senior operational commander of the US Submarine Force and he commanded US Strategic Command for four years prior to retirement in 2002. He subsequently served as a Senior Vice President of Science Applications International Corporation, a provider of scientific and engineering applications for national security, energy, and environment, and as the President and Chief Executive Officer of Hicks and Associates, Inc, a subsidiary of SAIC from 2002-2007. Admiral Mies served as a director of Mutual of Omaha, an insurance and banking company, from 2002-2013, where he chaired the governance committee and served as a member of the audit, compensation, investment, and executive committees. From 2008-2010 Admiral Mies was a director of McDermott International, an engineering and construction company focused on energy infrastructure, where he served on the audit and governance committees. In 2010 he transitioned to the board of Babcock and Wilcox (B&W) when that company spun off from McDermott International. He is chair of B&W's safety and security committee and a member of the

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Committees:

Chair-Generation Oversight
Committee

Member-Audit Committee

Member-Corporate Governance
Committee (through

January 28, 2014)

Member-Finance & Risk
Committee

governance committee. He is also a member of the Boards of Governors of Los Alamos and Lawrence Livermore National Security LLCs that operate their respective national laboratories. In addition to an undergraduate degree in mechanical engineering and mathematics, Admiral Mies completed post-graduate education at Oxford University, the Fletcher School of Law and Diplomacy, and Harvard University and holds a Masters degree in government administration and international relations. Admiral Mies makes a unique contribution to Exelon's generation oversight, finance and risk, and audit committees through his extensive leadership experience with nuclear power and strategic planning in the Navy and in business and through his experience on the boards of other companies.

Table of Contents**Election of Directors****WILLIAM C. RICHARDSON, PH. D.**

President and Chief Executive Officer Emeritus of the W.K. Kellogg Foundation

Age: 73

Director since: 2005

Committees:

Lead Director

Member-Audit Committee

Member-Compensation and Leadership Development Committee

Member-Corporate Governance Committee

Member-Investment Oversight Committee (through January 28, 2014)

Dr. Richardson serves as lead director. Dr. Richardson is the President and Chief Executive Officer Emeritus of the W.K. Kellogg Foundation, a private foundation, and the President and Chief Executive Officer Emeritus of Johns Hopkins University. Dr. Richardson served as the President and CEO of the W. K. Kellogg Foundation until his retirement (1995-2005). He also served as chairman of the Kellogg Trust (1996-2007). In that position he and two other trustees directly oversaw the management of an approximately \$7.7 billion fund, including a significant position in Kellogg Company (cereal and convenience foods). He was the President of Johns Hopkins University (1990-1995), and Executive Vice President and Provost of Pennsylvania State University (1984-1990). He is a member of the Institute of Medicine, National Academy of Sciences. Dr. Richardson has served as a director of The Bank of New York Mellon Corporation since 1998; of CSX Corporation (railroad) (1992-2008); and of Kellogg Company (1996-2007). Dr. Richardson serves on the audit and corporate governance and nominating committees of Bank of New York Mellon Corporation, and previously served on the audit, governance, and compensation committees of CSX. He was chair of the governance and compensation committees and lead director of CSX, and chair of the finance committee of Kellogg. Dr. Richardson has an MBA and PhD. from the University of Chicago Graduate School of Business. Dr. Richardson's experience as CEO of a large international research university and in leading a large investment fund and serving as a director of three major corporations and as a member of their governance, audit, risk and compensation committees make him qualified to serve as a director of Exelon. Through his experience, including experience on the committees of other organizations, Dr. Richardson contributes to the work of the Exelon audit, compensation and leadership development and corporate governance committees.

JOHN W. ROGERS, JR.

Chairman and CEO of Ariel Investments, LLC

Mr. Rogers is the founder, Chairman and CEO of Ariel Investments, LLC, an institutional money management firm with \$8 billion in assets under management, and serves as trustee of the Ariel Investment Trust. Since 2003, he has served as a director of McDonald's Corporation (global foodservice retailer) where he has served on the compensation, finance and corporate responsibility committees. Previously, he served as a director of Aon Corporation (risk management services, insurance and reinsurance brokerage and human capital and management consulting services) (1993-2012), where he served on the finance committee and as chair of the audit committee; GATX corporation (rail, marine and industrial equipment leasing) (1998-2004), where he

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Age: 56

Director since: 2000

Committees:

Chair-Investment Oversight
Committee

Member-Corporate Governance
Committee

served on the audit committee; Bank One Corporation (bank) (1998-2004), where he served on the audit and risk management and public responsibility committees; and Bally Total Fitness (fitness and health clubs) (2003-2006), where he served as the lead independent director and as chair of the compensation committee. Mr. Rogers' experience on the boards of a number of major corporations based in Chicago in a variety of industries has made him a leader in the Chicago business community with perspective into Chicago business developments. His role in Chicago's and the nation's African-American community brings diversity to the board and emphasis to Exelon's diversity initiatives and community outreach. His experience in investment management and financial markets and as a director of an insurance brokerage and services company are useful to Exelon, particularly with respect to risk management and the management of Exelon's extensive nuclear decommissioning and pension and post-retirement benefit trust funds, which are overseen by the investment oversight committee, which he chairs. Mr. Rogers' service on the boards and committees of other companies has given him experience that adds further depth to the Exelon corporate governance committee. He has spoken at and participated in a number of corporate governance conferences. He was named by the Outstanding Directors Exchange as one of six 2010 Outstanding Directors.

Table of Contents**Election of Directors****MAYO A. SHATTUCK III**

Former Chairman, President and Chief Executive Officer of Constellation Energy

Age: 59

Director since: 2012

Committees:

Member-Generation Oversight Committee (effective January 1, 2014)

Member-Investment Oversight Committee (effective January 1, 2014)

Mr. Shattuck is Chairman of the Board of Exelon Corporation. Previously, Mr. Shattuck served as the Executive Chairman from March 2012 to February 2013. Prior to joining Exelon, Mr. Shattuck was the Chairman, President and Chief Executive Officer of Constellation Energy, a position he held from 2001 to March 2012. Mr. Shattuck was previously at Deutsche Bank, where he served as Chairman of the Board of Deutsche Bank Alex. Brown and, during his tenure, served as Global Head of Investment Banking and Global Head of Private Banking. From 1997 to 1999, he served as Vice Chairman of Bankers Trust Corporation, which merged with Deutsche Bank in June 1999. From 1991 until 1997, Mr. Shattuck was President and Chief Operating Officer and a Director of Alex. Brown Inc., which merged with Bankers Trust in September 1997. Mr. Shattuck is the past Chairman of the Board of the Institute of Nuclear Power Operations and was previously a member of the executive committee of the board of Edison Electric Institute. He was also Co-Chairman of the Center for Strategic & International Commission on Nuclear Policy in the United States. He currently serves on the board of directors for Gap Inc. and is chairman of its audit and finance committee. He also serves as a director for Capital One Financial Corporation, where he is chairman of its compensation committee. Mr. Shattuck's qualifications to serve as director include his extensive experience in business and the energy industry in particular, gained from his service as Constellation Energy's Chief Executive Officer, which enables him to effectively identify strategic priorities and execute strategy. His financial expertise gained from his years of experience in the financial services industry also brings a valuable perspective to the board.

STEPHEN D. STEINOUR

Chairman, President and Chief Executive Officer of Huntington Bancshares Incorporated

In January 2009, Mr. Steinour was elected the Chairman, President and Chief Executive Officer of Huntington Bancshares Incorporated, a \$54 billion regional bank holding company. Previously, he was the Chairman and Managing Partner of CrossHarbor Capital Partners, a private equity firm (2008-January 2009). From 2006 to 2008, he was President and CEO of Citizens Financial Group, Inc., a multistate commercial bank holding company. Prior to that, Mr. Steinour served as Vice Chairman and Chief Executive Officer of Citizens Mid-States regional banking (2005-2006). He served as Vice Chairman and Chief Executive Officer of Citizens Mid-Atlantic Region (2001-2005). At the beginning of his career, Mr. Steinour was an analyst for the U.S. Treasury Department and subsequently worked for the Federal Deposit Insurance Corporation. Mr. Steinour has been a member of the board of trustees of the Liberty Property Trust (an office and industrial property real estate investment trust) since February 2010, where he serves on its audit and compensation committees. Mr. Steinour was elected to the board of directors of L Brands (fashion retailer) in January 2014. Mr. Steinour is a member of council of The Pennsylvania Society, a non-profit, charitable organization which celebrates service to the Commonwealth of Pennsylvania. He also serves as a trustee of

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Age: 55

Director since: 2007

Committees:

Chair-Finance & Risk Committee

Member-Audit

Member-Compensation and
Leadership Development
Committee (through
January 28, 2014)

the National Constitution Center and the Eisenhower Fellowships and is a member of the Columbus Partnership and a Trustee of the Columbus Downtown Development Corporation. He is a member of the American Bankers Association. Mr. Steinour also served as a member on the policy and legal affairs committees of the Pennsylvania Business Roundtable, an association of CEOs in large Pennsylvania companies representing significant employment and economic activity in the Commonwealth. He also has served on the board of and as the chairman of the Greater Philadelphia Chamber of Commerce. His experience at Citizens Bank gave him knowledge of the markets that Exelon Generation and PECO serve. His experience as a banker, with strong credit and risk management experience and knowledge of credit and capital markets, and his experience as Chairman and CEO of Huntington Bancshares enhances Mr. Steinour's value to the Exelon board and to the finance and risk and audit committees.

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Election of Directors

DIRECTOR INDEPENDENCE

Under Exelon's Corporate Governance Principles, a substantial majority of the board must be composed of independent directors, as defined by the NYSE. In addition to complying with the NYSE rules, Exelon monitors the independence of audit and compensation and leadership development committee members under rules of the SEC (for members of the audit and compensation and leadership development committees) and the Internal Revenue Service (for members of the compensation and leadership development committee). The board has adopted independence criteria corresponding to the NYSE rules for director independence and the following categorical standards to address those relationships that are not specifically covered by the NYSE rules:

1. A director's relationship with another company with which Exelon does business will not be considered a material relationship that would impair the director's independence if the aggregate of payments made by Exelon to that other company, or received by Exelon from that other company, in the most recent fiscal year, is less than the greater of \$1 million or 5% of the recipient's consolidated gross revenues in that year. In making this determination, a commercial transaction will not be deemed to affect a director's independence, if and to the extent that: (a) the transaction involves rates or charges that are determined by competitive bidding, set with reference to prevailing market prices set by a well-established commodity market, or fixed in conformity with law or governmental authority; or (b) the provider of goods or services in the transaction is determined by the purchaser to be the only practical source for the purchaser to obtain the goods or services.
2. If a director is a current employee, or a director's immediate family member is an executive officer, of a charitable or other tax-exempt organization to which Exelon has made contributions, the contributions will not be considered a material relationship that would impair the director's independence if the aggregate of contributions made by Exelon to that organization in its most recent fiscal year is less than the greater of \$1 million or 2% of that organization's consolidated gross receipts in that year. In any other circumstance, a director's relationship with a charity or other tax-exempt organization to which Exelon makes contributions will not be considered a material relationship that would impair the director's independence if the aggregate of all contributions made by Exelon to that organization in its most recent fiscal year is less than the greater of \$1 million or 5% of that organization's consolidated gross receipts in that year. Transactions and relationships with charitable and other tax-exempt organizations that exceed these standards will be evaluated by the board to determine whether there is any effect on a director's independence.

Each year, directors are requested to provide information about their business relationships with Exelon, including other boards on which they may serve, and their charitable, civic, cultural and professional affiliations. We also gather information on significant relationships between their immediate family members and Exelon. All relationships are evaluated by Exelon's Office of Corporate Governance for materiality. Data on transactions between Exelon and companies for which an Exelon director or an immediate family member serves as a director or executive officer are presented to the corporate governance committee, which reviews the data and makes recommendations to the full board regarding the materiality of such relationships for the purpose of assessing director independence. The same information is considered by the full board in making the final determination of independence.

Mr. Shattuck is not considered an independent director because of his employment as executive chairman through February 2013. Mr. Crane is not considered an independent director because of his employment as president and chief executive officer of Exelon. Each of the other current Exelon directors and each director who retired in 2013 was determined by our board of directors to be independent under applicable guidelines presented above. The amounts involved in the transactions between Exelon and its subsidiaries, on the one hand, and the companies with which a director or an immediate family member is associated, on the other hand, all fell below the thresholds specified by the NYSE rules and the categorical standards specified in the company's Corporate Governance Principles. Because Exelon provides utility services through its subsidiaries BGE, ComEd, PECO and Constellation and many of its directors live in areas served by the Exelon subsidiaries, many of the directors are affiliated with businesses and charities that receive utility services from Exelon's subsidiaries. The

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Election of Directors

corporate governance committee does not review transactions pursuant to which Exelon sells gas or electricity to these businesses or charities at tariffed rates. Similarly, because Exelon and its subsidiaries are active in their communities and make substantial charitable contributions, and many of Exelon's directors live in communities served by Exelon and its subsidiaries and are active in those communities, many of Exelon's directors are affiliated with charities that receive contributions from Exelon and its subsidiaries. None of the directors or their immediate family members is an executive officer of any charitable organizations to which Exelon or its subsidiaries contribute. All such payments to charitable organizations were immaterial under the applicable independence criteria.

We describe below various transactions and relationships considered by the board in assessing the independence of Exelon directors.

Ann C. Berzin

Ms. Berzin serves as a director of a public company that provides equipment and services to Exelon Generation. In 2013, Exelon paid that company approximately \$470,000.

Nicholas DeBenedictis

Mr. DeBenedictis serves as the chairman, president and chief executive officer of a public utility company that received approximately \$609,000 from Exelon for water supplies. Exelon made these purchases under tariffed utility rates. Mr. DeBenedictis serves as a director of a company that received \$3,700,000 from Exelon for health care coverage for Exelon employees.

Sue L. Gin

Ms. Gin is the chairman and chief executive officer of a company that is a customer of Exelon. The company paid Exelon approximately \$265,000 in 2013 under contracts that were competitively bid.

Richard W. Mies

Admiral Mies serves as the director of a public company that provides services to Exelon Generation. In 2013, Exelon paid that company approximately \$10,000,000.

Dr. William C. Richardson

Dr. Richardson serves as a director of a public company that provided financial services to Exelon. In 2013, Exelon paid the company approximately \$2,170,000.

Thomas J. Ridge

Governor Ridge, while an Exelon director, was a senior advisor to a major accounting firm that provided non-audit services to Exelon. In 2013, Exelon paid the firm approximately \$37,000,000.

John W. Rogers, Jr.

Mr. Rogers serves as a director of a company that is a customer of Exelon. The company paid Exelon approximately \$14,000,000 in 2013. For additional information, see Related Person Transactions below.

Stephen D. Steinour

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Mr. Steinour is the chairman, president and chief executive officer of a company that provided financial services to Exelon. In 2013, Exelon paid that company approximately \$150,000. For additional information, see Related Person Transactions below.

Don Thompson

Mr. Thompson, while an Exelon director, was the president and chief executive officer of a company that is a customer of Exelon. The company paid Exelon approximately \$14,000,000 in 2013. For additional information, see Related Person Transactions below.

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Election of Directors

RELATED PERSON TRANSACTIONS

Exelon has a written policy for the review and approval or the ratification of related person transactions. Transactions covered by the policy include commercial transactions for goods and services and the purchase of electricity or gas at non-tariffed rates from Exelon or any of its subsidiaries by an entity affiliated with a director or officer of Exelon. The retail purchase of electricity or gas from BGE, ComEd or PECO at rates set by tariff, and transactions between or among Exelon or its subsidiaries are not considered. Charitable contributions approved in accordance with Exelon's Charitable Contribution Guidelines are deemed approved or ratified under the Related Persons Transaction policy and do not require separate consideration and ratification.

As required by the policy, the board reviewed all commercial, charitable, civic and other relationships with Exelon in 2013 that were disclosed by directors and executive officers of Exelon, BGE, ComEd and PECO, and by executive officers of Exelon Generation that required separate consideration and ratification. The Office of Corporate Governance collected information about each of these transactions, including the related persons and entities involved and the dollar amounts either paid by or received by Exelon. The Office of Corporate Governance also conducted additional due diligence, where required to determine the specific circumstances of the particular transaction, including whether it was competitively bid or whether the consideration paid was based on tariffed rates.

The corporate governance committee and the board reviewed the analysis prepared by the Office of Corporate Governance, which identified those related person transactions which required ratification or approval, under the terms of the policy, or disclosure under the SEC regulations. The corporate governance committee and the board considered the facts and circumstances of each of these related person transactions, including the amounts involved, the nature of the director's or officer's relationship with the other party to the transaction, whether the transaction was competitively bid and whether the price was fixed or determined by a tariffed rate.

The committee recommended that the board ratify all of the transactions. On the basis of the committee's recommendation, the board did so. Several transactions were ratified because the related person served only as a director of the affiliated company, was not an officer or employee of the affiliated company and did not have a pecuniary or material interest in the transaction. For some of these transactions, the value or cost of the transaction was very small, and the board considered the de minimis nature of the transaction as further reason for ratifying it. The board approved and ratified other transactions that were the result of a competitive bidding process, and therefore were considered fairly priced, or arms length, regardless of any relationship. The remaining transactions were approved by the board, even though the director is an executive officer of the affiliated company, because the transactions involved only retail electricity or gas purchases under tariffed rates or the price and terms were determined as a result of a competitive bidding process. Only two of the related person transactions are required to be disclosed in this proxy statement.

McDonald's Corporation and its subsidiaries purchase both gas and electricity from Exelon in the ordinary course of business. McDonald's independently-owned and operated franchisees also purchase gas and electricity from Exelon in the ordinary course of business. Purchases from BGE, ComEd and PECO are at tariffed rates. Gas purchases from Exelon are made based on fixed prices for contract quantities with differences settled at market prices based on an independent, publicly available index. Electricity purchases made from Exelon are fixed price for power in the ComEd Zone within the PJM Interconnection. Mr. Thompson, a former Exelon director, is President and Chief Executive Officer of McDonald's Corporation. Mr. Rogers is also a director of McDonald's Corporation.

The corporate governance committee and the Exelon board reviewed the sales at market prices to McDonald's as related person transactions and concluded that the transactions were in the best interests of Exelon because they involved the sale of electricity and gas in the ordinary course at prices based on independent, publicly available indices. There was no indication that either of Exelon's directors was involved in the negotiations of the contracts or had any direct or indirect

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Election of Directors

material interest in the transactions or influence over them. As compared to Exelon's and McDonald's overall sales, the transactions are immaterial, individually and in the aggregate.

Huntington Bank is a lender to Exelon and its subsidiaries and participates in their credit facilities. Huntington participates in the credit facilities on the same basis as other participating banks with terms based on a competitive process with a syndicate of banks. In 2013, Exelon and its subsidiaries paid Huntington Bank approximately \$150,000 in fees for credit facilities and letters of credit. Mr. Steinour, an Exelon director, is also Chairman, President and Chief Executive Officer of Huntington Bancshares, the parent of Huntington Bank.

The corporate governance committee and the Exelon board reviewed Huntington Bank's participation in the credit facilities as related person transactions and concluded that the transactions were in the best interests of Exelon because Huntington participates in the credit facilities on terms equivalent to those of an unrelated bank. There is no indication that Mr. Steinour was involved in the negotiations of the credit facilities or had any direct or indirect material interest in the transactions or influence over them. As compared to Exelon's and Huntington's overall revenues, the transactions are immaterial, individually and in the aggregate.

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Corporate Governance at Exelon

Exelon is committed to maintaining the highest standards of corporate governance. We believe that strong corporate governance is critical to achieving our performance goals and maintaining the trust and confidence of investors, employees, customers, regulatory agencies and other stakeholders.

CORPORATE GOVERNANCE PRINCIPLES

Our Corporate Governance Principles, together with the board committee charters, provide the framework for the effective governance of Exelon. The board of directors has adopted our Corporate Governance Principles to address matters including qualifications for directors, standards of independence for directors, election of directors, responsibilities and expectations of directors, and evaluating board, committee and individual director performance. The Corporate Governance Principles also address director orientation and training, the evaluation of the chief executive officer and succession planning. The Corporate Governance Principles are revised from time to time to reflect emerging governance trends and to better address the particular needs of the company as they change over time.

THE BOARD'S FUNCTION AND STRUCTURE

Exelon's business, property and affairs are managed under the direction of the board of directors. The board is elected by shareholders to oversee management of the company in the long-term interest of all shareholders. The board considers the interests of other constituencies, which include customers, employees, annuitants, suppliers, the communities we serve, and the environment. The board is committed to ensuring that Exelon conducts business in accordance with the highest standards of ethics, integrity, and transparency.

BOARD LEADERSHIP

Exelon's Corporate Governance Principles establish the position of Lead Director. The Lead Director is an independent director elected by the independent directors of the Exelon board, upon the recommendation of the corporate governance committee, with responsibilities to act at any time when (1) the positions of chairman of the board and the chief executive officer are held by the same person; or (2) for other reasons the person holding the position of chairman of the board is not an independent director under the applicable director independence standards.

As specified in the Corporate Governance Principles, the role of the Lead Director includes:

presiding at executive sessions of non-management or independent directors;

calling meetings of the independent directors;

serving as an advisor to the chairman and the chief executive officer (CEO);

functioning as the non-exclusive liaison between the non-management directors and the chairman and the CEO;

adding items to agendas for board meetings;

assuring the sufficiency of the time for discussion at board meetings;

leading, in conjunction with the corporate governance and compensation and leadership development committees, the process for evaluating the performance of the chairman and the CEO and determining their respective compensation;

leading on corporate governance initiatives relevant to board and committee operations;

in the event of the death or incapacity of the chairman of the board, serving as the acting chairman of the board until such time as a chairman of the board is selected;

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Corporate Governance at Exelon

receiving and responding to mail addressed to the board of directors; and

having such additional powers and responsibilities as the board of directors may from time to time assign or request.

The Corporate Governance Principles grant the board of directors discretion to separate the roles of chairman and chief executive officer if the board determines that such a separation is in the best interests of Exelon and its shareholders. Upon the completion of the merger between Exelon and Constellation Energy Group in 2012, the board of directors separated the positions of chairman of the board and chief executive officer. The board appointed Mayo A. Shattuck III to the position of executive chairman and Christopher M. Crane to the position of chief executive officer. Mr. Shattuck served as executive chairman from March 2012 through February 2013 and he continues to serve as non-executive chairman of the Exelon board.

The board believes that Exelon has in place effective arrangements and structures to ensure that the company maintains the highest standard of corporate governance and board independence and independent board leadership and continued accountability of the chairman and the CEO to the board. These arrangements and structures include:

13 of the 15 directors on the board are independent and meet the independence requirements under the NYSE listing standards and the additional independence requirements under the company's Corporate Governance Principles.

In 2012, the board elected William C. Richardson as the independent Lead Director. Dr. Richardson has been a member of our board since 2005. Dr. Richardson's responsibilities as Lead Director complement Mr. Shattuck's role as chairman and Mr. Crane's role as CEO while providing independent board leadership and the necessary checks and balances to hold the board, the chairman and the CEO accountable in their respective roles.

The audit, compensation and leadership development, corporate governance and finance and risk committees are composed solely of and chaired by independent directors. The investment oversight and generation oversight committees are chaired by independent directors and, effective January 1, 2014, include Messrs. Crane and Shattuck as members of the committees. The energy delivery oversight committee was composed solely of and chaired by independent directors.

A significant portion of the business of the Exelon board is reviewed or approved by the board's committees, and the agendas of the board's committees are driven by the independent chairs through their discussions with management.

The board agendas, in turn, are determined in large part by the committee agendas, and discussions at board meetings are driven to a significant degree by the committee agendas and the reports the committee chairs present to the full board.

The performance and compensation of the CEO is reviewed annually by the full board in executive session under the leadership of the Lead Director and the corporate governance and compensation and leadership development committees.

BOARD OVERSIGHT OF RISK

The company operates in a market and regulatory environment that involves significant risks, many of which are beyond its control. The company has a risk management group consisting of a Chief Enterprise Risk Officer, a Chief Commercial Risk Officer, and a full-time staff of 170. The risk management group draws upon other company personnel for additional support on various matters related to the identification, assessment and management of enterprise risks. The company also has an Executive Finance and Risk Committee comprising company officers who meet regularly to discuss matters related to enterprise risk management generally and particular risks associated with new developments or proposed transactions under consideration. Management of the company regularly meets with the Chief Enterprise Risk Officer and the Executive Finance and Risk Committee to identify and evaluate the most significant risks of the businesses and appropriate steps to manage and mitigate those risks. In addition, the Chief Enterprise Risk Officer and the risk management group perform an annual assessment of enterprise risks, drawing upon resources throughout the company for an assessment of the probability and severity of the identified risks. The Chief Enterprise Risk Officer and senior executives of the company discuss those risks

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with the board's finance and risk committee as well as the audit committee and, when appropriate, the Baltimore Gas and Electric Company (BGE), the Commonwealth Edison Company (ComEd) and PECO Energy Company (PECO) boards of directors. In addition, the Exelon board's generation oversight committee evaluates risks related to the company's generation business. The committees of the Exelon board regularly report to the full board on the committees' discussions of enterprise risks. In addition, the Exelon board regularly discusses enterprise risks in connection with consideration of emerging trends or developments and in connection with the evaluation of capital investments and other business opportunities.

BOARD/COMMITTEE/DIRECTOR EVALUATION

The board has a three-part annual evaluation process that is coordinated by the Lead Director and the corporate governance committee: committee self-evaluations; a full board evaluation; and the evaluation of the individual directors. The committee self-evaluations consider whether and how well each committee has performed the responsibilities in its charter, whether the committee members possess the right skills and experience to perform their responsibilities or whether additional education or training is required, whether there are sufficient meetings covering the right topics, whether the meeting materials are effective, and other matters. The full board evaluation considers the following factors, among others, in light of the committee self-assessments: (1) the effectiveness of the board organization and committee structure; (2) the quality of meetings, agendas, presentations and meeting materials; (3) the effectiveness of director preparation and participation in discussions; (4) the effectiveness of director selection, orientation and continuing education processes; (5) the effectiveness of the process for establishing the CEO's performance criteria and evaluating his performance; and (6) the quality of administrative planning and logistical support.

Individual director performance assessments are conducted informally as needed and involve a discussion among the Lead Director and other directors, including members of the corporate governance committee, using the performance expectations for directors contained in the Corporate Governance Principles. In addition, the Lead Director, the chairman of the corporate governance committee or the chairman of the board provides individual feedback, as necessary.

DIRECTOR EDUCATION

The board has a program for orienting new directors and providing continuing education for all directors that is overseen by the corporate governance committee. The orientation program is tailored to the needs of each new director depending on his or her level of experience serving on other boards and knowledge of the company or industry acquired before joining the board. New directors receive materials about Exelon, the board and board policies and operations and attend meetings with the CEO and executive vice presidents and members of their staff for a briefing on the executives' responsibilities, programs and challenges. New directors are also scheduled for tours of various company facilities, depending on their orientation needs (incumbent directors are also invited to participate in the site visits, if available).

Continuing director education is provided during portions of regular board and committee meetings and focuses on the topics necessary to enable the board to consider effectively issues before them at that time (such as new regulatory or accounting standards). The education often takes the form of white papers, covering timely subjects or topics, which a director can review before the meeting and ask questions about during the meeting. The audit committee devotes a meeting each year to educating the committee members about new accounting rules and standards, and topics that are necessary to having a good understanding of our accounting practices and financial statements. The generation oversight committee uses site visits as a regular part of education for its members; the committee holds each meeting at a different generating station (nuclear, fossil or hydro) and the agenda always includes a briefing by local plant management, a tour of the facility and lunch with plant personnel. Continuing director education also involves individual directors' attendance at director education seminars. The company pays the cost for any director to attend outside director education seminars on corporate governance or other topics relevant to their service as directors.

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In determining the membership of the committees, the corporate governance committee has sought to have each committee reflect a range of backgrounds and experience and diversity. Every member of the audit committee qualifies as an audit committee financial expert, as defined by SEC rules, and most of the members serve or have served on audit committees of other companies. The chairs of the audit and finance and risk committees sit on each other's committees, and there is significant overlap in the membership of the committees reflecting the overlap in responsibilities. Similarly, the chairs of the corporate governance and compensation and leadership development committees sit on each other's committees, which is helpful in the company's process for evaluating the performance and setting the compensation of the chairman or the CEO, or both. Almost all of the members of the corporate governance committee serve or have served on the corporate governance committees of other corporations. Several of the members of the compensation and leadership development committee have served on the compensation committees of other corporations. The investment oversight committee includes members with experience in investment banking and the economics of energy. The finance and risk committee includes members with experience in the economics of energy, nuclear operations, and banking and investment management, reflecting experience in dealing with the range of risks that the company faces. Biographical information about each of the directors and nominees follows.

In 2013, seven standing committees assisted the board in carrying out its duties: the audit committee, the compensation and leadership development committee, the corporate governance committee, the energy delivery oversight committee, the finance and risk committee, the generation oversight committee and the investment oversight committee. The energy delivery oversight committee was terminated effective January 1, 2014. The chairman and the CEO are invited guests and are welcome to attend all committee meetings, except when the independent directors meet in executive session, such as when they conduct performance evaluations or discuss the compensation of the CEO. The committees, their membership during 2013, changes in committee assignments in 2014, and their principal responsibilities are described below:

Audit	Compensation and Leadership Development	Corporate Governance	Energy Delivery Oversight ¹	Finance and Risk	Generation Oversight	Investment Oversight
Gin (Chair) Anderson ²	Canning (Chair) deBalmann ³	Lawless (Chair) Canning	DeBenedictis (Chair) Berzin	Steinour (Chair) Anderson ³	Mies (Chair) Anderson ³	Rogers (Chair) Crane ³
Berzin	Lawless	DeBenedictis	Diaz	Berzin	Crane ³	Gin ⁴
de Balmann	Richardson	Gin ⁴	Joskow	de Balmann	DeBenedictis	Joskow
Joskow	Steinour ⁴	Mies ⁴	Ridge ⁶	DeBenedictis ³	Diaz	Richardson ⁴
Mies	Thompson ⁵	Richardson	Thompson ⁵	Diaz	Shattuck ³	Shattuck ³
Richardson		Rogers		Gin		
Ridge ⁶				Joskow		
Steinour				Mies		

Notes to Committee Membership Table:

- 1) Energy Delivery Oversight Committee was terminated effective January 1, 2014.
- 2) Anthony K. Anderson became a member of the audit committee effective March 1, 2013.

- 3) Effective January 1, 2014.
- 4) Member through January 28, 2014.
- 5) Don Thompson did not stand for reelection to the Exelon board on April 23, 2013.
- 6) Governor Thomas J. Ridge resigned from the Exelon board on October 2, 2013.

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Corporate Governance at Exelon

AUDIT COMMITTEE

The audit committee is composed entirely of independent directors and is governed by a board-approved charter stating its responsibilities. The audit committee met nine times in 2013. Under its charter, the audit committee's principal duties include:

Having sole authority to appoint, retain, or replace the independent auditor, subject to shareholder ratification, and to oversee the work of the independent auditor and its independence;

Reviewing financial reporting and accounting policies and practices;

Overseeing the work of the internal auditor and reviewing internal controls;

With the assistance of the finance and risk committee, discussing guidelines and policies to govern the process of risk assessment and risk management; and

Reviewing policies and procedures with respect to internal audits of officers' and directors' expenses, compliance with Exelon's Code of Business Conduct, and the receipt and treatment of complaints regarding accounting, internal controls, or auditing matters.

The audit committee receives an annual report from the finance and risk committee regarding corporate risk management policy and other areas overseen by the finance and risk committee. Most members of the audit committee also serve on the finance and risk committee. On occasion, the audit and finance and risk committees meet jointly to review areas of mutual interest between the two committees.

The committee meets outside the presence of management for portions of its meetings to hold separate discussions with the independent accountant, the internal auditors and the chief legal officer.

The board of directors has determined that each of the members of the audit committee is an audit committee financial expert for purposes of the SEC's rules and also that each of the members of the audit committee is independent as defined by the rules of the NYSE and our Corporate Governance Principles.

Report of the Audit Committee

In fulfilling its responsibilities, the Exelon audit committee has reviewed and discussed the audited financial statements contained in the 2013 Annual Report on SEC Form 10-K with Exelon Corporation's management and the independent registered public accounting firm (independent accountant). The Exelon audit committee discussed with the independent accountant the matters required to be discussed by Statement on Auditing Standards No. 61, as amended (AICPA, *Professional Standards*, Vol. 1, AU section 380), as adopted by the Public Company Accounting Oversight Board in Rule 3200T, as superseded by Auditing Standard No. 16, as adopted by the Public Company Accounting Oversight Board in PCAOB Release No. 2012-004 and approved by the Securities and Exchange Commission in Release No. 34-68453. In addition, the Exelon audit committee has received the written disclosures and the letter from the independent accountant required by applicable requirements of the Public Company Accounting Oversight Board regarding the independent accountant's communications with the audit committee regarding independence, and has discussed with the independent accountant the independent accountant's independence.

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In reliance on the reviews and discussions referred to above, the Exelon audit committee recommended to the Exelon board of directors (and the Exelon board of directors has approved) that the audited financial statements be included in Exelon Corporation's Annual Report on Form 10-K for the year ended December 31, 2013, for filing with the SEC.

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Corporate Governance at Exelon

The committee has a charter that has been approved by the Exelon board of directors.

February 10, 2014

THE AUDIT COMMITTEE

Sue L. Gin, Chair Paul L. Joskow

Yves C. de Balmann Stephen D. Steinour

William C. Richardson Ann C. Berzin

Anthony K. Anderson Richard W. Mies

COMPENSATION AND LEADERSHIP DEVELOPMENT COMMITTEE

The compensation and leadership development committee is composed entirely of independent directors and is governed by a board-approved charter stating its responsibilities. The committee met six times in 2013.

The compensation and leadership development committee's principal duties, as discussed in its charter, include:

Ensuring that executive compensation levels and targets are aligned with, and designed to achieve, Exelon's strategic and operating objectives; and

Reviewing recommendations from management and outside consultants and approving or recommending approval of matters of executive compensation for officers of Exelon and its subsidiaries, including base salary, incentive awards, equity grants, perquisites, and other forms of compensation.

Reviewing and making recommendations to the board on leadership development, succession planning (other than the chairman and the chief executive officer and president) and diversity.

Executive officers are involved in evaluation of the performance and development of initial recommendations with respect to compensation adjustments; however, the compensation and leadership development committee (and the independent directors with respect to the compensation of the CEO) makes the final determinations with respect to compensation programs and adjustments. The chairman and the CEO are considered invited guests and are welcome to attend the meetings of the compensation and leadership development committee, except when the committee meets in executive session to discuss, for example, the CEO's compensation. The chairman and the CEO cannot call meetings of the compensation and leadership development committee.

Management, including the executive officers, makes recommendations as to goals for the incentive compensation programs that are aligned with Exelon's business plan. The compensation and leadership development committee reviews the recommendations and establishes the final

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goals. The committee strives to ensure that the goals are consistent with the overall strategic goals set by the board of directors (including the individual goals of subsidiaries, as appropriate), that they are sufficiently difficult to meaningfully incent management performance, and, if the targets are met, that the payouts will be consistent with the design for the overall compensation program. Executive officers take an active role in evaluating the performance of the executives who report to them, directly or indirectly, and in recommending the amount of compensation their subordinate executives receive. Executive officers review peer group compensation data for each of their subordinates in conjunction with their annual performance reviews to formulate a recommendation for base salary and whether to apply an individual performance multiplier to the subordinate executive's incentive payouts, and if so, the amount of the multiplier.

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Executive officers generally do not make recommendations with respect to annual and long-term incentive target percentages or payouts. The CEO reviews all of the recommendations of the executive officers before they are presented to the compensation and leadership development committee. The human resources function provides to the compensation and leadership development committee and the independent directors data showing the history of the compensation of the CEO and data that analyzes the cost of a range of several alternatives for changes to the compensation of the CEO, but the executive officers, the chairman and the CEO do not make any recommendation to the compensation and leadership development committee or the independent directors with respect to the compensation of the CEO.

The compensation and leadership development committee has delegated to the CEO the authority to make off-cycle equity awards to employees who are not subject to the limitations of Internal Revenue Code Section 162(m), are not executive officers for purposes of reporting under Section 16 of the Securities Exchange Act of 1934, and are not executive vice presidents or higher officers of Exelon, provided that such authority is limited to making grants of up to 600,000 shares in the aggregate, and 20,000 shares per recipient in any year. The compensation and leadership development committee reviews and ratifies these grants.

During fiscal 2013 and as of the date of this proxy statement, none of the members of the compensation and leadership development committee was or is an officer or employee of the company, and no executive officer of the company served or serves on any compensation committee or board of any company that employed or employs any members of the company's compensation and leadership development committee or board of directors.

Compensation Consultant

Pursuant to the compensation and leadership development committee's charter, the committee is authorized to retain and terminate, without board or management approval, the services of an independent compensation consultant to provide advice and assistance, as the committee deems appropriate. The committee has the sole authority to approve the consultant's fees and other retention terms, and reviews the independence of the consultant and any other services that the consultant or the consultant's firm may provide to the company. The chair of the compensation and leadership development committee reviews, negotiates and executes an engagement letter with the compensation consultant. The compensation consultant directly reports to the committee.

The compensation and leadership development committee determined in November 2012 to engage Semler Brossy Consulting Group, LLC and its Managing Principal Ms. Blair Jones as its consultant. The committee members who screened and interviewed the candidates determined that Semler Brossy offered the strongest and most responsive team and would provide the most reliable and cost-competitive advice through experience, research and benchmarking. In engaging Semler Brossy in November 2012 and in reviewing the engagement in December 2013, the committee considered the following factors in determining that Ms. Jones and the firm are independent consultants and do not have any conflicts of interest:

Semler Brossy performs no other services for the company or its affiliates and received no other fees from the company (aside from fees associated with a director compensation study performed for the corporate governance committee);

the firm's policies would preclude any of the firm's consultants providing services to the committee from owning any Exelon stock and none of the persons identified for the consulting team owned any Exelon stock;

the firm has formal written policies designed to prevent conflicts of interest; and

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there were no relationships of the firm and its consultants and Exelon and its officers, directors or affiliates except that Dr. Richardson had known another consultant from the firm in connection with his consulting for the compensation committee at another company where Dr. Richardson had previously served as a director.

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Corporate Governance at Exelon

As part of its ongoing services to the compensation and leadership development committee, the compensation consultant supports the committee in executing its duties and responsibilities with respect to Exelon's executive compensation programs by providing information regarding market trends and competitive compensation programs and strategies. In supporting the committee, the compensation consultant does the following:

Prepares market data for each senior executive position, including evaluating Exelon's compensation strategy and reviewing and confirming the peer group used to prepare the market data;

Provides the committee with an independent assessment of management recommendations for changes in the compensation structure;

Works with management to ensure that the company's executive compensation programs are designed and administered consistent with the committee's requirements; and

Provides ad hoc support to the committee, including discussing executive compensation and related corporate governance trends. Exelon's human resources staff and senior management use the data provided by the compensation consultant to prepare documents for use by the compensation and leadership development committee in preparing their recommendations to the full board of directors or, in the case of the CEO, the independent directors, on compensation for the senior executives. In addition to its general responsibilities, the compensation consultant attends the compensation and leadership development committee's meetings, if requested. The committee, or Exelon's management on behalf of the committee, may also ask the compensation consultant to perform other executive and non-executive compensation-related projects. The committee has established a process for determining whether any significant additional services will be needed and whether a separate engagement for such services is necessary.

The committee has a formal compensation consultant independence policy that codifies its past practices. The compensation consultant independence policy is available on the Exelon website at www.exeloncorp.com, under the Investors section of our website. The purpose of the policy is to ensure that the advisers or consultants retained by the committee are independent of the company and its management, as determined by the committee using its reasonable business judgment. The committee considers all facts and circumstances it deems relevant, such as the nature of any relationship between a compensation consultant, the compensation consultant's firm, and the company and the nature of any services provided by the compensation consultant's firm to the company that are unrelated to the compensation consultant's work for the committee. Under the policy, a compensation consultant shall not be considered independent if the compensation consultant or the compensation consultant's firm receives more than one percent of its annual gross revenues for services provided to the company. Under the policy, the compensation consultant reports directly to the chair of the compensation and leadership development committee, and the committee approves the aggregate amount of fees to be paid to the compensation consultant or the compensation consultant's firm. The policy requires that the compensation consultant and any associates providing services to the compensation and leadership development committee have no direct involvement with any other aspects of the compensation consultant's firm's relationship with Exelon (other than any director compensation services that may be performed for the corporate governance committee), and that no element of the compensation consultant's compensation may be based on any consideration of the revenues for other services that the firm may provide to Exelon. For 2013, the total fees paid to Semler Brossy were \$349,822; no fees were paid to Semler Brossy for additional services beyond its work as consultant to the compensation and leadership development committee except for a director compensation study prepared for the corporate governance committee.

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Corporate Governance at Exelon

CORPORATE GOVERNANCE COMMITTEE

The corporate governance committee met five times in 2013. All members of the committee are independent directors.

In addition to its other duties described elsewhere in this proxy statement, the corporate governance committee's principal duties, as discussed in its charter, include:

Reviewing and making recommendations on corporate, board and committee structure, organization, committee membership, functions, compensation and effectiveness;

Monitoring corporate governance trends and making recommendations to the board regarding the Corporate Governance Principles;

Identifying potential director candidates and coordinating the nominating process for directors;

Coordinating the board's role in establishing performance criteria for the CEO and evaluating the performance of the CEO;

Monitoring CEO succession planning;

Overseeing Exelon's strategies and efforts to protect and improve the environment, including climate change, sustainability and the Exelon 2020 plan;

Approving or amending delegations of authority for Exelon and its subsidiaries; and

Overseeing Exelon's efforts to promote diversity among its contractors and suppliers.

The committee may act on behalf of the full board when the board is not in session. The committee utilizes an independent compensation consultant to assist it in evaluating directors' compensation, and for this purpose it periodically asks the consultant to prepare a study of the compensation of the company's directors compared to the directors of companies in the same peer group used for executive compensation. This study is used as the basis for the corporate governance committee's recommendations to the full board with respect to director compensation. The corporate governance committee may utilize other consultants, such as specialized search firms to identify candidates for director.

ENERGY DELIVERY OVERSIGHT COMMITTEE

The energy delivery oversight committee met five times in 2013 and was terminated effective January 1, 2014. The responsibilities of the energy delivery oversight committee were allocated to the Exelon board, the finance and risk committee, the utility boards, and Exelon Utilities and utility management to eliminate duplication of effort and focus accountability.

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The energy delivery oversight committee's principal duties, as discussed in its charter, included:

Overseeing the operating utilities (BGE, ComEd, PECO and Exelon Transmission Company) performance trends, compared to benchmarks, focusing on issues having cross-utility impact or opportunities for sharing best practices and lessons learned;

Reviewing issues having significant impact on utility capital budgets and resource adequacy to meet utility service obligations;

Overseeing the establishment of and compliance with policies and procedures for the management and mitigation of risks associated with the security and integrity of the transmission and distribution assets of BGE, ComEd, PECO and Exelon Transmission Company;

Reviewing significant legislative, regulatory and investment and recovery strategies, focusing on those with potential multi-state or multi-utility impact;

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Reviewing significant labor and human relations policies or issues related to the operating utilities, focusing on those with potential cross-utility impact and sharing of best practices and lessons learned; and

Reviewing significant environmental, health and safety policies or practices related to the operating utilities.

FINANCE AND RISK COMMITTEE

The finance and risk committee met seven times in 2013.

The finance and risk committee's principal duties, as discussed in its current charter, include:

Overseeing the company's risk management functions;

Overseeing matters relating to the financial condition and risk exposures by Exelon;

Monitoring the financial condition, capital structure, financing plans and programs, dividend policy, treasury policies and liquidity and related financial risk at Exelon and its major subsidiaries;

Overseeing or appraising of the capital management and planning process, including capital investments, acquisitions and divestitures;

Overseeing the company-wide risk management strategy, policies, procedures, and mitigation efforts, including insurance programs and legal and regulatory compliance programs;

Overseeing the strategy and performance of risk management policies relating to risks associated with marketing and trading of energy and energy-related products; and

Reviewing and approving risk policies relating to power marketing, hedging and the use of derivatives. Most members of the finance and risk committee also serve on the audit committee. On occasion, the finance and risk and audit committees meet jointly to review areas of mutual interest between the two committees.

GENERATION OVERSIGHT COMMITTEE

The generation oversight committee met four times in 2013.

The generation oversight committee's principal duties, as discussed in its charter, include:

Advising and assisting the full board in fulfilling its responsibilities to oversee the safe and reliable operation of all generating facilities owned or operated by Exelon or its subsidiaries, including those in which Exelon has significant equity or operational interests;

Overseeing the management and operation of the company's generating facilities and the overall organizational effectiveness (both corporate and stations) of the generation operations;

Overseeing the establishment of and compliance with policies and procedures to manage and mitigate risks associated with the security and integrity of Exelon Generation's assets; and

Reviewing environmental, health and safety issues related to the company's generating facilities.

INVESTMENT OVERSIGHT COMMITTEE

The investment oversight committee is responsible for general oversight of Exelon's investment management functions. The committee serves as a resource and advisory panel for Exelon's management-level investment management team and reports to the board.

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Corporate Governance at Exelon

The investment oversight committee met three times in 2013.

The investment oversight committee's principal duties, as discussed in its charter, include:

Overseeing the management and investment of the assets held in trusts established or maintained by the company or any subsidiary for the purpose of funding the expense of decommissioning nuclear facilities;

Monitoring the performance of the nuclear decommissioning trusts and the trustees, investment managers and other advisors and service providers for the trusts;

Overseeing the evaluation, selection and retention of investment advisory and management, consulting, accounting, financial, clerical or other services with respect to the nuclear decommissioning trusts;

Overseeing the evaluation, selection and appointment of trustees and other fiduciaries for the nuclear decommissioning trusts;

Overseeing the administration of the nuclear decommissioning trusts; and

Monitoring and receiving periodic reports concerning the investment performance of the trusts under the pension and post-retirement welfare plans and the investment options under the savings plans.

AVAILABILITY OF CORPORATE DOCUMENTS

The Exelon Corporate Governance Principles, the Exelon Code of Business Conduct, the Exelon Amended and Restated Bylaws, and the charters for the audit, corporate governance, compensation and leadership development and other committees of the board of directors are available on the Exelon website at www.exeloncorp.com, on the corporate governance page under the Investors tab. Copies may be printed from the Exelon website and copies are available without charge to any shareholder who requests them by writing to Bruce G. Wilson, Senior Vice President, Deputy General Counsel and Corporate Secretary, Exelon Corporation, 10 South Dearborn Street, P.O. Box 805398, Chicago, Illinois 60680-5398. In addition, our Articles of Incorporation, Compensation Consultant Independence Policy, Political Contributions Guidelines, biographical information concerning each director, and all of our filings submitted to the SEC are available on our website. Access to this information is free of charge to any user with internet access. Information contained on our website is not part of this proxy statement.

DIRECTOR NOMINATION PROCESS

The corporate governance committee serves as the nominating committee and recommends director nominees. The board of directors receives the proposed nominations from the corporate governance committee and approves the nominees to be included in the Exelon proxy materials that are distributed to shareholders.

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The corporate governance committee considers all candidates for director, including directors currently serving on the board and candidates recommended by shareholders and others. The committee may also utilize specialized search firms to identify and assess potential candidates.

The committee determines the appropriate mix of skills and characteristics required to best fill the needs of the board and periodically reviews and updates the criteria as deemed necessary. The board believes that diversity in personal background, race, gender, age and nationality are important considerations in selecting candidates. All candidates are considered in light of the following standards and qualifications for director that are contained in the Exelon Corporate Governance Principles:

Highest personal and professional ethics, integrity and values;

An inquiring and independent mind;

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Practical wisdom and mature judgment;

Broad training and experience at the policy-making level in business, government, education or technology;

Expertise useful to Exelon and complementary to the background and experience of other Exelon board members;

Willingness to devote the required amount of time to the duties and responsibilities of board membership;

A commitment to serve over a period of years to develop knowledge about Exelon; and

Involvement only in activities or interests that do not create a conflict with responsibilities to Exelon and its shareholders. The satisfaction of these criteria is implemented and assessed through consideration of directors and nominees by the corporate governance committee and the board of directors and through the process for evaluation of the board's effectiveness. The corporate governance committee and the board believe that the criteria have been satisfied to create an effective mix of experience, skills, specialized knowledge, diversity, and other qualifications and attributes among members of the board of directors.

DIRECTOR RETIREMENT POLICY

For several years prior to 2010, the board had a retirement policy under which a director must retire at the end of the calendar year in which he or she reached the age of 72. In 2010, the corporate governance committee and the board re-evaluated the company's retirement policy and matters related to director succession. The board found that directors can normally continue to provide a valuable service to the company for several years beyond age 72. In addition, the board noted that under the retirement policy there were repeated instances where a number of director retirements would fall in the same year. For these reasons, the board was generally flexible in the application of the retirement policy and waived or suspended the policy when the purposes of the policy are outweighed by factors such as a desire for director continuity, the desire to retain the leadership or experience of a particular director, a need to identify equally qualified successors, a desire to avoid multiple retirements in one year, or other factors that mitigate against mandatory retirement. The board also recognized that, beginning with the annual meeting in 2010, shareholders are entitled to vote for the election of the entire board of directors. Accordingly, during 2010 the board amended the director retirement policy to provide that a director must retire at the end of the calendar year in which he or she reaches the age of 75.

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Corporate Governance at Exelon

COMPENSATION OF NON-EMPLOYEE DIRECTORS

For their service as directors of the corporation in 2013, Exelon's non-employee directors received the compensation shown in the following table and explained in the accompanying notes. Mr. Crane, not shown in the table, received no additional compensation for his service as a member of the board of directors or its committees. Mr. Shattuck, who served as executive chairman of the board through February 28, 2013 received no additional compensation through that date. On March 1, 2013 he became the non-executive chairman of the board and the compensation he received during 2013 for service in that role is reflected below.

	Fees Earned or Paid in Cash			Stock Awards (see description below)	Change in Pension Value and Nonqualified Compensation Earnings (Note 1)	All Other Compensation (Note 2)	Total
	Annual Board & Committee Retainers	Board & Committee Meeting Fees					
Anderson (3)	\$ 49,875	\$ 28,000	\$ 91,389	\$	\$	\$ 169,264	
Berzin	55,000	58,000	100,000		15,000	228,000	
Canning	60,000	40,000	100,000		15,000	215,000	
de Balmann	55,000	50,000	100,000			205,000	
DeBenedictis	65,000	50,000	100,000			215,000	
Diaz	55,000	54,000	100,000		5,000	214,000	
Gin	75,000	66,000	100,000			241,000	
Joskow	55,000	66,000	100,000			221,000	
Lawless (5)	60,000	42,000	100,000		15,000	217,000	
Mies	80,000	76,000	100,000		15,000	271,000	
Richardson (5)	80,000	68,000	100,000		15,000	263,000	
Ridge (4)	37,636	32,000	75,272		100,000	244,908	
Rogers	60,000	34,000	100,000			194,000	
Shattuck	250,833	12,000	83,611		15,000	361,444	
Steinour	65,000	62,000	100,000		15,000	242,000	
Thompson (4)	13,659	14,000	31,319		100,000	158,978	
Total All Directors	1,117,003	752,000	1,481,591	0	310,000	3,660,594	

Notes:

- (1) Values in this column represent that portion of the directors' accrued earnings in their non-qualified deferred compensation account that were considered as above market. See the description below under the heading "Deferred Compensation." For 2013, none of the directors recognized any such earnings.
- (2) Values in this column represent the company's matching portion of the director's contribution to qualified educational institutions pursuant to Exelon's matching gift plan described below in "Other Compensation." For Governor Ridge and Mr. Thompson, includes charitable contributions made by Exelon following their retirement in honor of their service to the company and its shareholders.
- (3) Mr. Anderson joined the board effective March 1, 2013. All retainers were prorated beginning with that date.
- (4) Mr. Thompson did not stand for reelection to the board and his term expired on April 23, 2013. Mr. Ridge resigned effective October 2, 2013. All retainers for both directors were prorated through their respective departure dates.
- (5)

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In addition to the amounts shown in the table, Mr. Lawless and Dr. Richardson, who also served as directors of the Exelon Foundation during 2013, received \$6,000 and \$8,000 respectively from the Foundation for attending meetings of the Foundation's board. Exelon contributes to the Foundation to pay for the Foundation's operating expenses.

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Corporate Governance at Exelon

Fees Earned or Paid in Cash

In 2013, all directors received an annual retainer of \$50,000 paid in cash. The Lead Director received an additional annual retainer of \$25,000. The non-executive chairman of the board received an annual retainer at the rate of \$300,000 per year in 2013 (pro rated for the partial year) in addition to board meeting fees. Committee chairs receive an additional \$10,000 retainer per year. In recognition of the additional time commitment and responsibility, members of the audit committee and generation oversight committee, including the committee chairs, receive an additional \$5,000 per year for their participation on these committees, and the chairs of these committees receive a \$20,000 annual retainer.

Directors receive \$2,000 for each meeting of the board and board committee that they attend, whether in person or by means of teleconferencing or video conferencing equipment. Directors serving on the generation oversight committee receive \$3,000 for each meeting of that committee they attend due to the additional travel that is required and the length of those meetings. Directors also receive a \$2,000 meeting fee for attending the annual shareholders meeting and the annual strategy retreat.

Stock Awards

Rather than paying directors entirely in cash, Exelon pays a significant portion of director compensation in the form of deferred stock units. Directors receive deferred stock units worth \$100,000 per year. Deferred stock units are granted and credited to a notional account maintained on the books of the corporation at the end of each calendar quarter based upon the closing price of Exelon common stock on the day the quarterly dividend is paid. Deferred stock units earn the same dividends available to all holders of Exelon common stock, which are reinvested in the account as additional stock units. The deferred stock units are not paid out to the directors until they retire from the board, leaving these amounts at risk during the director's entire tenure on the board. In July 2013, the board voted to increase its stock ownership requirement from 5,000 to 15,000 shares of Exelon common stock or deferred stock units within five years after their election to the board.

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As of December 31, 2013, the directors held the following amounts of deferred Exelon common stock units. The units are valued at the closing price of Exelon common stock on December 31, 2013, which was \$27.39. Legacy plans include those stock units earned from Exelon's predecessor and merged companies, PECO Energy Company, Unicom Corporation and Constellation Energy Group, Inc. For Mr. Rogers, the legacy deferred stock units reflect accrued benefits from the Unicom 1996 Directors Fee Plan, which was terminated in 2000; for Ms. Berzin, Mr. de Balmann and Mr. Lawless the legacy units reflect accrued benefits from the Constellation Energy Group, Inc. Deferred Compensation Plan for Non-employee Directors that was terminated on March 12, 2012.

	Year First Elected to the Board	Deferred Stock Units From Legacy Plans #	Deferred Stock Units From Exelon Plan #	Total Deferred Stock Units #	Fair Market Value as of 12/31/13 \$
Anthony K. Anderson	2013		3,048	3,048	83,485
Ann C. Berzin	2012	24,065	5,827	29,892	818,742
John A. Canning	2008		15,390	15,390	421,532
Yves C. de Balmann	2012	33,231	5,827	39,058	1,069,799
Nicholas DeBenedictis	2002		22,834	22,834	625,423
Nelson A. Diaz	2004		22,683	22,683	621,287
Sue L. Gin	1993		16,232	16,232	444,594
Paul L. Joskow	2007		16,846	16,846	461,412
Robert J. Lawless	2012	36,871	5,827	42,698	1,169,498
Richard W. Mies	2009		14,225	14,225	389,623
William C. Richardson	2005		20,532	20,532	562,371
John W. Rogers, Jr	1999	4,407	31,813	36,220	992,066
Mayo A. Shattuck III	2012		2,799	2,799	76,665
Stephen D. Steinour	2007		17,176	17,176	470,451
Total All Directors		98,574	201,059	299,633	8,206,948

Deferred Compensation

Directors may elect to defer any portion their cash compensation in a non-qualified multi-fund deferred compensation plan. Each director has an unfunded account where the dollar balance can be invested in one or more of several mutual funds, including one fund composed entirely of Exelon common stock. Fund balances (including those amounts invested in the Exelon common stock fund) will be settled in cash and may be distributed in a lump sum or in annual installment payments upon a director's reaching age 65, age 72 or upon retirement from the board. These funds are identical to those that are available to executive officers and are generally identical to those available to company employees who participate in the

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Corporate Governance at Exelon

Exelon Employee Savings Plan. Directors and executive officers have one additional fund not available to employees that, through its composition, provides returns that can be in excess of 120% of the federal long-term rate that is used by the IRS to determine above market returns. However, during 2013 none of the directors had investments in this fund.

Other Compensation

Exelon has a board expense reimbursement policy under which directors are reimbursed for reasonable travel to and from their primary or secondary residence and lodging expenses incurred when attending board and committee meetings or other events on behalf of Exelon (including director's orientation or continuing education programs, facility visits or other business related activities for the benefit of Exelon). Under the policy, Exelon will arrange for its corporate aircraft to transport groups of directors, or when necessary, individual directors, to meetings in order to maximize the time available for meetings and discussion. Directors may bring their spouses or guests on Exelon's corporate aircraft when they are invited to an Exelon event, and the value of this travel, calculated according to IRS regulations, is imputed to the director as additional taxable income.

Exelon pays the cost of a director's spouse's travel, meals, lodging and related activities when the spouses are invited to attend company or industry related events where it is customary and expected that directors attend with their spouses. The cost of such travel, meals and other activities is imputed to the director as additional taxable income. However, in most cases there is no incremental cost to Exelon of providing transportation and lodging for a director's spouse when he or she accompanies the director, and the only additional costs to Exelon are those for meals and activities and to reimburse the director for the taxes on the imputed income. In 2013, incremental cost to the company to provide these perquisites was nominal and the aggregate amount for all directors as a group, a total of 16 directors, was \$506. The aggregate amount paid to all directors as a group (16 directors) for reimbursement of taxes on imputed income was \$306.

Exelon has a matching gift program available to directors, officers and employees that matches their contributions to eligible not-for-profit organizations up to \$15,000 per year for directors; \$10,000 per year for executives (\$15,000 per year through the end of 2013 for legacy Constellation Energy Group executives) and up to \$5,000 per year for other employees.

Compensation Philosophy

The Exelon board has a policy of targeting their compensation to the median board compensation of the same peer group of companies used to benchmark executive compensation. The base compensation (cash and stock retainers for board service and meeting fees) paid to Exelon directors in 2013 remained unchanged since 2008. In 2013, the corporate governance committee asked Semler Brossy Consulting Group, the independent consultant to the compensation and leadership development committee, to perform a director compensation study. The study found that in 2013 and some earlier years, compensation paid to Exelon directors was below the median of the peer group and below the median resulting from several published studies of larger groups. In January 2014, the board increased the annual cash retainer for board service from \$50,000 to \$80,000 but left all other compensation unchanged. The increase represented a 1.6 percent annual increase in basic director compensation over the five year period since 2008.

Table of Contents**Ownership of Exelon Stock****STOCK OWNERSHIP REQUIREMENTS FOR DIRECTORS AND OFFICERS**

Under Exelon's Corporate Governance Principles, all directors are required to own within five years after election to the board at least 15,000 shares of Exelon common stock or deferred stock units or shares accrued in the Exelon common stock fund of the directors' deferred compensation plan. The board amended the corporate governance principles in July 2013 to increase the ownership requirement from 5,000 shares to 15,000 shares. The corporate governance committee utilized an independent compensation consultant who determined that, compared to its peer group, Exelon's ownership requirement is reasonable.

To strengthen the alignment of executives' interests with those of shareholders, the compensation and leadership development committee establishes stock ownership requirements for officers of the company. Officers are required to own, within the later of five years after their employment or September 30, 2012, stock having a market value (based on the 60-day average stock price as of September 30, 2012) equal to or greater than multiples of their base salary or fixed numbers of shares as shown in the table below. The compensation and leadership development committee has determined that stock options are not considered for purposes of satisfying this requirement. Performance shares that have been earned but not vested, unvested restricted shares, restricted stock units, and shares held in the Exelon Stock Deferral Plan will count toward the stock ownership requirement, as will certificates and dividend reinvestment plans; shares held in 401(k) Employee Savings Plans; shares held by spouses or children; broker accounts held in street name; and IRAs and trust accounts in which the executive is a beneficiary. These guidelines may be equitably adjusted in the case of promotions in the discretion of the Senior Vice President and Chief Human Resources Officer.

Officer	Number of Exelon Shares
Chief Executive Officer	5 x annual salary divided by 60-day average share price
Exelon executive vice presidents and above	3 x annual salary divided by 60-day average share price
Presidents of subsidiary companies	2 x annual salary divided by 60-day average share price
Senior vice presidents	The lesser of 17,500 shares or 2 x annual salary divided by 60-day average share price
Vice presidents and other executives	The lesser of 6,500 shares or 1 x annual salary divided by 60-day average share price

The following table shows the status of each currently-employed NEO against the new ownership targets as of January 31, 2014.

Name	Stock Ownership Target (Shares) [A]	Total Shares and Share Equivalents Held as of January 31, 2014 [B]	Stock Ownership Percentage [B]/[A]
Crane	156,718	357,728	228%
Thayer	53,148	121,898	229%
Cornew	57,236	137,171	240%
Von Hoene	57,236	136,419	238%
O'Brien	59,280	129,613	219%

Table of Contents**Ownership of Exelon Stock****BENEFICIAL OWNERSHIP TABLE**

The following table shows the ownership of Exelon common stock as of January 31, 2014 by each director, each named executive officer in the Summary Compensation Table, and for all directors and executive officers as a group.

Directors (Note 3)	[A] Beneficially Owned Shares	[B] Shares Held in Company Plans (Note 1)	[C] Vested Stock Options and Options that Vest Within 60 days	[D]=[A]+[B]+[C] Total Shares Held	[E] Share Equivalents to be Settled in Cash or Stock (Note 2)	[F]=[D]+[E] Total Share Interest
Anthony K. Anderson	0	3,048	0	3,048	0	3,048
Ann C. Berzin	0	29,893	0	29,893	3,759	33,652
John A. Canning, Jr.	5,000	15,390	0	20,390	1,076	21,466
Yves, C. de Balmann	1,910	39,058	0	40,968	0	40,968
Nicholas DeBenedictis	5,000	22,834	0	27,834	0	27,834
Nelson A. Diaz	1,500	22,683	0	24,183	5,328	29,511
Sue L. Gin	56,424	16,232				