EXELON CORP
Form DEF 14A
March 30, 2007

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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 ý

Filed by a Party other than the Registrant o

Check the appropriate box:

o Preliminary Proxy Statement

o **Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**

ý Definitive Proxy Statement

o Definitive Additional Materials

o Soliciting Material Pursuant to §240.14a-12

Exelon Corporation

(Name of Registrant as Specified In Its Charter)

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

Payment of Filing Fee (Check the appropriate box):

ý No fee required.

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NOTICE OF THE ANNUAL MEETING
AND 2007 PROXY STATEMENT

March 29, 2007

Dear Shareholder:

We will hold the annual meeting of Exelon Corporation shareholders on Tuesday, May 8, 2007 at 9:30 A.M. Eastern Daylight Savings Time at the PECO Energy Company headquarters, 2301 Market Street, Philadelphia, Pennsylvania.

The purpose of the annual meeting is to consider and take action on the following matters:

- The election of six directors: Five Class I directors: Nicholas DeBenedictis, Sue L. Gin, William C. Richardson, Thomas J. Ridge, and Don Thompson, to serve for a term of three years; and one Class III director: Stephen D. Steinour to serve for a term of two years;
- The ratification of PricewaterhouseCoopers LLP as Exelon's independent accountant for the year 2007;
- The amendment of Exelon's Articles of Incorporation to allow for the annual election of all directors beginning in 2008;
- A shareholder proposal to require shareholder approval of future executive severance benefits; and
- Any other business that properly comes before the meeting.

Shareholders of record as of March 19, 2007 are entitled to vote at the annual meeting. This notice and proxy statement, voting instructions, Exelon's 2006 Summary Annual Report and Exelon's 2006 Financial Information are being mailed to shareholders on or about March 29, 2007.

Your vote is very important. Please consider using the internet for voting: it is fast and secure and will help us reduce mailing expenses. You may also elect to receive future proxy mailings through the internet to further reduce costs and conserve natural resources.

If you plan to attend the annual meeting, please review the instructions in the Frequently Asked Questions section of the proxy statement. Thank you for your continued interest and support of Exelon Corporation.

By order of the board of directors,

Katherine K. Combs
Senior Vice President, Corporate Governance,
Corporate Secretary and Deputy General Counsel

Table of Contents

1. Frequently Asked Questions

Why am I receiving these proxy materials?

You are receiving these proxy materials in connection with the solicitation by the Exelon Board of Directors of proxies to be voted at the 2007 annual meeting of shareholders. Exelon has appointed Randall E. Mehrberg and Katherine K. Combs, or either of them with power of substitution, to vote all proxies properly executed and submitted by shareholders who are entitled to vote at the annual meeting or any adjournment thereof.

If your shares were registered directly in your name with Exelon's transfer agent, Computershare Trust Company, N.A., as of the close of business on March 19, 2007, you are considered the "holder of record," and Exelon has sent you the Notice of Annual Meeting and 2007 Proxy Statement, Exelon's 2006 Summary Annual Report, Exelon's 2006 Financial Information and a proxy card.

If your shares were held in the name of a bank, brokerage account or other nominee as of the close of business on March 19, 2007, you are considered the "beneficial owner" of shares held in street name. Your bank, broker or other nominee has sent you the Notice of Annual Meeting and 2007 Proxy Statement, Exelon's 2006 Summary Annual Report, Exelon's 2006 Financial Information, and a vote instruction form. You have the right to direct your bank, broker, or other nominee on how to vote the shares by completing and returning the vote instruction form or by following the instructions provided for voting on the internet or telephone.

The annual meeting will be held on Tuesday, May 8, 2007 at 9:30 A.M. Eastern Daylight Savings Time at the PECO Energy Company headquarters, 2301 Market Street, Philadelphia, Pennsylvania.

Exelon is asking for your proxy and will pay all of the costs of asking for shareholder proxies. We have hired Georgeson Shareholder Communications, Inc. to help us send out the proxy materials and to ask for proxies. Georgeson's fee for these services is $15,000, plus reimbursement of out-of-pocket expenses. We can ask for proxies through the mail, or personally by telephone or the internet. We may use directors, officers and regular employees of Exelon to ask for proxies. These people do not receive additional compensation for these services. We will also reimburse brokerage houses and other custodians, nominees and fiduciaries for their reasonable out-of-pocket expenses for forwarding solicitation material to the beneficial owners of Exelon common stock.

What am I voting on?

You are voting on four proposals. Details on each proposal are included in the next section entitled "Proposals to be Voted Upon".

> *Proposal 1*: The election of six directors: five Class I directors: Nicholas DeBenedictis, Sue L. Gin, William C. Richardson, Thomas J. Ridge, and Don Thompson, each for a term of three years; and one Class III director, Stephen D. Steinour, for a term of two years;
>
> *Proposal 2*: The ratification of PricewaterhouseCoopers, LLP as Exelon's independent public accountant for the year 2007;
>
> *Proposal 3*: The amendment of the Exelon's Articles of Incorporation to allow for the annual election of all directors, beginning in 2008;

The board of directors urges you to vote **"FOR"** the director nominees and **"FOR"** the ratification of the independent public accountant, and "**FOR**" the amendment of the Articles of Incorporation.

There is also one proposal submitted by a shareholder:

> *Proposal 4*: A recommendation to require shareholder approval of future grants of severance benefits.

The board of directors urges you to vote **"AGAINST"** this proposal.

How do I vote?

You may vote your shares by any one of the following methods:

By Internet: log onto the website indicated on your proxy card or vote instruction form.

By telephone: Call the toll-free number shown on your proxy card or vote instruction form and follow the voice prompts.

By mail: mark your votes, sign and return the proxy card or vote instruction form in the postage paid envelope provided.

You may attend the annual meeting in person and use a ballot to cast your vote.

If you vote by the Internet or by telephone, you do not need to send in the proxy card or vote instruction form. The deadline for Internet and telephone voting is 11:59 PM, Eastern Time, May 7, 2007.

If you are a registered holder, and you sign and date your proxy card but do not indicate your vote on the four proposals, Exelon will vote your shares FOR the director nominees named in Proposal 1, FOR the ratification of PricewaterhouseCoopers LLP as Exelon's independent accountant in Proposal 2, FOR the amendment of Exelon's Articles of Incorporation to allow for the annual election of directors beginning in 2008 as described in Proposal 3, and AGAINST Proposal 4.

If your shares are held in the name of a bank, broker or other nominee, and you wish to vote your shares at the annual meeting, you will need to contact your bank, broker or other nominee to obtain a legal proxy form that you must bring with you to the meeting to exchange for a ballot.

You have the right to revoke your proxy at any time before the annual meeting by notifying the Corporate Secretary or by casting another vote either in person or by one of the other methods discussed above.

What vote is needed for the proposals to be adopted?

As of the record date, March 19, 2007, there were 672,487,918 shares of Exelon common stock issued and outstanding.

Quorum: In order to conduct the annual meeting, more than one-half of the outstanding shares must be present or be represented by proxy. This is referred to as a "quorum." If you submit a properly executed proxy card or vote by telephone or by Internet, you will be considered part of the quorum. Proxy cards marked as abstaining and broker non-votes on any proposal to be acted on by shareholders will be treated as present at the annual meeting for purposes of a quorum.

Proposals: More than one-half of the shares present either in person or by proxy and entitled to vote at the annual meeting must vote for a proposal in order for it to be adopted.

Directors: In December 2006, Exelon's board of directors amended the Bylaws to implement a majority voting standard for uncontested elections of directors. By this action, Exelon has taken the initiative to follow a preferred corporate governance model by eliminating the previously used plurality standard for election of directors. To be elected in an uncontested election, each director nominee must receive a majority of the total votes cast for and against the director nominee. Under the procedure adopted by the board, all nominees must tender irrevocable letters of resignation before the meeting. If they fail to receive a majority of the votes cast, the resignation of a director nominee who is not an incumbent director would automatically be accepted. In the case of an incumbent director who did not receive a majority of the votes cast, the board would consider whether or not to accept the tendered resignation. The board's decision and the basis for the decision would then be disclosed within 90 days following the certification of the final vote results.

Who will count and certify the votes?

Representatives of Computershare Trust Company, N. A., Exelon's transfer agent, and staff of the Office of Corporate Governance will count the votes and certify the election results. The results will be available on the Investor Relations page of our website by May 20, 2007, and will also be published in Exelon's second quarter SEC report on Form 10-Q.

How can I attend the annual meeting?

Admittance to the annual meeting is limited to shareholders who are eligible to vote or their authorized representatives. If you are a holder of record as of March 19, 2007 and wish to attend the annual meeting, tear off and bring the top half of your proxy card along with a photo ID to present for admission into the meeting.

If you received your proxy materials through the Internet, there is a link to print a paper admission ticket.

If your shares are held in the name of a bank, broker or other nominee, and you wish to attend the annual meeting, you must bring other proof of ownership such as an account statement that clearly shows that you held Exelon common stock on the record date, or a legal proxy obtained from your bank, broker or other nominee. You must also bring a photo ID. Alternatively, you may obtain a ticket by sending your request and a copy of your proof of ownership to: Annual Meeting Admission Tickets c/o Katherine K. Combs, Senior Vice President, Corporate Governance, Corporate Secretary and Deputy General Counsel, Exelon Corporation, 10 South Dearborn Street, P.O. Box 805398, Chicago, Illinois 60680-5398

No cameras, recording equipment, electronic devices, large bags, backpacks, briefcases or packages will be permitted in the meeting room or adjacent areas, and other items will be subject to search.

Can I view or receive these materials electronically?

Exelon's annual report and proxy statement are available online at www.exeloncorp.com. From the home page, select the Investor Relations tab to view or download the materials.

By choosing to access your proxy materials online, you will save the company the cost of printing and mailing these documents to you and help preserve natural resources. If you wish to receive your future proxy statements and annual reports electronically, you may select this option as you vote your shares online, or you may register directly at the site www.computershare.com. If you hold your shares in street name you must contact your bank, broker or other nominee in order to consent to electronic delivery.

How can I reduce duplicate mailings?

The Securities and Exchange Commission allows Exelon to send a single annual report and proxy statement to two or more shareholders who share the same address, subject to certain conditions. This is known as "householding". If your household received only one copy and you wish to receive another, or if you wish to remove your account from the householding program, please call the Exelon Shareowner Services Helpline at 1-800-626-8729 and speak to a customer service representative.

How can I submit a proposal for consideration at the 2008 annual meeting?

In order to be considered for the 2008 annual meeting, shareholder proposals must be submitted in writing to Ms. Katherine K. Combs, Senior Vice President, Corporate Governance, Corporate Secretary and Deputy General Counsel, Exelon Corporation, 10 South Dearborn Street, P.O. Box 805398, Chicago, Illinois 60680-5398. Under the bylaws, no proposal can be considered at the 2008 annual meeting unless it is received by the Corporate Secretary before the close of business on November 29, 2007. The proposal must also meet the other requirements of the SEC's rules relating to shareholder proposals.

How can I recommend or nominate someone to become a director of Exelon?

A shareholder who wishes to recommend a candidate to be considered by the Exelon corporate governance committee for nomination for election as a director of Exelon may submit the recommendation by writing to Mr. M. Walter D'Alessio, Chairman of the Corporate Governance Committee, c/o Katherine K. Combs, Senior Vice President, Corporate Governance, Corporate Secretary and Deputy General Counsel, Exelon Corporation, 10 South Dearborn Street, P.O. Box 805398, Chicago, Illinois 60680-5398. The corporate governance committee will consider all recommended candidates when making its recommendation to the Exelon board of directors to nominate a slate of directors for election.

Under the Exelon bylaws, the deadline has passed for a shareholder to nominate a candidate for election to the Exelon board of directors at the 2007 annual meeting. Exelon's bylaws allow shareholders to nominate a candidate for election as a director during the 2008 annual meeting, provided that proper notice and the other required information is provided in accordance with the Exelon bylaws. In order for a shareholder to nominate a candidate for election as a director at the 2008 annual meeting, notice of the proposed nomination must be received by Exelon no later than November 29, 2007, and must include information required under the bylaws, including (1) information about the nominating shareholder, (2) information about the candidate that would be required to be included in a proxy statement under the rules of the Securities and Exchange Commission, and (3) the signed consent of the candidate to serve as a director of Exelon, if elected, and to be bound by Sections 4.02 and 4.03 of the bylaws. If such a nomination is properly presented at the 2008 annual meeting, the nominee will be voted upon by those shareholders present in person at the meeting and by the appointed proxies who have discretionary voting authority on other matters that are introduced during the meeting.

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2. Proposals to be Voted Upon

Proposal 1: The Election Of Directors

The corporate governance committee has recommended, and the board of directors nominates, the following nominees for election in their respective classes and each for the term specified for their class:

Five Class I directors to serve for a term of three years: Nicholas DeBenedictis, Sue L. Gin, William C. Richardson, Thomas J. Ridge, and Don Thompson.

One Class III director to serve for a term of two years: Stephen D. Steinour.

Information about each nominee, including each nominee's principal employment and work experience for the previous five years, is found in the section entitled "Directors' Biographies". Each nominee has consented to serve for the specified term. Messrs. Thompson and Steinour were recommended by non-employee directors of Exelon.

After Exelon terminated the Merger Agreement with PSEG, the board of directors suspended the mandatory retirement policy for Messrs. Jannotta, Rubin, and Thomas, until the 2007 annual meeting of shareholders. At that time, Mr. Jannotta's term will expire, and Messrs. Rubin and Thomas will tender their resignations and retire from the board. The board will reduce the number of directors to 14 and number of Class II directors to four upon the retirement of Mr. Rubin. To ensure continuity while new directors begin to serve in the place of retired directors, the board also suspended the mandatory retirement policy for Messrs. Brennan, D'Alessio, DeMars, and Palms until the end of the calendar year in which they turn 75.

If any director is unable to stand for election, the board may reduce the number of directors in that class, or designate a substitute. In that case, shares represented by proxies may be voted for a substitute director in that class. Exelon does not expect that any director nominee will be unable to serve.

**THE BOARD OF DIRECTORS RECOMMENDS A VOTE "FOR"
EACH OF THE DIRECTOR NOMINEES.**

Proposal 2: The Ratification Of PricewaterhouseCoopers LLP As Exelon's Independent Accountant For 2007

The audit committee and the board of directors believe that PricewaterhouseCoopers' knowledge of Exelon is invaluable, especially as Exelon moves to greater competition in the energy market. Representatives of PricewaterhouseCoopers working on Exelon matters are periodically changed, providing Exelon with new expertise and experience. PricewaterhouseCoopers has direct access to members of the audit committee and regularly attend their meetings. Representatives of PricewaterhouseCoopers will attend the annual meeting to answer appropriate questions and make a statement if they desire.

In July 2002 the audit committee adopted a policy requiring that it approve in advance all services to be performed by the independent accountant. The committee pre-approves annual budgets for audit, audit-related, tax compliance and planning services, and other services. The committee will consider proposed engagements that do not impair the accountant's independence and add value to the audit, including audit services, audit-related services (such as accounting advisory services related to proposed transactions and new accounting pronouncements, the issuance of comfort letters and consents in relation to financings and the provision of attest services in relation to regulatory filings and contractual obligations), and tax compliance and planning services. The committee delegated authority to the committee's chairman to pre-approve non-budgeted services in amounts less than $500,000. All other services must be pre-approved by the committee. The committee receives quarterly reports on all fees paid to the independent accountant. None of the services were provided without pre-approval as the SEC rules permits for "de minimus" services.

In 2006, the audit committee reviewed the PricewaterhouseCoopers Audit Plan and proposed fees and concluded that the scope of audit was appropriate and the proposed fees were reasonable for 2007.

The following table presents the fees for professional services rendered by PricewaterhouseCoopers LLP for the audit of Exelon's annual financial statements for the years ended December 31, 2006 and December 31, 2005, and fees billed for other services provided during those periods. The fees shown

include all amounts related to the year indicated (even if billed in prior or subsequent periods), which may differ from the amounts actually billed during the period.

	Year Ended Dec. 31, 2006	Year Ended Dec. 31, 2005
Audit Fees	$ 8,230,000	$ 9,450,000
Audit-Related Fees	3,503,000	110,000
Tax Fees	339,000	294,000
All Other Fees	38,000	40,000
Total	$ 12,110,000	$ 9,894,000

Audit-Related fees consist of assurance and related services that are traditionally performed by the auditor. This category includes fees for accounting assistance and due diligence in connection with proposed acquisitions or sales, employee benefit plan audits, internal control reviews, and consultations concerning financial accounting and reporting standards. The fees associated with the proposed PSEG Merger were reclassified as audit-related fees from audit fees after the proposed merger with PSEG was terminated in 2006.

Tax fees consist of the aggregate fees billed for professional services rendered by PricewaterhouseCoopers LLP for tax compliance, tax advice, and tax planning. These services included tax compliance and preparation services, including the preparation of original and amended tax returns, claims for refunds, and tax payment planning, and tax advice and consulting services, including assistance and representation in connection with tax audits and appeals, tax advice related to proposed acquisitions or sales, employee benefit plans and requests for rulings or technical advice from taxing authorities.

All other fees reflect work performed primarily in connection with corporate executive programs.

THE BOARD OF DIRECTORS RECOMMENDS A VOTE "FOR" PRICEWATERHOUSECOOPERS, LLP AS EXELON'S INDEPENDENT ACCOUNTANT FOR 2007.

Proposal 3: The Amendment Of Exelon's Articles Of Incorporation To Allow For The Annual Election Of Directors Beginning In 2008.

In 1999, the boards of directors of Unicom Corporation and PECO Energy Company, our predecessor companies, considered the structure of the board of directors of Exelon after their merger. The predecessor boards determined that it would be in the best interests of the shareholders of the companies if the Exelon board would be classified, with approximately one-third of the board to be elected annually, each for a three-year term. This structure was consistent with the classified board structure that was then in place at PECO Energy Company. Accordingly, a classified board structure was an integral part of the merger agreement and was approved by the shareholders of the predecessor companies when they approved the merger. As a result, Exelon has had a classified board since its inception in October 2000.

The corporate governance committee periodically reviews Exelon's corporate governance practices to consider whether it would be appropriate to change those practices in light of changing conditions and evolving views of best practices in corporate governance. In considering whether it would be advisable to amend Exelon's articles of incorporation to provide for the annual election of directors, the corporate governance committee and the board heard the advice of outside experts and considered arguments for and against the classified board structure. The board considered that staggered three-year terms of directors provide continuity and stability in governance, that experienced directors may have a longer-term perspective, and that three-year terms can strengthen director independence and facilitate retention of highly-qualified directors. A classified structure can also increase the board's negotiating leverage with respect to unsolicited takeover proposals.

The board also considered the views of investors who believe that a classified board structure reduces the accountability of directors to shareholders because the directors do not face election each year. Because the election of directors is the primary means by which shareholders can affect corporate management, a classified board may reduce shareholder influence over Exelon's policies. In addition, some investors

believe that a classified board structure may reduce shareholder value by inhibiting proxy contests in which shareholders might have an opportunity to vote for an entire slate of competing nominees.

After considering these views, the corporate governance committee recommended that the board take action to phase in the declassification of the board and instead provide for the annual election of directors. The board of directors agreed and recommends a phased-in process under which, commencing with Exelon's 2008 annual meeting of shareholders, directors will be elected for one-year terms in accordance with the provisions of sections 1724 and 1911 of the Pennsylvania Business Corporation Law (as amended, the "BCL").

In order to effect these changes, the board of directors proposes, subject to shareholder approval, the requirements of the BCL and any necessary regulatory approvals, that Sections 5.02 and 5.03 of the Amended and Restated Articles of Incorporation of the corporation be amended to read as follows (the "Charter Amendment"):

> ***Section 5.02 Annual Election of Directors.***
>
> The board of directors of the Corporation shall not be classified in respect of the time for which they shall hold office. Except as otherwise provided in the express terms of any class or series of Preferred Stock with respect to the election of directors upon the occurrence of a default in the payment of dividends or in the performance of another express requirement of the terms of such Preferred Stock, from and after the 2008 annual meeting of the shareholders, the directors of the Corporation shall be elected at each annual meeting of the shareholders for a one-year term expiring at the next annual meeting of the shareholders; provided that any director who was elected prior to the 2008 annual meeting of the shareholders for a term that extends until after the 2008 annual meeting of shareholders shall not be required to stand for election, and shall continue as a director, until the annual meeting at which the director's term expires.
>
> ***Section 5.03 Number of Directors.***
>
> The number of directors of the Corporation constituting the whole board shall be fixed solely by resolution adopted by a majority of the total number of directors that the Corporation would have if there were no vacancies on the board of directors, except as otherwise provided in the express terms of any class or series of Preferred Stock with respect to the election of directors upon the occurrence of a default in the payment of dividends or in the performance of another express requirement of the terms of such Preferred Stock.

Consistent with the Charter Amendment, the board of directors has approved, effective concurrently with the approval of the Charter Amendment, that Sections 4.03(d), 4.04(a) and 4.05 (a) of the Corporation's Amended and Restated Bylaws will be amended to read as follows:

> ***Section 4.03 (d) Annual Election of Board of Directors.***
>
> The directors shall not be classified in respect to the time for which they shall hold office. Except as otherwise provided in the express terms of any class or series of Preferred Stock with respect to the election of directors upon the occurrence of a default in the payment of dividends or in the performance of another express requirement of the terms of such Preferred Stock, from and after the 2008 annual meeting of the shareholders, the directors of the Corporation shall be elected at each annual meeting of the shareholders for a one-year term expiring at the next annual meeting of the shareholders; provided that any director who was elected prior to the 2008 annual meeting of the shareholders for a term that extends until after the 2008 annual meeting of shareholders shall not be required to stand for election, and shall continue as a director,until the annual meeting at which the director's term expires.
>
> ***Section 4.04(a) Vacancies.***
>
> General Rule. Except as otherwise provided in the terms of the Preferred Stock, vacancies in the board of directors, including vacancies resulting from an increase in the number of directors, may be filled by a majority vote of the remaining members of the board though less than a quorum, or by a sole remaining director, and each person so selected shall be a director to serve until the next annual meeting of shareholders, and until a successor has been selected and qualified or until his or her earlier death, resignation or removal.
>
> ***Section 4.05(a) Removal of Directors.***
>
> Removal by the Shareholders. The entire board of directors or any individual director may be removed from office by vote of the shareholders entitled to vote thereon only for cause. In case

the board or any one or more directors are so removed, new directors may be elected at the same meeting. The repeal of a provision of the articles or bylaws prohibiting, or the addition of a provision to the articles or bylaws permitting, the removal by the shareholders of the board or a director without assigning any cause shall not apply to any incumbent director during the balance of the term for which the director was elected.

The bylaw amendments do not require shareholder approval and approval of the bylaw amendments is not being considered by the shareholders at this meeting. The Charter Amendment requires the affirmative vote of the holders of a majority of the shares voted at the annual meeting at which there is a quorum. If approved by the shareholders, the Charter Amendment will become effective upon the filing of a Certificate of Amendment to Exelon's Certificate of Incorporation with the Corporate Bureau of the Pennsylvania Department of State, which Exelon will file promptly after the annual meeting. If the shareholders do not approve the amendment, the board will remain classified and the bylaw amendments described above will not take effect.

If the Charter Amendment is adopted, annual election of directors will be phased in. Directors will serve out their current terms, so that the class of directors elected in 2007 will serve until the annual meeting in 2010, the class of directors elected in 2006 will serve until the annual meeting in 2009, and the class of directors elected in 2005 will serve until the annual meeting in 2008. As the term of each class ends, the directors in that class will thereafter be elected for one-year terms.

THE BOARD OF DIRECTORS RECOMMENDS A VOTE "FOR" THE AMENDMENT OF THE ARTICLES OF INCORPORATION TO ALLOW FOR THE ANNUAL ELECTION OF DIRECTORS.

Proposal 4: A Shareholder Recommendation To Require Shareholder Approval Of Future Severance Benefits

The Trust for the International Brotherhood of Electrical Workers' Pension Benefit Fund, 900 Seventh Street, NW, Washington DC 20001, beneficial owner of 25,872 shares of Exelon common stock, submitted the following proposal and supporting statement:

"RESOLVED: that the shareholders of Exelon Corporation (the "Company") urge the Board of Directors to seek shareholder approval of future severance agreements with senior executives that provide benefits in an amount exceeding 2.99 times the sum of the executives' base salary plus bonus.

"Severance agreements" include any agreements or arrangements that provide for payments or awards in connection with a senior executive's severance from the Company, including employment agreements; retirement agreements; settlement agreements; change in control agreements; and agreements renewing, modifying or extending such agreements.

"Benefits" include lump-sum cash payments (including payments in lieu of medical and other benefits); the payment of any "gross-up" tax liability; the estimated present value of periodic retirement payments; any stock or option awards that are awarded under any severance agreement; any prior stock or option awards as to which the executive's access is accelerated under the severance agreement; fringe benefits; and consulting fees (including reimbursable expenses) to be paid to the executive.

Supporting Statement

"In our opinion, severance agreements as described in this resolution, commonly known as "golden parachutes", are excessive in light of the high levels of compensation enjoyed by senior executives at the Company and U.S. corporations in general.

"In 2006, similar proposals obtained more than 50 percent shareholder support at six companies. Last June, the shareholders at our Company voted 43.5% in favor and 56.5% against this same proposal.

"We believe that requiring shareholder approval of such agreements may have the beneficial effect of insulating the Board of Directors from manipulation in the event a senior executive's employment must be terminated by the Company. Because it is not always practical to obtain prior shareholder approval, the Company would have the option if this proposal were implemented of seeking shareholder approval after the material terms of the agreement were agreed upon.

"For those reasons, we urge shareholders to vote FOR this proposal."

The Board of Directors recommends a vote AGAINST this proposal for the following reasons:

The Exelon Compensation Committee has recognized that questionable severance practices at some companies have generated well-publicized concerns about the potential for windfall severance payments. Although Exelon's existing severance arrangements already included reasonable limits, the Compensation Committee has adopted a policy that separately states a limit on the amount of severance benefits that may be provided to Exelon's named executive officers under future arrangements without shareholder approval to a formula of 2.99 times salary plus annual incentive.

Under the policy, severance benefits include both cash severance payments and other post-employment benefits and perquisites. At the same time, the policy clarifies that these severance benefits do not include:

- Amounts earned by a named executive officer in the regular course of employment rather than upon termination, such as pension benefits and retiree medical benefits, since such amounts are not severance benefits;

- Amounts payable under plans approved by shareholders, since resubmitting such payments to shareholders would be redundant;

- Amounts available to one or more classes of employees other than the named executive officers, since the real purpose of a policy on senior executive severance payments is to limit extraordinary payments not available to other employees;

- Excise tax gross up payments, but only if the compensation includable in determining whether excise taxes apply exceeds 110% of the threshold amount; otherwise the executive's benefits are reduced so that no excise tax is imposed;

- Amounts that may be required by existing agreements that have not been materially modified, the Company's indemnification obligations or the reasonable terms of a settlement agreement.

The policy is effective six months following the issuance of final United States Treasury Department regulations under the new tax law governing deferred compensation and severance benefits. The future arrangements covered by policy include new plans and agreements after the policy becomes effective, as well as modifications to existing plans and agreements which materially increase severance benefits. The Compensation Committee retains discretion to amend, waive or terminate the policy if it determines that doing so would be in the best interests of the Exelon, provided that any such action shall be promptly disclosed to shareholders.

The board of directors recommends a vote AGAINST the shareholder's proposal because it is unworkable as written. It perpetuates fundamental flaws of a substantially similar proposal that the same shareholder submitted and shareholders rejected in 2006. In particular, the proposal combines severance with other non-severance benefits, potentially resulting in arbitrary and unfair reductions to non-severance benefits previously earned by individual executives. For example, a longstanding executive with a relatively large accrued pension benefit would be entitled to little or no severance benefit under the shareholder's proposal, because the proposal would limit the aggregate of all post-employment payments, not just severance payments.

THE BOARD OF DIRECTORS RECOMMENDS A VOTE "AGAINST" THIS PROPOSAL BECAUSE EXELON HAS ALREADY ADOPTED A CAP ON SEVERANCE PAYMENTS OF 2.99 TIMES THE SUM OF BASE SALARY AND BONUS AND THIS PROPOSAL IS UNNECESSARY AND UNWORKABLE.

Other Matters And Discretionary Voting Authority

The board of directors knows of no other matters to be presented for action at the annual meeting. If any matter is properly 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 Randall E. Mehrberg and Katherine K. Combs.

3. Corporate Governance at Exelon

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.

The Exelon board, as did its predecessor companies, regularly monitors governance trends and implements best practices. As a result, Exelon already had in place many of the governance structures and processes that were required as governance reforms following the enactment of the Sarbanes-Oxley Act in 2002. Foremost among these were the Exelon Corporate Governance Principles. These principles are revised from time to time to reflect emerging governance trends and to better address the particular needs of the corporation as they change over time.

Exelon's board is currently composed of 15 members, divided into three classes and will be reduced to 14 members after the retirement of Mr. Rubin. Terms of the classes are currently staggered, with one class standing for election each year. If Proposal number 3 is adopted, the staggered board will be eliminated, and directors will be elected annually, in a phased process described in Proposal number 3.

The board has six standing committees: audit, compensation, corporate governance, risk oversight, energy delivery oversight, and generation oversight. The corporate governance committee makes recommendations to the full board regarding board practices, the number, functions and membership of committees, and the performance of the board, committees and individual members. Also, the chair of the corporate governance committee serves as the presiding director and leads the discussion when non-management directors meet in executive session.

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 other committees of the board of directors are available on the Exelon website at www.exeloncorp.com, under the Investor Relations tab. Copies of those documents may be printed from the Exelon website, and copies will be made available to any shareholder who requests them.

The board has a program for orienting new directors and for providing continuing education for all directors. The board annually evaluates its own performance and that of the individual committees. The evaluation process is coordinated by the corporate governance committee and has three parts: committee self-evaluations, a full board evaluation and the evaluation of the individual directors in the class whose term is expiring at the next annual meeting. The committee self-assessments consider whether and how well each committee has performed the responsibilities listed in its charter. The full board evaluation considers the committee self-assessments as well as the quality of its own meeting agendas, materials and discussions. All assessments focus on both strengths and opportunities for improvement.

The board of directors met 12 times during 2006. The board also attended a multi-day strategy retreat with the senior officers of Exelon and subsidiary companies. Directors received one meeting fee for attendance at this function. All directors attended 75% of all board and committee meetings that they were eligible to attend except for Thomas J. Ridge. Exelon does not have a formal policy requiring attendance at the annual shareholders meeting; however, directors do receive a separate meeting fee for attendance. In 2006, all directors attended the annual shareholders meeting.

Description Of Board Committees

Audit Committee

The committee consists of Dr. John M. Palms, its chair, Mr. M. Walter D'Alessio, Ms. Sue L. Gin, Dr. William C. Richardson and Mr. Richard L. Thomas. All members of this committee are independent directors. The committee met 9 times during 2006.

The audit committee reviews financial reporting and accounting practices and internal control functions. With the assistance of the risk oversight committee, the audit committee also reviews and makes recommendations to the full board regarding risk management policy and legal and regulatory compliance. This committee recommends the independent accountant and approves the scope of the annual audits by the independent accountant and internal auditors. The committee also reviews and makes recommendations to the full board regarding officers' and directors' expenses and compliance with appropriate policies and Exelon's code of business conduct. The committee meets outside the presence of management for portions of its meetings separately with the independent accountant, the internal auditors and the chief legal officer.

As required by the rules of the NYSE, the board of directors has determined that all members of the audit committee are financially literate and have accounting or related financial management expertise, as those qualifications are interpreted by the board in its business judgment. In addition, the board of directors has determined that all members of the committee are "audit committee financial experts" as defined by SEC regulations.

Report of the Audit Committee

In fulfilling its responsibilities, the Exelon audit committee has reviewed and discussed the audited financial statements contained in the 2006 Annual Report on SEC Form 10-K with Exelon Corporation's management and the independent accountants. The audit committee discussed with the independent accountants the matters required to be discussed by Statement on Auditing Standards No. 61, Communication with Audit Committees, as amended. In addition, the audit committee has discussed with the independent accountants the accountants' independence from Exelon Corporation and its management, including the matters in the written disclosures required by Independence Standard Board Standard No. 1, Independence Discussions with Audit Committees.

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, 2006, for filing with the SEC.

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

February 13, 2007

John M. Palms, Chair
M. Walter D'Alessio
Sue L. Gin
William C. Richardson
Richard L. Thomas

Compensation Committee

The committee consists of Mr. Edward A. Brennan, its chair, Mr. M. Walter D'Alessio, Ms. Rosemarie B. Greco, Mr. Ronald Rubin and Mr. Richard L. Thomas. All members of the committee are independent directors. The committee met 5 times during 2006.

The compensation committee reviews executive compensation and administers and oversees the employee benefit plans and programs. The committee makes recommendations to the independent directors regarding the compensation of the chairman and chief executive officer, and to the full board regarding the compensation of the president (if different from the chief executive officer) and executive vice presidents. The committee uses the services of an independent compensation consultant, Towers Perrin, which reports directly to the committee.

Corporate Governance Committee

The committee consists of Mr. M. Walter D'Alessio, its chair, Mr. Edgar D. Jannotta, Mr. John W. Rogers, Jr. and Mr. Richard L. Thomas. All members of the committee are independent directors. The committee met 6 times in 2006.

The corporate governance committee reviews and makes recommendations on board and committee organization, membership, functions, compensation and effectiveness. The committee monitors corporate governance trends and makes recommendations to the board regarding the corporate governance principles. The committee coordinates the annual evaluations of the performance of each committee and the board as a whole. The committee also evaluates the performance of individual directors as the term of each class expires and the members are considered for re-election. The committee identifies potential director candidates and coordinates the nominating process for directors. The committee coordinates the board's role in establishing performance criteria for the CEO and evaluating the CEO's performance, and also monitors succession planning and executive leadership development. The committee also oversees the directors' orientation and continuing education program and Exelon's efforts to promote diversity among its directors, officers, employees and contractors. 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 may utilize other consultants, such as specialized search firms to identify candidates for director.

Risk Oversight Committee

The committee consists of Ms. Sue L. Gin, its chair, Judge Nelson A. Diaz, Mr. Edgar D. Jannotta, Dr. John M. Palms, Dr. William C. Richardson, Mr. John W. Rogers, Jr. and Mr. Ronald Rubin. The committee met 6 times in 2006.

The committee is responsible for oversight of the company's risk management functions, and reports to the audit committee and to the full Exelon board regarding, corporate risk management policy, including financial risks, legal and regulatory risks, power marketing, power trading risk management strategy and performance and the hedged condition of the generation portfolio. The committee reviews and approves risk policies relating to power marketing, hedging and the use of derivatives. The committee is also responsible for the oversight and review of the performance and management of assets in Exelon's pension and nuclear decommissioning trust funds and the appointment and removal of the parties overseeing the performance and management of investment of assets in Exelon's employee benefit trusts.

Energy Delivery Oversight Committee

The committee consists of Ms. Rosemarie B. Greco, its chair, Mr. Nicholas DeBenedictis, Admiral Bruce DeMars, Dr. William C. Richardson, Governor Thomas J. Ridge and Mr. John W. Rogers, Jr. The committee met 4 times in 2006.

The committee advises and assists the full board in fulfilling its responsibilities to oversee the safe, reliable and cost effective delivery of energy to consumers. The committee reviews the regulatory and public policy strategies and practices of the energy delivery business and its relations with regulators, public officials, consumers and other stakeholders. The committee also reviews the budget and business plans of Exelon Energy Delivery Company and monitors its operating and financial performance.

Generation Oversight Committee

The committee consists of Admiral Bruce DeMars, its chair, Mr. Nicholas DeBenedictis, Judge Nelson A. Diaz, and Dr. John M. Palms. The committee met 8 times in 2006.

The committee advises and assists 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. The committee reviews major investments and changes in strategy regarding the generating facilities. The committee reviews the budget and business plans of Exelon Generation Company and monitors its operating and financial performance.

Exelon's Process For Nominating Directors

The Exelon corporate governance committee serves as a nominating committee and nominates candidates for director. The board of directors receives the proposed nominations from the corporate governance committee and approves a slate of candidates to be included in Exelon's proxy materials that are distributed to shareholders.

The corporate governance committee considers all candidates for director, including those directors currently serving on the board whose term is expiring and those candidates recommended by shareholders and others. The process for a shareholder to recommend a candidate for director is described above in the "Frequently Asked Questions" section of this proxy statement on page 6. The committee may also utilize specialized search firms to identify and assess qualified candidates. The committee routinely assesses the board's needs for skills and experience in light of current and future

needs. All candidates are evaluated using the following standards and qualifications that are identified in Exelon's Corporate Governance Principles:

- Highest personal and professional ethics, integrity and values
- An inquiring and independent mind
- 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
- Involvement only in activities or interests that do not create a conflict with responsibilities to Exelon and its shareholders.

Communication With The Board Of Directors

Shareholders and other interested persons can communicate with the chairman of the corporate governance committee or with the independent directors as a group by writing to them, c/o Ms. Katherine K. Combs, Senior Vice President, Corporate Governance, Corporate Secretary and Deputy General Counsel, Exelon Corporation, 10 South Dearborn Street, P.O. Box 805398, Chicago, Illinois 60680-5398. The board has instructed the corporate secretary to review communications initially and transmit a summary to the directors, and to exclude from transmittal any communications that are commercial advertisements or other forms of solicitation or individual service or billing complaints. Under the board policy, the corporate secretary will forward to the directors any communications raising substantial issues.

Transactions With Related Persons

Judge Nelson A. Diaz is a partner with Blank Rome LLP, a law firm that has performed legal services for Exelon for many years and that is continuing to provide such services in 2007. For 2006, Blank Rome LLP billed Exelon and its subsidiaries a total of $522,000 for legal services. This is the same level of billing as the average billing for the three years before Judge Diaz joined Blank Rome, LLP and the Exelon board of directors. Judge Diaz does not work on any matters relating to Exelon and the Exelon billings are not a factor in the determination of his compensation from Blank Rome LLP, and accordingly he does not have any interest in these transactions.

Exelon has a written policy concerning the review and the approval or ratification of transactions with related persons. Transactions covered by the policy include, but are not limited to, any financial transaction, payment of money (including charitable contributions), provisions of goods or services, arrangements and relationships (including indebtedness or guarantees of indebtedness) and any series of similar transactions, arrangements or relationships, but does not include compensation or expense reimbursement by the company in accordance with its compensation and expense reimbursement programs for employees and directors, retail purchase of electricity or gas from ComEd or PECO at rates set by tariff, and transactions between or among Exelon and its subsidiaries. Directors, officers and nominees for director are responsible for notifying Exelon's office of corporate governance regarding any related person transactions and relationships involving themselves or their immediate family members. The office of corporate governance compiles the information provided to it and conducts additional due diligence in order to provide the corporate governance committee and the board of directors with information as a basis for considering and approving or ratifying related person transactions. Based on the recommendations of the corporate governance committee, the board considers the following facts and circumstances in approving or ratifying related person transactions: the related person's relationship to the company and interest in the transaction; the material facts of the transaction; the proposed benefits to the company; the availability of other sources of comparable products and services; whether the proposed transaction is on terms comparable to the terms available to unrelated third parties; and whether the proposed transaction is based on a competitive bidding process or involves the purchase or sale of commodities with an established market value. Transactions are assessed on an annual basis, or more frequently when related persons notify the company of prospective related person transactions or relationships. The information collected in connection with the approval or ratification of related person transactions is also used in considering the independence of the directors and nominees for director.

Director Independence

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

> 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 its most recent fiscal year were 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: (1) the transaction involves rates or charges that are determined by competitive bidding, set with reference to prevailing prices set by a well-established commodity market, or are fixed in conformity with law or governmental authority; or (2) 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.

> 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 contributions made by Exelon to that organization in its most recent fiscal year were less than the greater of $1 million or 2% of that organization's consolidated gross receipts in that year. In any other circumstances, 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 contributions made by Exelon to that organization in its most recent fiscal year were less than the greater of $1 million or 5% of that organization's consolidated gross receipts in that year.

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 for materiality. Data on all relationships 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.

Each of the directors named below was determined by the board of directors to be "independent" under applicable guidelines presented above. The information below describes certain director relationships or arrangements that were considered by the board in determining whether the named director was "independent," as defined under the NYSE rules and the categorical standards specified in the company's corporate governance principles. In each case, the amounts involved in the transactions between Exelon and its entities, on the one hand, and the companies and tax exempt organizations with which a director or an immediate family member is associated, on the other hand, 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 ComEd, PECO and Exelon Energy 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. 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.

Mr. Brennan serves as a director of two corporations that provide incidental services to Exelon. Mr. Brennan also serves on the boards of six charitable organizations that receive contributions from Exelon and ComEd. In addition, Mr. Brennan's wife serves on the women's' boards of three charitable organizations that receive contributions from Exelon and ComEd. None of these relationships were material under the applicable independence criteria.

Mr. D'Alessio is an executive officer of two companies whose common parent company is a small customer of ComEd. Mr. D'Alessio also serves as a director of two companies which provide services to certain Exelon entities. Mr. D'Alessio also serves on the boards of six charitable organizations that receive contributions from Exelon and PECO. None of these relationships were material under the applicable independence criteria.

Mr. DeBenedictis is an executive officer of a corporation that is a large customer of PECO and a customer of ComEd and provides services to certain PECO facilities. Mr. DeBenedictis also serves as a director of two companies which provide services to certain Exelon entities. Mr. DeBenedictis also serves on the boards of five charitable or tax-exempt organizations that receive contributions from Exelon and PECO. None of these relationships were material under the applicable independence criteria.

Admiral DeMars serves as a director of a company that has a subsidiary that provides services to Exelon Generation. Admiral DeMars is also a member, but is not an officer or director, of a tax-exempt organization that has received support from Exelon in previous years. None of these relationships were material under the applicable independence criteria.

Judge Diaz is a partner with BlankRome LLP, a law firm that performed legal services for Exelon in 2006 and is expected to provide similar services in 2007. The Board reviewed Judge Diaz's relationship with BlankRome LLP (described above under "Transactions With Related Persons") and concluded that the relationship does not impair Judge Diaz's independence. Judge Diaz also serves on the boards of three charitable organizations that receive contributions from Exelon and PECO. Judge Diaz's wife serves on the boards of two charitable organizations that receive contributions from Exelon and PECO as well. None of these relationships were material under the applicable independence criteria.

Ms. Gin is the owner, partner or executive officer of five companies, all of which are customers of ComEd and one of which is also an Exelon Energy customer. In addition, Ms. Gin owns eight individual residential properties that are customers of ComEd. Ms. Gin also serves on the boards of seven charitable organizations that receive contributions from Exelon and ComEd. None of these relationships were material under the applicable independence criteria.

Ms. Greco serves as executive director of the Governor's Office of Health Care Reform of the Commonwealth of Pennsylvania. Although Exelon makes tax and other required payments to the Commonwealth of Pennsylvania and the Commonwealth is a PECO customer, none of those payments are made directly to or from the office of which Ms. Greco serves as Executive Director. Ms. Greco also serves as a director of one company which is a supplier to Exelon Generation and PECO. In addition, Ms. Greco is a member of, and serves on various boards and committees of, seven charitable organizations that receive contributions from Exelon and PECO. None of these relationships were material under the applicable independence criteria.

Mr. Jannotta serves as a director of one company which provides administrative services to Exelon. Mr. Jannotta also serves on the boards of five charitable organizations that receive support from Exelon and ComEd. In addition, one of Mr. Jannotta's immediate family members is a principal of a company that has a subsidiary that provides services to PECO Energy. Also, Mr. Jannotta's wife and son-in-law each serve on the board of a charitable organization that receives support from Exelon and ComEd. None of these relationships were material under the applicable independence criteria.

Dr. Palms is a Distinguished President Emeritus and Distinguished University Professor of the University of South Carolina, to which Exelon has made contributions in previous years. This relationship was not material under the applicable independence criteria.

Dr. Richardson currently serves as a director of two corporations which provide services to Exelon entities. Dr. Richardson also serves on the board of one charitable organization that receives support from Exelon and ComEd. None of these relationships were material under the applicable independence criteria.

Governor Ridge serves as a director of one corporation that provides incidental services to Exelon. This relationship was not material under the applicable independence criteria.

Mr. Rogers is an executive officer of a company that is a small customer of ComEd. Mr. Rogers serves as a director of one company which provides administrative services to Exelon. Mr. Rogers also serves on the boards of ten charitable or tax-exempt organizations that receive support from Exelon and ComEd. Mr. Rogers' wife serves on the board of a charitable organization that receives support from Exelon and ComEd as well. None of these relationships were material under the applicable independence criteria.

Mr. Rubin is the chief executive officer of one company that is a customer of PECO. Mr. Rubin is also the general partner of four investment properties, all of which are customers of PECO. In addition, Mr. Rubin serves on the boards of five charitable or tax-exempt organizations that receive support from Exelon and PECO. None of these relationships were material under the applicable independence criteria.

Mr. Steinour is an executive officer of a company that is a customer of ComEd and PECO, and whose parent company provides financial services to Exelon and Exelon Generation. He is on the board of five civic and charitable organizations that receive support from Exelon and PECO. None of these relationships were material under the applicable independence criteria.

Mr. Thomas serves on the boards of six charitable or tax-exempt organizations that receive support from Exelon and ComEd. None of these relationships were material under the applicable independence criteria.

Mr. Thompson is an executive officer of a corporation that is a large customer of ComEd, PECO and Exelon Energy. He is also on the board of one charitable organization that receives support from Exelon and ComEd. None of these relationships were material under the applicable independence criteria.

Compensation Of Non-Employee Directors

For their service as directors of the corporation, Exelon's non-employee directors receive the compensation shown in the following table and explained in the accompanying notes. Employee directors receive no additional compensation for service as a director.

The corporate governance committee of the board periodically reviews the non-employee directors compensation program with the assistance of independent consultants. The total amount of compensation as well as the mix of compensation components is compared against the same peer group of companies used for benchmarking the executives compensation program. Total directors compensation is targeted to be median of the peer group.

Name	**Committee Membership**	**Fees Earned or Paid in Cash**		**Stock Awards**	**Change in Pension Value and Nonqualified Compensation Earnings**	**Total**
	Note 1				Note 2	
(A)	**(B)**	**Annual Board & Committee Retainers (C) ($)**	**Board & Committee Meeting Fees (D) ($)**	**(E) ($)**	**(F) ($)**	**(G) ($)**
Brennan	2 (Ch), 3	$ 40,000	$ 37,500	$ 60,000		$ 137,500
D'Alessio	1, 2, 3 (Ch),	45,000	54,000	60,000		159,000
DeBenedictis	4, 5	40,000	37,500	60,000		137,500
DeMars	4, 5 (Ch)	45,000	40,500	60,000		145,500
Diaz	5, 6	40,000	49,500	60,000		149,500
Gin	1, 6 (Ch)	45,000	40,500	60,000		145,500
Greco	2, 4 (Ch)	40,000	33,000	60,000		133,000

Jannotta	3, 6