EXELON CORP
Form DEF 14A
March 24, 2011
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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 x Filed by a Party other than the Registrant ¨

Check the appropriate box:

¨ Preliminary Proxy Statement

¨ **CONFIDENTIAL, FOR USE OF THE COMMISSION ONLY (AS PERMITTED BY RULE 14a-6(e)(2))**

x Definitive Proxy Statement

¨ Definitive Additional Materials

¨ 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):

x No fee required.

¨ Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

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¨ Fee paid previously with preliminary materials.

¨ Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

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NOTICE OF THE ANNUAL MEETING

AND 2011 PROXY STATEMENT

March 24, 2011

Dear Shareholder:

We will hold the annual meeting of Exelon Corporation shareholders on Tuesday, May 3, 2011 at 9:30 a.m. Eastern Daylight Savings Time at 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:

1) The election of all fifteen directors to serve for one-year terms: John A. Canning, Jr.; M. Walter D Alessio; Nicholas DeBenedictis; Nelson A. Diaz; Sue L. Gin; Rosemarie B. Greco; Paul L. Joskow; Richard W. Mies; John M. Palms; William C. Richardson; Thomas J. Ridge; John W. Rogers, Jr.; John W. Rowe; Stephen D. Steinour; and Don Thompson;

2) The ratification of PricewaterhouseCoopers LLP as Exelon s independent accountant for the year 2011;

3) An advisory vote on Exelon s 2010 executive compensation as disclosed in these materials;

4) An advisory vote on the frequency of holding an advisory vote on executive compensation; and

5) Any other business that properly comes before the meeting.

Shareholders of record as of March 4, 2011 are entitled to vote at the annual meeting.

We are again pleased this year to take advantage of the Securities and Exchange Commission rule that permits us to furnish proxy materials to shareholders over the Internet. On or about March 24, 2011, we will mail to our shareholders a Notice Regarding the Availability of Proxy Materials, which will indicate how to access our proxy materials on the Internet. By furnishing the Notice Regarding Availability of Proxy Materials, we are lowering the costs and reducing the environmental impact of our annual meeting.

Brokers holding shares beneficially owned by their clients do not have the ability to cast votes with respect to the election of directors (Proposal 1), say-on-pay advisory vote (Proposal 3) and say-on-pay frequency votes (Proposal 4) unless they have received instructions from the beneficial owner of the shares. **If your shares are held by a broker, it is important that you provide instructions to your broker so your vote is counted in the election of directors, the say-on-pay advisory vote and the say-on-pay frequency vote.**

Bruce G. Wilson

Senior Vice President, Deputy General Counsel and Corporate Secretary

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Communication with the Board of Directors

Process for Shareholder Communications with the Board

Shareholders and other interested persons can communicate with the lead director or with the independent directors as a group by writing to them, c/o 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. 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, other forms of solicitation, general shareholder service matters or individual service or billing complaints. Under the board policy, the corporate secretary will forward to the directors any communication raising substantial issues. All communications are available to the directors upon request. Shareholders may also report an ethics concern with the Exelon Ethics Hotline by calling 1-800-23-Ethic (1-800-233-8442). You may also report an ethics concern via the Internet at EthicsOffice@ExelonCorp.com.

Shareholder Proposals

If you want to submit a proposal for possible inclusion in next year s proxy statement, you must submit it in writing to the Corporate Secretary, Exelon Corporation, 10 South Dearborn Street, P.O. Box 805398, Chicago, Illinois 60680-5398. Exelon must receive your proposal on or before November 25, 2011. Exelon will consider only proposals meeting the requirements of the applicable rules of the Securities and Exchange Commission (SEC). Under our Bylaws, the proposal must also disclose fully all ownership interests the proponent has in Exelon and contain a representation as to whether the shareholder has any intention of delivering a proxy statement to the other shareholders of Exelon.

We strongly encourage any shareholder interested in submitting a proposal to contact our Corporate Secretary in advance of this deadline to discuss the proposal, and shareholders may want to consult knowledgeable counsel with regard to the detailed requirements of applicable securities laws. Submitting a shareholder proposal does not guarantee that we will include it in our proxy statement. Our corporate governance committee reviews all shareholder proposals and makes recommendations to the board for action on such proposals.

Additionally, under our Bylaws, for a shareholder to bring any matter before the 2012 annual meeting that is not included in the 2012 proxy statement, the shareholder s written notice must be received by the Corporate Secretary not less than 120 days prior to the first anniversary of the 2011 annual meeting, which will be January 4, 2012.

Director Nominations

A shareholder who wishes to recommend a candidate (including a self-nomination) to be considered by the Exelon corporate governance committee for nomination as a director must submit the recommendation in writing to Mr. M. Walter D Alessio, Chair of the Corporate Governance Committee, c/o 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. The corporate governance committee will consider all recommended candidates and self-nominees when making its recommendation to the full board of directors to nominate a slate of directors for election.

- **Nominations for 2011.** Under the Exelon Bylaws, the deadline has passed for a shareholder to nominate a candidate (or nominate himself or herself) for election to the board of directors at the 2011 annual meeting.

- **Nominations for 2012.** To nominate a candidate for election as a director or to stand for election at the 2012 annual meeting, a shareholder must either submit a recommendation to the corporate governance committee or provide the proper notice and the other information required by Exelon s Bylaws. The Bylaws currently require the following: (1) notice of the proposed nomination must be received by Exelon no later than Friday, November 25, 2011; (2) the notice must include information required under the Bylaws, including: (a) information about the nominating shareholder, (b) information about the candidate that would be required to be included in a proxy statement under the rules of the SEC, (c) a representation as to whether the shareholder intends to deliver a proxy statement to the other shareholders of Exelon, and (d) the signed consent of the candidate to serve as a director of Exelon, if elected. Exelon s Bylaws are amended from time to time. Please review the Bylaws on our website to determine if any changes to the nomination process or requirements have been made.

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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 other committees of the board of directors are available on the Exelon website at www.exeloncorp.com, on the corporate governance page under the investor relations 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.

Frequently Asked Questions

Why did I receive these proxy materials?

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 2011 annual meeting of shareholders and at any adjournmen or postponement.

You are invited to attend the annual meeting of shareholders. It will take place on May 3, 2011, beginning at 9:30 a.m., Eastern Daylight Savings Time, at PECO Energy Company Headquarters, 2301 Market Street, Philadelphia, Pennsylvania.

Can I access the Notice of Annual Meeting and Proxy Statement and the 2010 Financial Report on the Internet?

As permitted by SEC rules, we are making this proxy statement and our annual report available to shareholders electronically via the internet at www.proxyvote.com. On March 24, 2011, we began mailing to our shareholders a notice containing instructions on how to access this proxy statement and our annual report and how to vote online. If you received that notice, you will not receive a printed copy of the proxy materials unless you request it by following the instructions for requesting such materials contained on the notice.

In addition, shareholders may request to receive proxy materials in printed form or electronically by email on an ongoing basis. Exelon encourages shareholders to take advantage of the availability of the proxy materials on the Internet in order to save Exelon the cost of producing and mailing documents to you, reduce the amount of mail you receive and help preserve resources.

Shareholders of Record: If you vote on the internet at www.proxyvote.com, simply follow the prompts for enrolling in the electronic delivery service.

Beneficial Owners: You also may be able to receive copies of these documents electronically. Please check the information provided in the proxy materials sent to you by your bank, broker or other holder of record regarding the availability of this service.

Do I need a ticket to attend the annual meeting?

You will need an admission ticket or proof of ownership to enter the annual meeting. You may present any of the following in order to enter: (1) the Notice Regarding Availability of Proxy Materials, which contains instructions on how to access this proxy statement; (2) the bottom half of your proxy card; or (3) if you received your proxy materials through the internet, the e-mail with your control number.

If your shares are held in the name of a bank, broker, or other holder of record and you plan to attend the meeting, you must present proof of your ownership of Exelon stock as you enter the meeting, such as a bank or brokerage account statement. If you would rather have an admission ticket, you can obtain one in advance by mailing a written request, along with proof of your ownership of Exelon stock, to:

Annual Meeting Admission Tickets c/o 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.

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Shareholders also must present a form of personal photo identification in order to be admitted into the meeting.

No cameras, recording equipment, electronic devices, large bags, briefcases or packages will be permitted into the meeting or adjacent areas. All other items may be subject to search.

Who is entitled to vote at the annual meeting?

Holders of Exelon common stock at the close of business on March 4, 2011 are entitled to receive notice of the annual meeting and to vote their shares at the meeting. As of that date, there were 662,214,056 shares of common stock outstanding and entitled to vote. Each share of common stock is entitled to one vote on each matter properly brought before the meeting.

What is the difference between holding shares as a shareholder of record and as a beneficial owner?

If your shares are registered directly in your name with Exelon s transfer agent, Wells Fargo Shareowner Services, you are the shareholder of record of those shares. This Notice of Annual Meeting and Proxy Statement and accompanying documents have been provided directly to you by Exelon.

If your shares are held in a stock brokerage account or by a bank or other holder of record, you are considered the beneficial owner of those shares. This Notice of Annual Meeting and Proxy Statement and the accompanying documents have been forwarded to you by your broker, bank or other holder of record. As the beneficial owner, you have the right to direct your broker, bank or other holder of record how to vote your shares by using the voting instruction card or by following their instructions for voting by telephone or on the Internet.

How do I vote?

Your vote is important. We encourage you to vote promptly. Internet and telephone voting are available through 11:59 p.m. Eastern Time on May 2, 2011. You may vote in the following ways:

- **By Internet.** If you have Internet access, you may vote by Internet. You will need the control number included on your Notice Regarding the Availability of Proxy Materials, proxy card or voting instruction form (VIF), as applicable. You may vote in a secure manner at www.proxyvote.com 24 hours a day. You will be able to confirm that the system has properly recorded your votes and you do not need to return your proxy card or VIF.

- **By Telephone.** If you are located in the United States or Canada, you can vote by calling the toll-free telephone number and following the recorded instructions. You will need the control number included on your Notice Regarding the Availability of Proxy Materials, proxy card or VIF, as applicable. You may vote by telephone 24 hours a day. The telephone voting system has easy-to-follow instructions and allows you to confirm that the system has properly recorded your votes. If you vote by telephone, you do not need to return your proxy card or your VIF.

- **By Mail.** If you are a holder of record and received a full paper set of materials, you can vote by marking, dating and signing your proxy card and returning it by mail in the postage-paid envelope provided. If you are a beneficial holder of shares held of record by a bank or broker or other street name, please complete and mail the VIF provided by the holder of record.

- **At the Annual Meeting.** If you are a shareholder of record and attend the annual meeting in person, you may use a ballot provided at the meeting to cast your vote. If you are a beneficial owner, you will need to have a legal proxy from your broker, bank or other holder of record in order to vote by ballot at the meeting.

May I revoke a proxy?

Yes. You may revoke a proxy at any time before the proxy is exercised by filing with the Corporate Secretary a notice of revocation, or by submitting a later-dated proxy by mail, telephone or electronically through the Internet. You may also revoke your proxy by attending the annual meeting and voting in person.

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What is householding and how does it affect me?

Exelon has adopted a procedure approved by the SEC called householding. Under this procedure, shareholders of record who have the same address and last name and do not participate in electronic delivery of proxy materials will receive only one copy of this Notice of Annual Meeting and Proxy Statement and the 2010 Financial Report, unless we are notified that one or more of these shareholders wishes to continue receiving individual copies. This procedure will reduce our printing costs and postage fees.

What are the voting requirements to elect the directors and to approve each of the proposals discussed in the Proxy Statement?

The presence of the holders of a majority of the outstanding shares of common stock entitled to vote at the annual meeting, in person or represented by proxy, is necessary to constitute a quorum.

Election of Directors: Majority Vote Policy

Under our Bylaws, directors must be elected by a majority of votes cast in uncontested elections. This means that the number of votes cost for a director nominee must exceed the number of votes cast against the nominee. In contested elections, the vote standard would be a plurality of votes cast.

Our Bylaws provide that, in an uncontested election, each director nominee must submit to the board before the annual meeting a letter of resignation that is conditioned on not receiving a majority of the votes cast at the annual meeting. The resignation of a director nominee who is not an incumbent director is automatically accepted by the board. The resignation of an incumbent director is tendered to the independent directors of the board for a determination of whether or not to accept the resignation. The board s decision and the basis for the decision would be disclosed within 90 days following the certification of the final vote results.

Ratification of PricewaterhouseCoopers as Independent Auditor

The appointment of PricewaterhouseCoopers LLP as Exelon Corporation s independent auditor requires an affirmative vote of a majority of shares of common stock represented at the annual meeting and entitled to vote thereon in order to be adopted.

Executive Compensation and Frequency of Vote on Executive Compensation

The votes on executive compensation and the frequency of the vote on executive compensation are advisory and are not binding on the company, the board of directors, or the compensation committee in any way, as provided by law. Our board and the compensation committee will review the results of the votes and will take them into account in making a determination concerning executive compensation and the frequency of such advisory votes, consistent with our record of shareowner engagement.

Could other matters be decided at the annual meeting?

At the date this proxy statement went to press, we did not know of any matters to be raised at the annual meeting other than those referred to in this proxy statement.

Who will count the votes?

Representatives of Broadridge Financial Communications and Exelon s Office of Corporate Governance will tabulate the votes and act as inspectors of the election.

Where can I find the voting results?

We will report the voting results in a Form 8-K to be filed with the SEC within four business days following the end of our annual meeting.

Who will pay for the cost of this proxy solicitation?

Exelon will pay the cost of soliciting proxies. Proxies may be solicited on our behalf by directors, officers or employees in person or by telephone, electronic transmission and facsimile transmission. We have hired Alliance Advisors, LLC to distribute and solicit proxies. We will pay Alliance Advisors, LLC a fee of $9,500 plus reasonable expenses for these services.

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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. 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. A summary of our Corporate Governance Principles is set forth below.

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 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.

Lead Director; Chairman of the Board

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 Chief Executive Officer (CEO);
- functioning as the non-exclusive liaison between the non-management directors and the Chairman and 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 committees, the process for evaluating the performance of the CEO and determining his compensation;
- leading on corporate governance initiatives relevant to board and committee operations;
- in the event of the death or incapacity of the Chairman and the CEO, serving as the acting Chairman of the Board until such time as a Chairman of the Board is selected;
- 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.

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The board of directors has appointed John W. Rowe to hold the positions of Chairman of the Board and Chief Executive Officer. Although the board has determined that Mr. Rowe will serve in the combined role of Chairman and CEO, the board has the right to separate those roles if in the future it determines that such a separation would be in the best interest of Exelon and its shareholders. For the reasons discussed below, the board currently believes the combination of the positions of Chairman and CEO is the best structure for Exelon.

The board has determined that Mr. Rowe should serve in the combined roles of Chairman and CEO because it firmly 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 CEO to the board. These arrangements and structures include:

- 14 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 2010, the board elected M. Walter D Alessio as the independent Lead Director. Mr. D Alessio has been a member of our board since 2000 and served as the Presiding Director and the chair of the corporate governance committee and is a member of our compensation committee. Mr. D Alessio s responsibilities as Lead Director complement Mr. Rowe s role as Chairman and CEO while providing independent board leadership and the necessary checks and balances to hold both the board and the Chairman and CEO accountable in their respective roles.

- All of the board s committees, including audit, compensation and corporate governance, as well as the energy delivery, generation, and risk oversight committees, are 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 reports the committee chairs present to the full board.

- Mr. Rowe s performance and compensation are reviewed annually by the full board in executive session under the leadership of the corporate governance and compensation committees.

Information About the Board of Directors and Committees

The board of directors held eight meetings during 2010. 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 98% 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 did so in 2010.

The Corporate Governance Principles provide that Mr. Rowe is considered an invited guest and is welcome to attend all committee meetings, except when the independent directors meet in executive session, such as when they conduct Mr. Rowe s performance evaluation or discuss his compensation.

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The board of directors has established six standing committees and one subcommittee to assist the board in carrying out its duties: the audit committee, the compensation committee, the corporate governance committee, the energy delivery oversight committee, the generation oversight committee, the risk oversight committee, and the risk oversight committee investment subcommittee. We describe the committees, their membership during 2010 and their principal responsibilities below:

Audit	Compensation	Corporate Governance	Energy Delivery	Generation Oversight	Risk Oversight	Risk Oversight Committee Investment Subcommittee (1)
John A. Canning, Jr.	John A. Canning, Jr.	M. Walter D Alessio (Chair)	Nicholas DeBenedictis (Chair)	Nicholas DeBenedictis	Nelson A. Diaz	Sue L. Gin
Bruce DeMars (2)	M. Walter D Alessio	Nicholas DeBenedictis	Bruce DeMars (2)	Bruce DeMars (Chair) (2)	Sue L. Gin (Chair)	Paul L. Joskow
Sue L. Gin	Rosemarie B. Greco (Chair)	Bruce DeMars (2)	Nelson A. Diaz	Nelson A. Diaz	Paul L. Joskow	William C. Richardson
Paul L. Joskow	William C. Richardson	Sue L. Gin	Rosemarie B. Greco	Richard W. Mies (2)	Richard W. Mies	John W. Rogers, Jr. (Chair)
Richard W. Mies	Stephen D. Steinour	Rosemarie B. Greco	Paul L. Joskow	John M. Palms	John M. Palms	
John M. Palms (Chair)		John M. Palms	Thomas J. Ridge	Stephen D. Steinour (3)	William C. Richardson	
William C. Richardson		William C. Richardson	Don Thompson	Don Thompson (3)	Thomas J. Ridge	
Stephen D. Steinour		John W. Rogers, Jr.			John W. Rogers, Jr.	

(1) Risk oversight committee investment subcommittee members appointed April 26, 2010.

(2) Bruce DeMars retired from the board on December 31, 2010. Richard W. Mies was appointed chair of the generation oversight committee effective as of January 1, 2011.

(3) Stephen D. Steinour and Don Thompson resigned from the generation oversight committee on January 26, 2010.

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 an enterprise risk management group consisting of a Chief Risk Officer and a full-time staff of 56 persons. 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 a risk management committee of company officers and other management personnel, 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 Risk Officer and the risk management 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 Risk Officer and risk management group staff perform an annual assessment of enterprise risks, drawing upon resources throughout the company for an assessment of the likelihood and magnitude of the identified risks. The Chief Risk Officer and senior executives of the company discuss those risks with the risk oversight and audit committees of the Exelon board of directors and the Commonwealth Edison Company (ComEd) and PECO Energy Company (PECO) boards of directors. In addition, the Exelon board s generation oversight and energy delivery oversight committees, respectively, evaluate risks related to the company s generation and energy delivery businesses. 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 corporate governance committee: committee self-evaluations; a full board evaluation; and the evaluation of the individual directors. The committee self-assessments 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 involve a discussion among the lead director and other directors including members of the corporate governance committee of each director s performance using the performance expectations for directors contained in the Corporate Governance Principles. In addition, the chairman of the corporate governance committee or the chairman of the board provides individual feedback, as necessary. All assessments focus on both strengths and opportunities for improvement.

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. All new directors receive materials about Exelon, the board and board policies and operations. Each new director is scheduled for meetings with the CEO and each executive vice president and members of his or her staff for a briefing on the executive s 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 primarily delivered 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. Both the energy delivery oversight committee and the generation oversight committee use site visits as a regular part of education for their members: (1) the generation oversight 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; and (2) the energy delivery oversight committee periodically tours substations, transmission and distribution lines, call centers and other facilities. 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.

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 eleven times in 2010. Under its charter, the audit committee s principal duties include:

n Reviewing financial reporting, accounting practices and internal control functions;

n With the assistance of the risk oversight committee, reviewing and making recommendations to the full board regarding risk management policy and legal and regulatory compliance;

n Recommending the independent accountant;

n Approving the scope of the annual audits by the independent accountant and internal auditors; and

n Reviewing and making recommendations to the full board regarding officers and directors expenses and compliance with Exelon s Code of Business Conduct.

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.

Audit Committee Financial Experts

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.

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The board of directors also has determined 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 audit committee has reviewed and discussed the audited financial statements contained in the 2010 Annual Report on SEC Form 10-K with Exelon Corporation s management and the 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. 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.

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, 2010, for filing with the SEC.

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

February 9, 2011

The Audit Committee

John M. Palms, Chair

John A. Canning, Jr.

Sue L. Gin

Paul L. Joskow

Richard W. Mies

William C. Richardson

Stephen D. Steinour

Compensation Committee

The compensation committee is composed entirely of independent directors and is governed by a board-approved charter stating its responsibilities. The compensation committee met six times in 2010.

The compensation 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.

Executive officers are involved in evaluation of the performance and development of initial recommendations with respect to compensation adjustments; however, the compensation committee (and the independent directors and the full board of directors, respectively, with respect to the compensation of the CEO and the executive vice presidents and the ComEd CEO) makes the final determinations with respect to compensation programs and adjustments. Under Exelon s Corporate Governance Principles, the CEO is considered an invited guest and is welcome to attend the meetings of the compensation committee, except when the compensation committee meets in executive session to discuss, for example, the CEO s own compensation. The CEO cannot call meetings of the compensation 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 committee reviews the recommendations and establishes the final goals. The compensation committee strives to ensure that the goals are consistent with the overall

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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 annual incentive payout, and if so, the amount of the multiplier. 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 committee. The human resources function provides to the compensation committee and the independent directors data showing the history of the CEO s compensation and data that analyzes the cost of a range of several alternatives for changes to the CEO s compensation, but neither the executive officers nor the CEO makes any recommendation to the compensation committee or the independent directors with respect to the compensation of the CEO.

The compensation committee has delegated to the CEO the authority to make off-cycle awards to employees who are not subject to the limitations of 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 of Exelon, provided that such authority is limited to making grants of up to 1,200,000 options in the aggregate, and 20,000 options per recipient in any year. The compensation committee reviews and ratifies these grants. On rare occasions, stock options are granted to new hires on the date they commence employment.

Compensation Consultant

Pursuant to the compensation 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 committee reviews, negotiates and executes an engagement letter with the compensation consultant. The compensation consultant directly reports to the committee.

For many years the committee has relied on Mr. Richard Meischeid as its independent compensation consultant. Mr. Meischeid was formerly a Managing Principal of Towers Watson. During 2010, Mr. Meischeid and others launched a new executive compensation consulting firm, Pay Governance LLC, of which Mr. Meischeid is one of the Managing Partners.

As part of its ongoing services to the compensation 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 compensation 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 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 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 adopted a formal compensation consultant independence policy in July 2009 that codified its past practices. The compensation consultant independence policy is available on the Exelon website at www.exeloncorp.com, under the investor relations tab. 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 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 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.

An office of Towers Watson in a different city than Mr. Meischeid s office (when he was associated with Towers Watson) provided Exelon with other services, including actuarial valuation of pension plans and retiree welfare plans (and related services); pension plan administration services; health and welfare plan administration services; employee communications services; and information technology services. The decision to engage Towers Watson for the other services was made or recommended by management with the prior authorization and subsequent review by the compensation committee. In 2010, through the end of October, when Pay Governance LLC was formally engaged as the committee s independent consultant, the aggregate amount paid to Towers Watson for compensation consulting services was $98,804, and the amount paid for other services was $3,721,140. The aggregate amount paid to Pay Governance LLC for executive compensation consulting services in 2010 was $65,210. Pay Governance LLC did not provide any other services.

Compensation Committee Interlocks and Insider Participation

During fiscal 2010 and as of the date of this proxy statement, none of the members of the compensation 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 committee or board of directors.

Corporate Governance Committee

The corporate governance committee met six times in 2010. 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:

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

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

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

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

- Monitoring succession planning and executive leadership development;

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- 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 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 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 2010.

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

- Overseeing the operating utilities (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 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;
- 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.

Generation Oversight Committee

The generation oversight committee met four times in 2010.

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;

- Reviewing major investments and changes in strategy regarding the generating facilities;
- Reviewing the budget and business plans of Exelon Generation Company and monitoring its operating and financial performance;
- Overseeing the establishment of and compliance with policies and procedures to manage and mitigate risks associated with the security and integrity of Exelon Generation Company s assets; and
- Reviewing environmental, health and safety issues related to Exelon Generation Company.

Risk Oversight Committee

The risk oversight committee met four times in 2010.

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

- n Overseeing the company s risk management functions;
- n Reporting to the audit committee and to the full board regarding corporate risk management policy (including financial risks, legal and regulatory risks), power marketing, power trading risk management strategy, nuclear fuels procurement and performance, and the hedged condition of the generation portfolio;
- n Reviewing and approving risk policies relating to power marketing, hedging and the use of derivatives;
- n Overseeing and reviewing the performance and management of assets in Exelon s pension and nuclear decommissioning trust funds; and
- n Appointing and removing the parties overseeing the performance and management of investment of assets in Exelon s employee benefit trusts.

Risk Oversight Committee Investment Subcommittee

In January 2010, the corporate governance committee and the board authorized the establishment of an investment subcommittee of the risk oversight committee. The investment subcommittee is responsible for general oversight of Exelon s investment management functions. The subcommittee serves as a resource and advisory panel for Exelon s management-level investment management team and reports to the risk oversight committee.

The risk oversight investment subcommittee met two times in 2010.

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

- n 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;
- n Monitoring the performance of the nuclear decommissioning trusts and the trustees, investment managers and other advisors and service providers for the trusts;
- n 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;
- n Overseeing the evaluation, selection and appointment of trustees and other fiduciaries for the nuclear decommissioning trusts;
- n Overseeing the administration of the nuclear decommissioning trusts; and

- Reporting to the risk oversight committee all matters discussed and actions taken by the subcommittee.

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 committee members under rules of the SEC (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 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.

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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.

Each of the directors, with the exception of John Rowe, was determined by our board of directors to be independent under applicable guidelines presented above. Mr. Rowe is not considered an independent director because of his employment as Chairman and Chief Executive Officer of Exelon. 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 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. The 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 each director.

M. Walter D Alessio

Mr. D Alessio is the non-executive chairman and a director of a company that received $4,500,000 from Exelon for health care coverage for Exelon employees.

Nicholas DeBenedictis

Mr. DeBenedictis serves as the chairman, president and chief executive officer of a public utility company that received approximately $980,000 from Exelon for water supplies. Exelon made these purchases under tariffed utility rates. Mr. DeBenedictis serves as a director of a company that received $4,500,000 from Exelon for health care coverage for Exelon employees. Mr. DeBenedictis serves as a director of a public company that received approximately $225,000 from Exelon for renewable energy credits.

Nelson A. Diaz

Mr. Diaz is Of Counsel to a law firm that provides legal services to Exelon. In 2010, Exelon paid the law firm approximately $200,000. Mr. Diaz does not work on any matters relating to Exelon and derives no financial benefit from any legal services that the law firm provides to Exelon. The board does not consider that Exelon s relationship with the law firm impairs Mr. Diaz independence.

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Sue L. Gin

Ms. Gin is the chairman and chief executive officer of a company that is a customer of Exelon Energy. The company paid Exelon Energy approximately $190,000 for natural gas in 2010 under contracts that were competitively bid.

Rosemarie B. Greco

Ms. Greco serves as the director of a public company that is a supplier of fuel oil to Exelon Generation and PECO. In 2010, Exelon paid the company approximately $8,500,000.

Richard W. Mies

Admiral Mies serves as the director of a public company that provides services to Exelon Generation. In 2010, Exelon paid that company approximately $865,000.

Dr. William C. Richardson

Dr. Richardson serves as a director of a public company that provided financial and stock transfer services to Exelon. In 2010, Exelon paid the company approximately $3,200,000.

Thomas J. Ridge

Governor Ridge is a senior advisor to a major accounting firm that provided non-audit services to Exelon. In 2010, Exelon paid the firm approximately $7,500,000.

John W. Rogers, Jr.

Mr. Rogers serves as a director of company that provides benefit administration services to Exelon. In 2010, Exelon paid the company approximately $4,500,000. Mr. Rogers also serves a director of a company that is a customer of Exelon Energy. The company paid Exelon Energy approximately $6,094,000 in 2010. For additional information, see Related Person Transactions below.

Stephen D. Steinour

Mr. Steinour is the chairman, president and chief executive officer of a company that is a customer of Exelon Energy. The company paid Exelon Energy approximately $275,000 in 2010.

Don Thompson

Mr. Thompson is the president and chief executive officer of a company that is a customer of Exelon Energy. The company paid Exelon Energy approximately $6,094,000 in 2010. For additional information, see Related Person Transactions below.

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 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 2010 that were disclosed by directors and executive officers of Exelon, 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

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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 minimus 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 set, tariffed rates or the price and terms were determined as a result of a competitive bidding process. Only one of the related person transactions required disclosure 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 ComEd and PECO are at tariffed rates and therefore do not require disclosure. Gas purchases from Exelon Energy are made based on fixed prices for contract quantities settled at market prices based on an independent, publicly available index (the monthly Natural Gas Index). Electricity purchases made from Exelon Energy are made at the fixed price for power in the ComEd Zone within the PJM Interconnection. In 2010, McDonald s USA procured electricity services from Exelon Energy at market rates in the amount of approximately $4,793,000 and gas services at market rates in the amount of approximately $1,301,000. McDonald s USA will procure electricity and gas from Exelon Energy under the same agreements in 2011. Director Don Thompson is President and Chief Operating Officer of McDonald s Corporation. Director John Rogers is also a director of McDonald s Corporation, of which McDonald s USA is a subsidiary.

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 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.

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.

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;
- Practical wisdom and mature judgment;

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

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- 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.

Composition of the Board of Directors and Committees

The corporate governance committee believes that the current membership of the board and the committees represents an optimum mix of directors in terms of the range of backgrounds and experience and diversity. The board consists of directors who range in age from 47 to 77, with an average age of 64 and a median age of 65. The tenure of the directors is similarly varied, with six directors having served since the company s creation in 2000, one since 2002, one since 2004, two since 2005, three since 2007, and one each since 2008 and 2009. Five directors come from the Chicago area and five from the Philadelphia area, the company s two primary markets, while five come from other parts of the country. Two directors are African-Americans, two are women, one is Hispanic, and one is Asian-American.

The directors have a wide diversity of experiences that fill the needs of the board and its committees. Eight directors are current or former CEOs of corporations; two are former CEOs of universities. Two directors have strong nuclear experience. Four directors have experience in banking and investment management. Four have served in government and one has flag officer military experience. Individual directors have experience or expertise in real estate, utility and environmental matters, law, the economics of energy, and engineering and operations.

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. Two members of the generation oversight committee have nuclear expertise. The chairs of the audit and risk oversight 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 committees sit on each other s committees, which is helpful in the company s process for evaluating the CEO s performance and setting his compensation. Almost all of the members of the corporate governance committee serve or have served on the corporate governance committees of other corporations. The chair of the compensation committee has experience in human relations, and several of the members have served on the compensation committees of other corporations. The energy delivery oversight committee includes members with experience in utility operations, environmental matters, the economics of energy, law, and governmental affairs, facilitating the committee s oversight of the heavily-regulated energy delivery businesses. The risk oversight 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.

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Biographical information about each of the directors follows.

Proposal 1: Election of Directors

After many years of distinguished service on the boards of Exelon and its predecessor company Unicom Corporation, Bruce DeMars retired on December 31, 2010 under Exelon s Director Retirement Policy. Upon his retirement, the board reduced its size to 15 members. Upon the recommendation of the corporate governance committee, the board nominated the following 15 candidates for election as directors, each to serve a one-year term. 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 board of directors recommends a vote FOR

each of the director nominees below.

John A. Canning, Jr.

Director since 2008

Age 66

Member-Audit Committee

Member-Compensation Committee

Mr. Canning is the Chairman and co-founder of Madison Dearborn Partners, LLC (MDP), which specializes in management buyout and structured equity investing. MDP has raised investment funds with more than $18 billion in limited partner commitments from over 350 endowments, pension funds and other sophisticated investors. MDP has made significant investments in the energy and power industry. Prior to co-founding MDP, Mr. Canning spent 24 years with First Chicago Corporation, where he managed the bank s venture investments. Altogether he has 29 years of experience in private equity investing, including reviewing financial statements and audit results and making investment and acquisition decisions. Mr. Canning also serves on the board of directors of Corning Incorporated (specialty glass and ceramics) and is a member of the audit and finance committees. He also serves on the board of TransUnion Corp. 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. He is also a Commissioner of the Irish Pension Reserve Fund. Mr. Canning has also served on the board of directors of Jefferson Smurfit Group plc and has served on the audit committees of several charitable organizations, including the Irish Reserve Pension 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 audit and compensation committees.

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M. Walter D Alessio

Director since 2000

Age 77

Lead Director

Chair-Corporate Governance Committee

Member-Compensation Committee

Mr. D Alessio serves as lead director. He is Vice Chairman of NorthMarq Capital (a real estate investment banking firm) and is senior managing director of NorthMarq Advisors (a real estate consulting group), positions he has held since July 2003. Prior to that, he was the Chairman and CEO of Legg Mason Real Estate Services, Inc. (1982-July 2003). He is the Chairman of the board of Brandywine Realty Trust, where he has been a trustee since 1996, and has been a director of Independence Blue Cross since 1991, and also currently serves as chairman of the board. Mr. D Alessio has served as a director of the Federal Home Loan Bank Board of Pittsburgh since 2008, serving on the governance, human resources and community investment and public policy committees, and a trustee of the Pennsylvania Real Estate Investment Trust since 2005, where he serves on the compensation and human resources committee and the nominating and governance committee. He also serves on the Board of PECO, an Exelon subsidiary. Mr. D Alessio is a leader in the Philadelphia business community and has knowledge of the greater Philadelphia metropolitan area and economic trends in the region, particularly with respect to real estate development. Mr. D Alessio contributes to the Exelon board through his long history as a business leader and as a director of other business organizations. Through his leadership of other boards and his leadership and participation in the work of committees of other boards, Mr. D Alessio is valued as a leader of the Exelon board and its corporate governance committee and makes important contributions to the work of the compensation committee, including its evaluation of the performance and compensation of the Exelon CEO. Mr. D Alessio s knowledge and expertise in corporate governance has been recognized by his being appointed a member of the Advisory Board of the Drexel University Business School Corporate Governance Program.

Nicholas DeBenedictis

Director since 2002

Age 65

Chair-Energy Delivery Oversight Committee

Member-Corporate Governance Committee

Member-Generation Oversight Committee

Mr. DeBenedictis is the Chairman (since 1993), President and Chief Executive Officer (since 1992) of Aqua America Inc., a water utility with operations in 14 states. Aqua America is the second largest U.S.-based, publicly-traded water and wastewater company in the country, and, as its 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 serves on the audit, compensation, and nominating and corporate governance committees. Mr. DeBenedictis served as a director of Met-Pro Corporation from 1997 until his resignation in February 2010 (global provider of solutions and products for product recovery, pollution control, and fluid handling applications). While a director of Met-Pro, he served as presiding independent director, chair of the corporate governance and

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nominating committee and a member of the audit committee. Mr. DeBenedictis has a master s degree in environmental engineering and science. He is a leader in the Greater Philadelphia business community and 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 energy delivery oversight committee and the generation oversight committee. His prior experience as the presiding director and chair of the corporate governance committee of another public company offer additional insight to the functions of the Exelon corporate governance committee.

Nelson A. Diaz

Director since 2004

Age 63

Member-Energy Delivery Oversight Committee

Member-Generation Oversight Committee

Member-Risk Oversight Committee

Judge Diaz has been Of Counsel to Cozen O Connor, a Philadelphia-based national law firm, since May 2007. He was 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. He also served as General Counsel, United States Department of Housing and Urban Affairs (1993-1997). He also 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 also is 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 energy delivery, generation, and risk 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.

Sue L. Gin

Director since 2000

Age 69

Chair-Risk Oversight Committee

Member-Audit Committee

Member-Corporate Governance Committee

Member-Risk Oversight Committee Investment Subcommittee

Ms. Gin is an entrepreneur who is the founder, owner, Chairman and CEO of Flying Food Group, LLC, an airline catering and fresh meal production company serving international airlines and specialty retailers. She has served as its Chairman and CEO since 1983. She is also the owner

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and founder of New Management, Ltd., a real estate sales, leasing, management and development firm, and has served as its President since 1977. Ms. Gin has served as a director of Centerplate, Inc. (hospitality company) (2004-2009), serving as chair of the corporate governance committee, and also served as a director of Briazz, Inc. (restaurants and catering) (2003-2004). She is also a director of ComEd, an Exelon subsidiary. As a leader in the Chicago business community and as the chief executive of a privately-held Chicago-based business, Ms. Gin is familiar with the Chicago economy and the needs of Chicago businesses served by ComEd. As a female member of the Asian-American community, Ms. Gin also brings diversity to the board and contributes to Exelon s diversity initiatives and community outreach.

Rosemarie B. Greco

Director since 2000

Age 64

Chair-Compensation Committee

Member-Corporate Governance Committee

Member-Energy Delivery Oversight Committee

Ms. Greco is the founding principal of GRECOVentures Ltd., a private consulting firm. Ms. Greco served as a Senior Advisor to the Governor of Pennsylvania-Health Care Reform until January 2011. She served as the director of the Governor s Office of Health Care Reform for the Commonwealth of Pennsylvania from January 2003 through December 2008. She was formerly President, CEO and director of First Fidelity Bank, N.A., and Senior Executive Vice President and director of First Fidelity Bancorporation and formerly President of CoreStates Financial Corporation and director, President and CEO of CoreStates Bank, N.A. She has served Sunoco, Inc. (energy) as a director since 1998, and currently chairs the compensation committee and serves on the audit and governance committees. Since 1997 Ms. Greco has served as a trustee of Pennsylvania Real Estate Investment Trust, where she serves as chair of the executive compensation and human resources committee. She has also served since 1999 as a trustee of SEI Investment Management Corp., a subsidiary of SEI Investments, Co., and serves as chair of its governance committee and as a member of its audit committee. She also serves as a director of PECO. While serving in the banking industry she served for a time as head of a human resources department, experience that has been valuable to her service as chair of Exelon s compensation committee. Her experience in the banking industry in Philadelphia has given her insight into the needs of the banks clients, who are also customers of PECO. Ms. Greco s role as a female executive has brought diversity to Exelon s board, and she has contributed to Exelon s diversity initiatives. Her experience as a CEO with responsibility for overseeing the quality of operations is a useful background for her work on the energy delivery oversight committee, with its focus on operational issues at ComEd and PECO. Ms. Greco s experiences as a CEO, a management consultant, and a member of a number of corporate boards and governance committees contribute to her effectiveness as a member of the corporate governance committee. In addition, her service as chair of the compensation committee while also serving as a member of the corporate governance committee is designed to facilitate communications between the committees with respect to performance evaluations and succession planning for the executives in conjunction with executive compensation decisions.

Paul L. Joskow, Ph. D.

Director since 2007

Age 63

Member-Audit Committee

Member-Energy Delivery Oversight Committee

Member-Risk Oversight Committee

Member-Risk Oversight Committee Investment Subcommittee

Professor 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). Professor 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 and the Econometric Society. 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 is the Chair of the National Academies Board on Science, Technology and Economic policy. He is 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). Since 2004 he has been a director of TransCanada Corporation, which is an energy infrastructure company with gas pipelines, electric power operations, and natural gas storage facilities. He currently serves 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). With his experience in the energy industry and economics, Mr. Joskow makes a contribution to the Exelon board discussions of economics, energy markets, energy policy, industry trends, and risk and the work of the audit, risk oversight, and energy delivery oversight committees in these fields.

Richard W. Mies

Director since 2009

Age 66

Chair-Generation Oversight Committee (effective January 1, 2011)

Member-Audit Committee

Member-Risk Oversight Committee

Admiral Mies has experience in oversight of nuclear operations, with a combination of nuclear, policy and business experience gained through military service and providing strategic counsel on national security. He is President and Chief Executive Officer of The Mies Group, Ltd., a private consulting firm. Admiral Mies retired from the United States Navy in 2002 following 35 years of service. A nuclear submariner, Admiral Mies has a wide range of operational command experience; he commanded the United States Strategic Command for four years prior to his retirement. Following his military service, Admiral Mies served as a Senior Vice President of Science Applications International Corporation and as President and Chief Executive Officer of its wholly-owned subsidiary, Hicks and Associates, until September 2007. Admiral Mies served from 2008 to 2010 as a director of McDermott International, Inc., an engineering and construction company focused on energy infrastructure, where he served on the audit and governance committees. In 2010, he transitioned to the Babcock and Wilcox Company board when that company spun off from McDermott International. He serves on the audit and finance, governance and safety and security committees of Babcock and Wilcox. Since 2002 he has served as a director of Mutual of Omaha, an insurance and banking company, where he served on the audit committee (2002-2007), currently serves as chair of the corporate governance committee and as a member of the compensation and evaluation and executive committees. He is also a member of the Board of Governors of Los Alamos and Lawrence Livermore National Security LLCs. In addition to an undergraduate degree in mechanical engineering and mathematics, he has a master s degree in government administration and international relations. Admiral Mies makes a contribution to the Exelon board through his experience with the Navy and in business and his experience on boards of other companies. He contributes to Exelon s generation oversight committee through his training as an engineer and his experience with nuclear power. His contribution to the audit and risk oversight committees is enhanced by his business experience and his experience on the boards and audit committees of other companies.

John M. Palms, Ph. D.

Director since 2000

Age 75

Chair-Audit Committee

Member-Corporate Governance Committee

Member-Generation Oversight Committee

Member-Risk Oversight Committee

Dr. Palms has had a distinguished career in academia and business and is a leading expert on nuclear power operations. He is Distinguished President Emeritus and Distinguished University Professor Emeritus of the University of South Carolina. He served as the President of the University of South Carolina (1991-June 2002), overseeing major budgets and approving significant financial and other transactions. He was Distinguished University Professor at the University of South Carolina (2002-2007). He is the former President of Georgia State University and the former Vice President for Academic Affairs and the Charles Howard Chandler Professor of Radiological and Environmental Physics at Emory University. He was recognized for his nuclear energy and operations expertise by serving for five years as a member of the National Nuclear Accreditation Board and the Advisory Council for the Institute of Nuclear Power Operations and its National Academy of Nuclear Training. He also served on the Three Mile Island Public Health Fund Committee to design a Public Acceptable Environmental Monitoring Program. In 2003 he became the non-executive chairman of the board of directors of Assurant Inc., a provider of specialty insurance and related services with risk management expertise, strong distribution partnerships and complex administrative skills, where he has been a director since 1990 and serves on the nominating and corporate governance and audit committees, and he has also served since 2002 as a director of Computer Task Group, Inc., a provider of information technology solutions and services, where he serves on the executive, nominating and corporate governance, and compensation committees and formerly served on the audit committee, and he has served as a director of The Geo Group, a world leader in the privatized development and management of correction and retention facilities. In addition, Dr. Palms is the former Chairman of the board of trustees of the Institute for Defense Analyses, a non-profit, federally-funded research and development organization that advises the U.S. Secretary of Defense and the U.S. Congress. Dr. Palms makes a contribution to the Exelon board through his extensive knowledge of nuclear power and his experience on the boards and board committees of other public companies. His knowledge and experience with nuclear power makes Dr. Palms a valuable member of the generation oversight and risk oversight committees. His service as chair of the audit committee and a member of the risk oversight committee reinforces the role of the audit committee in overseeing risk matters and ensures full

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communication between the two committees, given the close relationship between audit and risk issues. Dr. Palms experience in the management of large business, academic and other organizations enables him to offer useful perspectives to Exelon s corporate governance committee.

William C. Richardson, Ph. D.

Director since 2005

Age 70

Member-Audit Committee

Member-Compensation Committee

Member-Corporate Governance Committee

Member-Risk Oversight Committee

Member-Risk Oversight Committee Investment Subcommittee

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 and he served as a director of CSX Corporation (railroad) (1992-2008), and he also served as a director of Kellogg Company (1996-2007). Dr. Richardson serves on the audit and examining 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, risk oversight, risk oversight investment subcommittee and corporate governance committees.

Thomas J. Ridge

Director since 2005

Age 65

Member-Energy Delivery Oversight Committee

Member-Risk Oversight Committee

Governor Ridge is President of Ridge Global LLC, a consulting firm. He is also a strategic limited partner in Doheny Global Group, a U.S.-based international developer of energy facilities. He served as Secretary of the United States Department of Homeland Security from January 2003 through January 2005, and Assistant to the President for Homeland Security (an Executive Office created by President George W. Bush) from October 2001 through December 2002. He served as Governor of the Commonwealth of Pennsylvania (1994-October 2001) and in the U.S. House of Representatives (1982-1994). He is also a director of The Hershey Company (chocolate and sugar confectionery) since 2007, serving on the finance and risk management and governance committees and Brightpoint, Inc. since 2009, serving on the strategy committee. Gov. Ridge previously served as a director of Vonage Holdings Corp. (software technology for voice and messaging services) (2005-2010), where he served on the nominating and governance and

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compensation committees. He also previously served as a director of Home Depot Corporation (home improvement specialty retailer) (2005-2007). Gov. Ridge also serves as a director of PECO. Governor Ridge s governmental service at the federal level and in Pennsylvania is valued by the board. His Department of Homeland Security experience provides valuable insight into issues relating to the security of Exelon s generation and transmission and distribution facilities. His service as a director of other companies brings additional perspective to the Exelon board. Exelon s energy delivery and risk oversight committees benefit greatly from Governor Ridge s insights from his experience in state government and his expertise on matters relating to the security of critical infrastructure

John W. Rogers, Jr.

Director since 2000

Age 52

Chair-Risk Oversight Committee Investment Subcommittee

Member-Corporate Governance Committee

Member-Risk Oversight Committee

Mr. Rogers is the founder, Chairman and CEO of Ariel Investments, LLC, an institutional money management firm with $5 billion in assets under management, and he serves as trustee of the Ariel Investment Trust. He has served as a director of Aon Corporation (risk management services, insurance and reinsurance brokerage and human capital and management consulting services) since 1993, where he has served on the audit committee and as chair of the finance committee, and McDonald s Corporation (global foodservice retailer) since 2003, where he has served on the compensation and corporate responsibility committees. He served as a director of ComEd until May 2010. Previously he served as a director of GATX corporation (rail, marine and industrial equipment leasing) (1998-2004), where he served on the audit committee, and on the board of 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 risk oversight committee on which he serves. 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.

John W. Rowe

Director since 2000

Age 65

Mr. Rowe has served as a Director and as Chief Executive or Co-Chief Executive Officer of Exelon since its formation in October 2000. He has served as Chairman and Chief Executive Officer since April 2002. At various times since 2000, he has also held the title of President of Exelon. He previously served as Chairman, President and Chief Executive Officer of Unicom Corporation and ComEd. He has also served as a director of Sunoco, Inc.

(energy) since 2003, where he serves on the compensation and executive committees and chairs the corporate responsibility committee, and The Northern Trust Corporation (banking) since 2002, where he serves as the Lead Director, chairs the corporate governance committee and serves on the

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executive and business strategy committees. He serves as Chairman and director of PECO, an Exelon subsidiary, and as a director of ComEd, another Exelon subsidiary. Previously, Mr. Rowe served as a director of UnumProvident Corporation (insurance) upon the merger of Unum Corporation into Provident Companies, Inc. in 1999 until 2005, serving on the audit, executive and finance committees (he had previously served as a director of Unum Corporation (1988-1999)); Fleet Boston Financial Corporation (bank) when BankBoston was acquired by Fleet Boston (1999-2002) serving on the community investment and public policy committees; and Wisconsin Central Transportation Corporation (railroad) when it was acquired by Canadian National Railway in 1998 until 2001, serving on the audit committee. Mr. Rowe has an aggregate of over 25 years experience as the CEO of Exelon and other utilities.

Stephen D. Steinour

Director since 2007

Age 52

Member-Audit Committee

Member-Compensation Committee

In January 2009, Mr. Steinour was elected the Chairman, President and Chief Executive Officer of Huntington Bancshares Incorporated, a $52 billion regional bank holding company. He was the Chairman and Managing Partner of CrossHarbor Capital Partners, a private equity firm (2008- January 2009). He was previously President and CEO of Citizens Financial Group, Inc., a multi-state commercial bank holding company (2006-2008). He 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 was appointed to the Board of Trustees of the Liberty Property Trust (an office and industrial property real estate investment trust) on February 11, 2010, and he serves on its audit committee. Mr. Steinour is a member of council of The Pennsylvania Society, a non-profit, charitable organization which celebrates service to the Commonwealth of Pennsylvania. Mr. Steinour serves as a trustee of the National Constitution Center and the Eisenhower Fellowships and is a member of the Columbus Partnership. Mr. Steinour also was a member, and served 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 Bank enhances Mr. Steinour s value to the Exelon board and to the audit and compensation committees.

Don Thompson

Director since 2007

Age 47

Member-Energy Delivery Oversight Committee

Mr. Thompson is President and Chief Operating Officer of McDonald s Corporation, a global foodservice retailer. Mr. Thompson previously served as President of McDonald s US operations from August 2006 through January 2010, Executive Vice President and Chief Operations Officer for McDonald s USA from January 2005 through August 2006, as Executive Vice President, Restaurant Solutions Group from May 2004 through January 2005, and President, West Division, from October 2001 through May 2004. Mr. Thompson has served on the board of the Johnnetta B. Cole Global Diversity and Inclusion Institute, a partnership of academic institutions,

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corporations and civic and community organizations to advance the goals of diversity and inclusion in the workplace through education, training and research. Mr. Thompson also serves on the Boards of Trustees of Northwestern Memorial Hospital and Purdue University. Mr. Thompson is also a former board member of the San Diego Ronald McDonald House Charities and has served as a Trustee of the Goodman Theater in Chicago. Mr. Thompson has a degree in electrical engineering and at McDonald s one of the things he has focused on is developing systems and procedures to ensure consistency in the quality of service. Mr. Thompson s experience as a senior corporate executive and his training as an engineer and focus on quality and consistency of service enhance his contribution to the Exelon board and add value to his services on the energy delivery oversight committee. In addition, Mr. Thompson s role in the African-American community brings additional diversity of thought to the Exelon board and contributes to Exelon s diversity initiatives and community outreach.

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 have been repeated instances where a number of director retirements would fall in the same year. For these reasons, the board has been generally flexible in the application of the retirement policy and has 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. In addition, the board has suspended the retirement policy for Dr. Palms until the end of 2011 and Mr. D Alessio until the end of 2012. These changes will help address future situations in which multiple directors would otherwise be required to retire in the same year, and suspension of the retirement policy for Dr. Palms and Mr. D Alessio will ensure that the company continues to benefit from their unique experience and leadership on the board and its committees and will facilitate a smooth transition until successors are identified and serve on the board long enough to develop appropriate experience and expand their leadership roles.

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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. One employee director, Mr. Rowe, not shown in the table, receives no additional compensation for service as a director.

	Committee Membership	Fees Earned or Paid in Cash Annual Board & Committee Retainers	Fees Earned or Paid in Cash Board & Committee Meeting Fees	Stock Awards	Change in Pension Value and Nonqualified Compensation Earnings (Note 1)	Total
John A. Canning, Jr.	A, C	$ 55,000	$ 52,000	$ 100,000		$ 207,000
M. Walter D Alessio (2)	G (ch), C	83,340	46,000	100,000		229,340
Nicholas DeBenedictis	E (ch), G, P	65,000	50,000	100,000		215,000
Bruce DeMars	P (ch), A, E, G	80,000	72,000	100,000		252,000
Nelson A. Diaz	E, P, R	55,000	48,000	100,000		203,000
Sue L. Gin	R (ch), A, G, I	65,000	66,000	100,000		231,000
Rosemarie B. Greco	C (ch), E, G	60,000	52,000	100,000		212,000
Paul L. Joskow	A, E, I, R	55,000	64,000	100,000		219,000
Richard W. Mies	A, P, R	60,000	58,000	100,000		218,000
John M. Palms (3)	A (ch), G, P, R	80,000	70,000	100,000		250,000
William C. Richardson (3)	A, C, G, I, R	55,000	78,000	100,000		233,000
Thomas J. Ridge	E, R	50,000	36,000	100,000		186,000
John W. Rogers, Jr.	I (ch), G, R	50,000	42,000	100,000		192,000
Stephen D. Steinour	A, C	55,352	46,000	100,000		201,352
Donald Thompson	E	50,352	28,000	100,000		178,352
Total All Directors		$ 919,044	$ 808,000	$ 1,500,000		$ 3,227,044

Committee Membership Key

Audit = A, Chairman = Ch, Compensation = C, Corporate Governance = G, Energy Delivery

Oversight = E, Risk Oversight Investment Sub-Committee = I, Generation Oversight = P, Risk Oversight = R

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 2010, none of the directors recognized any such earnings.

(2) Mr. D Alessio received an additional annual retainer to serve at the board s lead director. This retainer was prorated from the date of his appointment.

(3) In addition to the amounts shown in the table, Drs. Palms and Richardson, who also serve as directors of the Exelon Foundation, received $6,000 each from the Foundation for attending meetings of the Foundation s board. Exelon contributes to the Foundation to pay for the

Foundation s operating expenses. Ms. Gin receives compensation for her service on ComEd s board, and Messrs. D Alessio, Diaz and Ridge and Ms. Greco also receive compensation for their service on PECO s board. For information about compensation paid to the directors of ComEd and PECO, please refer to the 2010 Annual Report on Form 10-K under Item 11, Executive Compensation Non-Employee Director Compensation ComEd and PECO.

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Fees Earned or Paid in Cash

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. All directors receive an annual retainer of $50,000 paid in cash. The Lead Director received an annual retainer of $25,000. 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, board committee or sub-committee that they attend. Effective January 1, 2011, directors who serve on the generation oversight committee will receive an additional $1,000 for each generation oversight committee meeting they attend. 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. 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. Directors are required under the Exelon Corporate Governance Principles to own 5,000 shares of Exelon common stock or deferred stock units within five years after their election to the board.

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 units.

As of December 31, 2010, 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, 2010, which was $41.64. Legacy plans include those stock units earned from Exelon s predecessor companies, PECO Energy Company and Unicom Corporation. For Adm. DeMars and Mr. Rogers, the legacy deferred stock units reflect accrued benefits from the Unicom Directors Retirement Plan (which was terminated in 1997) and the Unicom 1996 Directors Fee Plan (which was terminated in 2000), respectively.

	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 12/31/10
		#	#	#	$
John A. Canning	2008		5,440	5,440	$ 226,522
M. Walter D Alessio	1983		14,251	14,251	593,412
Nicholas DeBenedictis	2002		11,814	11,814	491,935
Bruce DeMars	1996	1,400	6,162	7,562	314,882
Nelson A. Diaz	2004		11,684	11,684	486,522
Sue L. Gin	1993		6,162	6,162	256,586
Rosemarie B. Greco	1998		16,113	16,113	670,945
Paul L. Joskow	2007		6,687	6,687	278,447
Richard W. Mies	2009		4,443	4,443	185,007
John M. Palms	1990		11,814	11,814	491,935
William C. Richardson	2005		9,843	9,843	409,863
Thomas J. Ridge	2005		9,583	9,583	399,036
John W. Rogers, Jr	1999	3,773	19,501	23,274	969,129
Stephen D. Steinour	2007		6,969	6,969	290,189
Donald Thompson	2007		6,969	6,969	290,189
Total All Directors		5,173	147,435	152,608	$ 6,354,599

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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 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 2010 none of the directors had investments in this fund.

Other Compensation

Exelon pays the cost of travel, meals, lodging and related activities of a spouse or domestic partner when the spouses or domestic partners are invited to attend company or industry related events where it is customary and expected that directors attend with their spouses or domestic partners. 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 or domestic partner 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 2010, the incremental cost to the company to provide these perquisites was less than $10,000 per director and the aggregate amount for all directors as a group, a total of 15 directors, was $26,051. The aggregate amount paid to all directors as a group (15 directors) for reimbursement of taxes on imputed income was $23,711.

Exelon has a board compensation and expense reimbursement policy under which directors are reimbursed for reasonable travel to and from their primary 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 domestic partners 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 has a matching gift program available to directors and officers that matches their contributions to educational institutions up to $5,000 per year and a matching gift program for other employees that matches their contributions to educational institutions up to $2,000 per year.

Proposal 2: The Ratification of PricewaterhouseCoopers LLP as Exelon s Independent Accountant for 2011

The audit committee and the board of directors believe that PricewaterhouseCoopers knowledge of Exelon is invaluable. Representatives of PricewaterhouseCoopers working on Exelon matters are periodically changed, providing Exelon with audit personnel with a variety of experiences. PricewaterhouseCoopers has direct access to members of the audit committee, and PricewaterhouseCoopers representatives regularly attend audit committee meetings. Representatives of PricewaterhouseCoopers will attend the annual meeting to answer appropriate questions, and may make a statement if they desire.

In July 2002, the Exelon audit committee adopted a policy for pre-approval of services to be performed by the independent accountants. The committee pre-approves annual budgets for audit, audit-related and tax compliance and planning services. The services that the committee will consider include services that do not impair the accountant s independence and add value to the audit, including audit services such as attest services and scope changes in the audit of the financial statements, 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, the provision of attest services in relation to regulatory filings and contractual obligations, and tax compliance and planning services. With respect to non-budgeted services in amounts less than $500,000, the committee delegated authority to the committee s chair to pre-approve such services. All other services must be pre-approved by the committee. The committee receives quarterly reports on all fees paid to the independent accountants. None of the services provided by the independent accountants was provided pursuant to the de minimis exception to the pre-approval requirements contained in the SEC s rules.

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The following table presents fees for professional audit services rendered by PricewaterhouseCoopers LLP for the audit of Exelon s annual financial statements for the years ended December 31, 2010 and 2009, and fees billed for other services rendered by PricewaterhouseCoopers LLP during those periods. Fees include amounts related to the year indicated, which may differ from amounts billed.

	Year Ended December 31,	
(in thousands)	**2010**	**2009**
Audit fees	$ 9,152	$ 9,515
Audit related fees (a)	851	1,073
Tax fees (b)	472	596
All other fees (c)	21	25

(a) 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 and consultations concerning financial accounting and reporting standards.

(b) 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.

(c) All other fees reflect work performed primarily in connection with research and audit software licenses.

The board of directors recommends a vote FOR

the ratification of PricewaterhouseCoopers LLP

as Exelon s Independent Accountant for 2011

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 5,000 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 corporate governance committee utilized an independent compensation consultant who determined that, compared to its peer group, Exelon s ownership requirement is reasonable.

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Officers of Exelon (and its subsidiaries) are required to own certain amounts of Exelon common stock, depending on their seniority, by the later of five years after their employment or promotion to their current position. The objective is to encourage officers to think and act like owners. The ownership guidelines are expressed as both a fixed number of shares and a multiple of annualized base salary to avoid arbitrary changes to the ownership requirements that could arise from ordinary course volatility in the market price for Exelon s shares. The minimum stock ownership targets by level are the lesser of the fixed number of shares or the multiple of annualized base salary. The number of shares was determined by taking the following multiples of the officer s base salary as of the latest of September 30, 2010 or the date of hire or promotion: (1) Chairman and CEO, five times base salary; (2) presidents and executive vice presidents, three times base salary; (3) senior vice presidents, two times base salary; and (4) vice presidents and other executives, one times base salary. Ownership is measured by valuing an executive s holdings using the 60-day average price of Exelon common stock as of the appropriate date. Shares held outright, earned non-vested performance shares, and deferred shares count toward the ownership guidelines; unvested restricted stock and stock options do not count for this purpose. As of December 31, 2010, the named executive officers (NEOs) held the following amounts of stock relative to the applicable guidelines:

Name	Ownership Multiple	Ownership Guideline in Shares	Share or Share Equivalents Owned	Ownership As a Percent of Guideline
John W. Rowe	5X	107,920	392,402	364%
Matthew F. Hilzinger	2X	10,000	23,921	239%
Christopher M. Crane	3X	21,868	58,522	268%
William A. Von Hoene	3X	17,429	38,684	222%
Denis P. O Brien	3X	17,494	52,990	303%

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Beneficial Ownership Table

The following table shows the ownership of Exelon common stock as of December 31, 2010 by each director, each NEO in the Summary Compensation Table, and for all directors and executive officers as a group.

	[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
Directors						
John A. Canning, Jr.	5,000	5,440		10,440	921	11,361
M. Walter D Alessio	12,998	14,251		27,249		27,249
Nicholas DeBenedictis		11,814		11,814		11,814
Bruce DeMars	11,216	7,562		18,778		18,778
Nelson A. Diaz	1,500	11,684		13,184	3,248	16,432
Sue L. Gin	48,321	6,162		54,483	8,110	62,593
Rosemarie B. Greco	2,000	16,113		18,113	5,074	23,187
Paul L. Joskow	2,000	6,687		8,687	5,023	13,710
Richard W. Mies (3)		4,443		4,443		4,443
John M. Palms		11,814		11,814		11,814
William C. Richardson	1,416	9,843		11,259		11,259
Thomas J. Ridge		9,583		9,583	6,256	15,839
John W. Rogers, Jr.	11,374	23,274		34,648	11,450	46,098
Stephen D. Steinour	4,406	6,969		11,375	7,993	19,368
Donald Thompson		6,969		6,969	5,873	12,842
Named Officers						
John W. Rowe	301,914	6,792	576,500	885,206	83,696	968,902
Matthew F. Hilzinger	15,089	5,599	58,525	79,213	8,233	87,446
Christopher M. Crane	33,583	30,000	147,750	211,333	24,939	236,272
William A. Von Hoene	23,469	5,000	89,600	118,069	15,215	133,284
Denis P. O Brien	27,044	6,894	166,600	200,538	19,052	219,590
Ian P. McLean	43,649	5,753	475,488	524,890	2,353	527,243
Andrea L. Zopp	3,785	550		4,335	799	5,134
Total						
Directors & Executive Officers as a group, 26 people. (See Note 4)	600,996	286,791	1,730,052	2,617,839	239,658	2,857,497

(1) The shares listed under Shares Held in Company Plans, Column [B], include restricted shares, shares held in the 401(k) plan, and deferred shares held in the Stock Deferral Plan.

(2) The shares listed above under Share Equivalents to be Settled in Cash, Column [E], include unvested performance shares that may be settled in cash or stock depending on where the named officer stands with respect to his or her stock ownership requirement, and phantom shares held in a non-qualified deferred compensation plan which will be settled in cash on a 1 for 1 basis upon retirement or termination.

(3)

Adm. Mies was elected to the board effective February 2009. He has until February 2014 to achieve his stock ownership requirement of 5,000 shares.

(4) Beneficial ownership, shown in Column [A], of directors and executive officers as a group represents less than 1% of the outstanding shares of Exelon common stock. Total includes share holdings from all directors and NEOs as well as executive officers listed in Item 1, Executive Officers of the Registrants in Exelon s 2010 Form 10-K who are not NEOs for purposes of compensation disclosure.

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Other Significant Owners of Exelon Stock

Shown in the table below are those owners who are known to Exelon to hold more than 5% of the outstanding common stock. This information is based on the most recent Schedule 13G filed by BlackRock, Inc. on February 2, 2011.

Name and address of beneficial owner	Amount and nature of beneficial ownership	Percent of class
BlackRock Inc. 40 East 52nd Street New York, NY 10022	35,569,861	5.38%

BlackRock, Inc. disclosed in its Schedule 13G that it has sole power to vote or to direct the vote and sole power to dispose or direct the disposition of 35,569,861 shares.

Section 16(a) Beneficial Ownership Reporting Compliance

Based on signed affirmations received from directors and officers, as well as administrative review of company plans and accounts administered by private brokers on behalf of directors and officers which have been disclosed to Exelon by the individual directors and officers, Exelon believes that its directors and officers made all required filings on a timely basis during 2010, with the exception of one report that the company filed late on behalf of Mr. Cornew, which reported the withholding of shares to satisfy the tax obligations on the vesting of an off-cycle restricted stock grant. In addition, on March 3, 2011 reports for Messrs. Clark, Cornew, Crane, Hilzinger, O Brien, Rowe, and Von Hoene, and Ms. Gillis, were filed one day late due to delay of a benefit plan administrator. For 2010, the company changed its match of contributions to the 401(k) plan and to the deferred compensation plan to include a profit-sharing match. When the vendor that administers the plan calculated the amount of the profit sharing match and posted the shares to the executive officer accounts on February 28, 2011, it delayed reporting to the company the amounts posted for three days, until March 3, 2011. The reports were all filed on the same day that the company received the report.

Stock Performance Chart

The performance graph below illustrates a five-year comparison of cumulative total returns based on an initial investment of $100 in Exelon Corporation common stock, as compared with the S&P 500 Stock Index and the S&P Utility Index for the period December 31, 2005 through December 31, 2010.

The performance chart assumes $100 invested on December 31, 2004 in Exelon Corporation common stock, in the S&P 500 Stock Index and in the S&P Utility Index, and that all dividends are reinvested.

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	Value of Investment at December 31,					
	2005	2006	2007	2008	2009	2010
Exelon Corporation	$ 100.00	$ 119.72	$ 161.70	$ 113.39	$ 104.02	$ 93.21
S&P 500	$ 100.00	$ 115.76	$ 122.11	$ 77.00	$ 97.31	$ 111.95
S&P Utilities	$ 100.00	$ 120.96	$ 144.35	$ 102.59	$ 114.71	$ 120.95

Source: Bloomberg

Compensation Discussion and Analysis

Executive Summary

Exelon s executive compensation programs are designed to motivate and reward senior management to achieve Exelon s vision of being the best group of electric generation and electric and gas delivery companies in the United States, providing superior value for Exelon s customers, employees, investors and the communities Exelon serves. The compensation committee has adopted a pay-for-performance philosophy, which places an emphasis on pay-at-risk. Exelon s compensation program is designed to reward superior performance, that is, meeting or exceeding financial and operational goals set by the compensation committee. When excellent performance is achieved, pay will increase. Failure to achieve the target goals established by the compensation committee will result in lower pay.

Reductions in Compensation for 2010

After a difficult year for earnings in 2009, and in anticipation of continued earnings challenges in 2010, the compensation committee and the board of directors took the following actions at the beginning of 2010 to reduce compensation:

- Executive salaries were frozen, except for changes in responsibilities;
- The annual incentive program (AIP) payout scale was recalibrated to reduce the threshold payout from 50% to 25% and to reduce the payout at plan from 100% to 50%, while leaving distinguished payout at 200%;
- The shareholder protection features in the annual incentive plan were enhanced by limiting key performance indicator payouts to no more than 10% above the earnings payout percentage;
- The target values for long-term incentives were reduced by approximately 33%; and
- The company fixed match on 401(k) contributions was reduced from 5% to 3% of base salary, with the potential for a formula-based profit sharing contribution of up to an additional 3% of base salary.

Effect of Financial Performance on Incentive Compensation

Exelon s results for 2010 as compared to 2008 and 2009 demonstrate that Exelon s incentive compensation is consistent with Exelon s performance.

Exelon s AIP is based to a significant extent on adjusted (non-GAAP) operating earnings per share. After Exelon s earnings in 2009 declined to 97% of target, Exelon s original guidance for 2010 for adjusted (non-GAAP) operating earnings was a range of $3.60 to $4.00, and the plan, for a 50% payout, was $3.70, and target, for a 100% payout, was $3.90. During the year, the lower end of the guidance range was increased to $3.70 on April 23, 2010. The guidance range was raised on July 22, 2010 to $3.80 to $4.10 per share, and raised again on October 22, 2010 to $3.95 to $4.10 per share. Actual adjusted (non-GAAP) operating earnings as reported in Exelon s earnings release on January 26, 2011 were $4.06. However, the compensation committee decided, for purposes of calculating earnings for the AIP, that the increase in income tax expense pursuant to lower manufacturer s tax deductions as a result of the decision to contribute $2.1 billion to Exelon s pension funds should not be taken into account in determining the incentive pool. The committee wished to provide an incentive to management to make financial decisions that will benefit the company in the long run, even if they reduce earnings in the short run. This decision raised earnings for AIP purposes to $4.11 per share, or 152.5% of target. Accordingly, AIP payouts for 2010 were higher than in 2009 or 2008. However, because earnings were below 150% of target in 2008, below target in 2009, and below distinguished in 2010, the shareholder protection features in the annual incentive plan took effect and limited some or all of the AIP payouts on operating company/business unit key performance indicator goals.

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Exelon s performance share award program is based on the relative total shareholder return for Exelon as compared to the Dow Jones Utility Index (60%) and the Standard & Poor s 500 Index (40%). Total shareholder return for the 2006-2008 performance period was at the 75th percentile of the Dow Jones Utility Index and the 85.6th percentile of the Standard & Poor s 500 Index, resulting in performance share payouts at the distinguished (200% of target) level for 2008. However, Exelon s total shareholder return for the 2007-2009 performance period was at the 37.5 percentile of the Dow Jones Utility Index and the 49.5 percentile of the Standard & Poor s 500 Index, resulting in a below target payout at 84.6% of target. In the 2007-2010 performance period, Exelon s total shareholder return was at the 8.3 percentile of the Dow Jones Utility Index and the 13.7 percentile of the Standard & Poor s 500 Index, resulting in a zero payout.

The following table shows the correlation between levels of financial performance and incentive compensation in 2008, 2009 and 2010:

Year	Adjusted (non-GAAP) Earnings Per Share	% of Target For Earnings Goals in Annual Incentive Plan (AIP) (a)	Limit on % of Payout for Other Goals in AIP based on Earnings	Total Shareholder Return %ile as compared to Dow Jones Utility Index	% of Target	Total Shareholder Return %ile as compared to S&P 500 Index	% of Target	Performance Share Unit Payout as % of Target (60% DJUI performance 40% S&P 500 performance)
2008	$ 4.20	116.67%	150.00%	75.00%	200.00%	85.60%	200.00%	200.00%
2009	4.12	97.00	100.00	37.50	75.00	49.50	99.10	84.60
2010	4.11	152.50	162.50	8.30		13.70		

Value of Compensation Actually Paid to Named Executive Officers

The valuation methods specified by the SEC rules for equity compensation reported in the Summary Compensation Table overstate the value of equity compensation in Exelon s situation. The 2010 grant date fair value for performance share units for the 2008-2010 performance period is overstated because no performance shares were awarded. The 2009 grant date fair value for performance share units for the 2007-2009 performance period is based in part on historical data for the previous two plan years, which resulted in a high valuation due to strong performance in the 2005-2007 and 2006-2008 performance periods (when Exelon s performance share program paid out at 184.9% of target and 200% of target, respectively, resulting in a valuation at 161% of target for the 2007-2009 performance period). The actual value of the 2007-2009 performance shares granted in January 2009 and awarded in January 2010 was significantly lower, reflecting both the actual performance at the award date and the decline in the stock price between the grant date and the award date. Similarly, the target number of performance shares for the 2006-2008 performance period was based on the January 2008 stock price of approximately $73, while the shares awarded in January 2009 were worth approximately $57. As a result, while Exelon s total shareholder return performance was at 200% of target, the value of the shares paid out was only about 153% of the target value. In addition, valuation of stock options in the Summary Compensation Table is overstated to the extent that the strike price of stock options is higher than the current price of Exelon s stock. None of the stock options granted since January 2006 is in the money; the 2006 strike price was $58.55; 2007, $59.96; 2008, $73.29; 2009, $56.51; and 2010, $46.09, while the price of Exelon s common stock on January 24, 2011 was $43.40.

The following table presents the compensation actually paid to Exelon s named executive officers (NEOs). Values for non-equity compensation are the same as in the Summary Compensation Table. Equity compensation is valued using the actual number of performance shares awarded at the end of the performance period multiplied by the stock price on the award date and no value for stock options that are not in the money, instead of grant date fair values.

For most NEOs, the compensation they actually received in 2010 was lower than in 2009 or 2008. This reflects the zero payout of performance shares in 2010, offset by increased AIP compensation in 2010 because Exelon s earnings were higher relative to expectations at the beginning of the year in 2010 than in 2009 and 2008. In addition, Mr. Rowe s compensation increased because of the increase in the change in the present value of his pension. Exelon is required to disclose the difference between the present value of pension benefits at the end of the year as compared to the present value at the end of the preceding year. This figure can be volatile depending on changes in the pension accounting disclosure assumptions. For 2010, the increase in the present value of Mr. Rowe s pension resulted from the increase in the average of his highest four year annual compensation (7.5%), a decrease in the discount rate (8.8%), and his

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additional year of service (3.1%), partially offset by the increase in his age (-2.5%). In contrast, for 2009 the increase in the average of his highest four year annual compensation was approximately 1% and the change in the discount rate increased the present value factors by less than 0.5%.

Compensation Actually Paid to NEOs

(Equity Valued at Actual Value on Award Date Instead of Grant Date Fair Value)

Name and Principal Position (A)	Year (B)	Salary ($) (C)	Bonus ($) (D)	Stock Awards Valued at Award Date ($) (E)	Value of In the Money Stock Options at 1/24/2011 ($) (F)	Non-Equity Incentive Plan Compensation ($) (G)	Change in Pension Value and Nonqualified Deferred Compen-sation Earnings ($) (H)	All Other Compen-sation ($) (I)	Total ($) (J)
Rowe	2010	$ 1,475,000	$	$	$	$ 2,474,313	$ 2,878,315	$ 405,521	$ 7,233,149
	2009	1,468,077		2,717,743		1,573,825	173,566	416,947	6,350,158
	2008	1,474,423		5,877,040		1,835,166	830,272	400,192	10,417,093
Hilzinger	2010	446,000	18,962			379,245	88,452	20,465	953,124
	2009	442,769	13,079	261,238		261,579	85,891	31,725	1,096,281
	2008	408,627		942,300		318,750	57,492	143,916	1,871,085
Crane	2010	825,000				1,132,313	1,621,679	87,155	3,666,147
	2009	821,154		882,024		680,213	719,399	76,140	3,178,930
	2008	694,230		2,613,292		750,000	642,938	272,727	4,973,187
Von Hoene	2010	600,000				686,250	123,906	35,190	1,445,346
O Brien	2010	536,000	63,177			631,768	213,789	28,712	1,473,446
	2009	532,923		538,101		395,970	233,772	55,464	1,756,230
	2008	495,538		1,175,408		428,934	105,978	175,687	2,381,545
McLean	2010	510,246				457,686	235,518	2,210,028	3,413,478
	2009	640,346		651,160		437,276	122,086	87,738	1,938,606
	2008	561,538		2,155,848		510,416	95,727	216,544	3,540,073
Zopp	2010	350,308				279,839	138,042	1,630,900	2,399,089

Elimination of Future Excise Tax Gross-ups on Termination Payments and Certain Perquisites

While the compensation committee and the Exelon board of directors took actions to reduce compensation in 2010, the compensation committee had previously taken actions to reduce severance payments and certain perquisites. In April 2009, the compensation committee adopted a policy that future employment or severance agreements that provide for benefits for NEOs on account of termination will not include an excise tax gross-up. The policy is more fully described below under Other Benefits *Change In Control and Severance Benefits.* On October 27, 2009, the board of directors approved the Third Amended and Restated Employment Agreement with Mr. Rowe. In the agreement, Mr. Rowe s previous excise tax gross-up benefit was eliminated consistent with the policy. The agreement is more fully described below under Potential Payments upon Termination or Change in Control Employment Agreement with Mr. Rowe. Anticipating an emerging trend among the peer group to curtail perquisite programs in the future, on January 22, 2007, the compensation committee approved the phase-out of many executive perquisites, effective January 1, 2008. The eliminated perquisites included: leased vehicles (existing leases allowed to expire), financial and estate planning, tax preparation and health and dining/airline club memberships.

Recoupment Policy

As described more fully below, in May 2007, the board of directors adopted a recoupment policy as part of Exelon s corporate governance principles that provides that the board may in its discretion seek recoupment of incentive compensation from an executive officer in the event of fraud or intentional misconduct resulting in a restatement of financial results and the payment of more incentive compensation than would have been earned.

Stock Ownership and Trading Requirements

To strengthen the alignment of executives interests with shareholders, officers of Exelon and its subsidiaries (other than ComEd) are required to own certain amounts of Exelon stock. Executive vice presidents and above may only sell Exelon stock through a Rule 10b5-1 stock trading plan. The use of stock trading plans permits diversification as a part of retirement and tax planning activities while reducing the risk that investors will view such sales as a signal of negative expectations for Exelon s future stock value. Additional information is below under Ownership of Exelon Stock Requirements for Directors and Officers.

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Changes to Incentive Compensation Programs for 2011

In January 2011 the compensation committee established the incentive compensation programs for 2011, including changes from the 2010 design. The 2011 AIP is structured substantially similar to the 2010 AIP, except that the payout scale has been restored to pay 50% at threshold and 100% at plan, and the shareholder protection feature has been changed to limit key performance indicator payouts to no more than 20 percentage points above the earnings payout percentage.

The long-term incentive program was also changed in 2011. The compensation committee was concerned about the volatility in the payouts (which ranged from 200% for the 2006-2008 performance period to 0% for the 2008-2010 performance period). The compensation committee believed it would be prudent to restructure the long term incentive program to reward the achievement of operational and financial performance with respect to factors that are largely within management s control. Accordingly, both the goals and the mix of long-term incentives were changed. Only officers, senior vice president and above, will continue to receive awards of stock options, reflecting their ability to make decisions with the potential for long term increases in shareholder value. Such officers will continue to receive 25% of their targeted long-term incentive opportunity in the form of stock options and 75% in the form of performance shares. Vice presidents will have their targeted long-term incentive opportunity reallocated to come 50% from performance shares and 50% from time-vested restricted stock.

In connection with the realignment of goals and the changes in the mix of long-term incentives, the compensation committee determined that it would be advisable to reduce the maximum payout for performance shares from 200% of target to 125% of target, while raising the payout at threshold from 50% to 75%.

The specific goals for the performance share award program for 2011 have been changed from the exclusive reliance on comparative total shareholder return measures previously used to a qualitative assessment by the compensation committee of performance against six goals reflecting actions and initiatives designed to enhance the long-term value of the company. These goals include the following:

- Operational excellence, delivering low cost, clean and reliable energy and operating our facilities safely;
- Financial management, executing cost discipline and optimizing the balance sheet, cash flow, liquidity, and liability management to deliver value return;
- Policy advocacy, engaging with stakeholders to shape public policy to benefit shareholders and consumers;
- Participating in industry consolidation only when the time and price are right;
- Organic growth, creating commercial opportunities that leverage Exelon s unique investment platform, such as the nuclear uprate program; and
- Protecting shareholder and bondholder value through active risk management.

Total shareholder return data will continue to be provided to the compensation committee as a factor that will be taken into account in making the final payout decisions. The total shareholder return data will compare Exelon to a group of nine utilities with more than 25% unregulated generation.

The compensation committee also approved two changes to the terms of performance shares. First, there will be a restriction on the sale of any performance shares from a grant for a senior vice president or above until all of the shares from the grant have vested three years after the grant date. Second, all awards will be settled in shares, ending the current practice of settling performance shares in cash if the officer has achieved certain stock ownership thresholds. These changes are intended to further align the interests of recipients with shareholders by increasing the amount of incentive compensation paid in stock and by requiring senior officers to hold the stock for a longer period of time.

Objectives of the Compensation Program

The compensation committee has designed Exelon s executive compensation program to motivate and reward senior management for achieving financial, operational and strategic success consistent with Exelon s vision of being the best group of electric generation and electric and gas delivery companies in the United States, providing superior value for Exelon s customers, employees, investors and the communities Exelon serves. The compensation programs are also

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designed to attract and retain outstanding executives. Exelon s compensation program has three principles, as described below:

1. A substantial portion of compensation should be performance-based.

The compensation committee has adopted a pay-for-performance philosophy, which places an emphasis on pay-at-risk. Exelon s compensation program is designed to reward superior performance, that is, meeting or exceeding financial and operational goals set by the compensation committee. When excellent performance is achieved, pay will increase. Failure to achieve the target goals established by the compensation committee will result in lower pay. There are pay-for-performance features in both cash and equity-based compensation. The NEOs listed in the Summary Compensation Table participate in an annual incentive plan that provides cash compensation based on the achievement of performance goals established each year by the compensation committee. A substantial portion of each NEO s equity-based compensation is in the form of performance share units that are paid to the extent that longer-range performance goals set by the compensation committee are met, with the balance delivered in stock options that have value only to the extent that Exelon s stock price increases following the option grant date.

As a result of the performance-based features of his cash and equity-based compensation, 77% of Mr. Rowe s 2010 target total direct compensation (base salary plus annual and long-term incentive compensation) was at-risk. Similarly, of the other NEOs 2010 target total direct compensation, approximately 57% to 71% was at-risk.

Consistent with the pay-for-performance policy, in May 2007, the board of directors adopted a recoupment policy as part of Exelon s corporate governance principles. The board of directors will seek recoupment of incentive compensation paid to an executive officer if the board determines, in its sole discretion, that

- the executive officer engaged in fraud or intentional misconduct;
- as a result of which Exelon was required to materially restate its financial results;
- the executive officer was paid more incentive compensation than would have been payable had the financial results been as restated;
- recoupment is not precluded by applicable law or employment agreements; and
- the board concludes that, under the facts and circumstances, seeking recoupment would be in the best interest of Exelon and its shareholders.

2. A substantial portion of compensation should be granted as equity-based awards.

The compensation committee believes that a substantial portion of compensation should be in the form of equity-based awards in order to align the interests of the NEOs with Exelon s shareholders. The objective is to make the NEOs think and act like owners. Equity-based compensation is in the form of performance share units, stock options, and restricted stock units that are valued in relation to Exelon s common stock, and they gain value in relation to the market price of Exelon s stock or Exelon s total shareholder return in comparison to other energy services companies and/or general industry. Conversely, when the market price of Exelon s stock decreases, the value of the equity compensation decreases.

3. Exelon s compensation program should enable the company to compete for and retain outstanding executive talent.

Exelon s shareholders are best served when we can successfully recruit and retain talented executives with compensation that is competitive and fair. The compensation committee strives to deliver total direct compensation generally at the median (the 50^{th} percentile), which is deemed to be the competitive level of pay of executives in comparable positions at certain peer companies with which we compete for executive talent. If Exelon s performance is at target, the compensation will be targeted at the 50^{th} percentile; if Exelon s performance is above target, the compensation will be targeted above the 50^{th} percentile; and if performance is below target, the compensation will be targeted below the 50^{th} percentile. This concept reinforces the pay-for-performance philosophy.

Each year the compensation committee commissions its consultant to prepare a study to benchmark total direct compensation against a peer group of companies. The study includes an assessment of competitive compensation levels at high-performing energy services companies and other large, capital asset-intensive companies in general industry, since the company competes for executive talent with companies in both groups. All competitive data was aged

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to January 2010 using a 2.7% annual update factor. The study indicated that base salaries were flat on average, with some positions up or down slightly, target annual incentives up modestly and target long-term incentives down 5% on a year- over-year basis, and that no changes were needed for the long-term incentive mix and design. The consultant considered Exelon s organization to determine how Exelon s positions compared with positions at its peers by establishing a benchmark match for each Exelon executive in the competitive market, where available, and data for positions matched to business-unit level jobs were size adjusted using regression analysis, where available. The study reviewed each element of compensation as well as total direct compensation.

The peer group criteria include three primary factors:

n having revenue similar to Exelon s $17 billion,

n having market capitalization generally greater than $5 billion, and

n a balance of industry segments.

The members of the peer group are reviewed each year to determine whether their inclusion continues to be appropriate. Generally the peer group is comprised of 24 companies: 12 general industry companies and 12 energy services companies. The companies were selected by the compensation committee from the Towers Watson Energy Services Industry Executive Compensation Database and their Executive Compensation Database. The peer group was the same in 2010 as it was in 2009. The peer group includes the following companies:

	FY 2009 Revenue ($ Million)	FY 2009 Total Assets ($ Million)	October 2010 Market Cap ($ Million)
General Industry Companies			
3M	$ 23,123	$ 27,250	$ 60,205
Abbott Laboratories	30,765	52,417	79,216
Caterpillar Inc.	32,396	60,038	49,555
General Mills Inc.	14,797	17,679	24,050
Hess Corporation	29,689	29,465	20,700
Honeywell International	30,908	36,004	36,754
International Paper	23,366	25,548	11,048
Johnson Controls Inc.	34,305	25,616	23,671
PepsiCo Inc.	43,232	39,848	103,490
PPG Industries, Inc.	12,239	14,240	12,667
Union Pacific Corp.	14,143	42,410	43,239
Weyerhaeuser Company	5,528	15,250	8,693
Energy Services Companies			
American Electric Power	$ 13,489	$ 48,348	$ 17,950
Centerpoint Energy	8,281	19,773	7,008
Dominion Resources, Inc.	15,131	42,554	25,229
Duke Energy Corp.	12,455	57,040	24,110
Edison International	12,361	41,444	12,022
Entergy Corp.	10,746	37,365	13,527
FirstEnergy Corp.	12,320	34,304	11,072
NextEra Energy (formerly FPL Group)	15,643	48,458	22,888
PG&E Corp.	13,399	42,945	18,686
Public Service Enterprise Group	12,406	28,730	16,362
Southern Co.	15,743	52,046	31,459
Xcel Energy, Inc.	9,644	25,488	10,978
Exelon	**$ 17,318**	**$ 49,180**	**$ 26,999**

The compensation committee generally applies the same policies with respect to the compensation of each of the individual NEOs. The compensation committee carefully considers the roles and responsibilities of each of the NEOs relative to the peer group, as well as the individual s performance and contribution to the performance of the business in establishing the compensation opportunity for each NEO. The differences in the amounts of compensation awarded to the NEOs reflect primarily two factors, the differences in the compensation paid to officers in comparable positions in the peer group and differences in the individual responsibility and experience of the Exelon officers. Time in position affects where individuals are relative to market percentiles, with cash compensation generally at the median and incentive compensation slightly above the median. The nuclear organization s pay is generally closer to the 75th percentile given the size and quality of Exelon s nuclear fleet, and certain positions are at the 75th percentile because of unusual expertise in regulatory or nuclear matters. The delivery company presidents were evaluated as a blend of top energy delivery executives and freestanding CEOs, given the amount of independence they have.

Mr. Rowe s target compensation was based on the same factors as the other NEOs, but his compensation reflected a greater degree of policy and decision-making authority and a higher level of responsibility with respect to strategic direction and financial and operating results of Exelon. His target compensation was assessed relative to other CEOs in the peer group. Mr. Rowe s compensation also reflects the fact that Exelon has the second largest market capitalization and the largest nuclear fleet in the industry. It also reflects that Mr. Rowe is the senior CEO in the industry.

The Role of Individual Performance in Setting Compensation

While the consideration of benchmarking data to assure that Exelon s compensation is competitive is a critical component of compensation decisions, individual performance is factored into the setting of compensation in three ways:

- First, base salary adjustments are based on an assessment of the individual s performance in the preceding year as well as a comparison with market data for comparable positions in the peer group.

- Second, annual incentive targets are based on the individual s role in the enterprise the most senior officers with responsibilities that span specific business units or functions have a target based on earnings per share for the company as a whole, while individuals with specific functional or business unit responsibilities have a significant portion of their targets based on the performance of that functional or business unit.

- Third, consideration is given as to whether an individual performance multiplier would be appropriately applied to the individual s annual incentive plan award, based on the individual s performance. The individual performance multiplier can result in a decision not to make an award or to decrease the amount of the award or to increase the amount of the award by up to 10% so long as the adjusted award does not exceed the maximum amount that could be paid to the executive based on achievement of the objective performance criteria applicable under the plan.

Elements of Compensation

This section is an overview of our compensation program for NEOs. It describes the various elements and discusses matters relating to those items, including why the compensation committee chooses to include items in the compensation program. The next section describes how 2010 compensation was determined and awarded to the NEOs.

Exelon s executive compensation program is comprised of four elements: base salary; annual incentives; long-term incentives; and other benefits.

Cash compensation is comprised of base salary and annual incentives. Equity compensation is delivered through long-term incentives. Together, these elements are designed to balance short-term and longer-range business objectives and to align NEOs financial rewards with shareholders interests. For all NEOs, approximately 48% to 69% of NEOs total target direct compensation is delivered in the form of cash, and equity compensation accounts for approximately 31% to 52% of NEO total target direct compensation. The range in the mix of cash and equity compensation is consistent with competitive compensation practices among companies in the peer group. The compensation committee believes that this mix of cash and equity compensation strikes the right balance of incentives to pursue specific short and long-term performance goals that drive shareholder value.

Base Salary

Exelon s compensation program for NEOs is designed so that approximately 23% to 43% of NEO total direct compensation is in the form of base salary, consistent with practices at the companies in the peer group.

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Annual Incentives

Annual incentive compensation is designed to provide incentives for achieving short-term financial and operational goals for the company as a whole, and for subsidiaries, individual business units and operating groups, as appropriate. Under the annual incentive program, cash awards are made to NEOs and other employees if, and only to the extent that, performance conditions set by the compensation committee are met.

Long-term Incentives

Long-term incentives are made available to executives and key management employees who affect the long-term success of the company. The long-term incentive compensation programs are primarily equity based and designed to provide incentives and rewards closely related to the interests of Exelon s shareholders, generally as measured by the performance of Exelon s total shareholder return and stock price appreciation.

A portion of the long-term incentive compensation is in the form of performance share units that are awarded only to the extent that performance conditions established by the compensation committee are met. The balance of long-term incentive compensation is in the form of time-vested stock options that provide value only if, and to the extent that, the market price of Exelon s common stock increases following the grant. The use of both forms of long-term incentives is consistent with the practices in our peer group. The mix of long-term incentives depends on the compensation committee s assessment of competitive compensation practices of companies in the peer group.

Stock option repricing is prohibited by policy or the terms of the company s long-term incentive plans. Accordingly, no options have been repriced. Stock option awards are generally granted annually at the regularly scheduled January compensation committee meeting when the committee reviews results for the preceding year and establishes the compensation program for the coming year. There were no off-cycle grants of stock options made in 2010.

Executive stock ownership and trading requirements

To strengthen the alignment of executives interests with those of shareholders, officers of the company are required to own certain amounts of Exelon common stock by the later of five years after their employment or promotion to their current position. For additional information about Exelon s stock ownership guidelines, please see Ownership of Exelon Stock Requirements for Directors and Officers below.

Exelon has adopted a policy requiring officers, executive vice presidents and above, who wish to sell Exelon common stock to do so only through Rule 10b5-1 stock trading plans, and permitting other officers to enter into such plans. This requirement is designed to enable officers to diversify a portion of their holdings in excess of the applicable stock ownership requirements in an orderly manner as part of their retirement and tax planning activities. The use of Section 10b5-1 stock trading plans serves to reduce the risk that investors will view routine portfolio diversification stock sales by executive officers as a signal of negative expectations with respect to the future value of Exelon s stock. In addition, the use of Rule 10b5-1 stock trading plans reduces the potential for accusations of trading on the basis of material, non-public information that could damage the reputation of the company. Two of the NEOs have such plans, and their exercises during 2010 are reflected in the Option Exercises and Stock Vested table below. Exelon s stock trading policy does not permit short sales or hedging.

Other Benefits

Other benefits offered by Exelon include such things as qualified and non-qualified deferred compensation programs, post-termination compensation, retirement benefit plans and perquisites. The company also provides other benefits such as medical and dental coverage and life insurance to each NEO to generally the same extent as such benefits are provided to other Exelon employees, except that executives pay a higher percentage of their total medical premium. These benefits are intended to make our executives more efficient and effective and provide for their health, well-being and retirement planning needs. The compensation committee reviews these other benefits to confirm that they are reasonable and competitive in light of the overall goal of designing the compensation program to attract and retain talent while maximizing the interests of our shareholders.

Change In Control and Severance Benefits

The compensation committee believes that change in control employment agreements and severance benefits are an important part of Exelon s compensation structure for NEOs. The compensation committee believes that these

agreements will help to secure the continued employment and dedication of the NEOs to continue to work in the best interests of shareholders, notwithstanding any concern they might have regarding their own continued employment prior to or following a change in control. The compensation committee also believes that these agreements and the Exelon Corporation Senior Management Severance Plan are important as recruitment and retention devices, as all or nearly all of the companies with which Exelon competes for executive talent have similar protections in place for their senior leadership.

In 2007, the compensation committee adopted a policy limiting the amount of future severance benefits to be paid to NEOs under future arrangements without shareholder approval to 2.99 times salary plus annual incentive. This policy clarifies that severance benefits include cash severance payments and other post-employment benefits and perquisites, but do not include:

- Amounts earned in the ordinary course of employment rather than upon termination, such as pension benefits and retiree medical benefits;
- Amounts payable under plans approved by shareholders;
- Amounts available to one or more classes of employees other than the NEOs;
- Excise tax gross-up payments, but only if the compensation includable in determining whether excise taxes apply exceed 110% of the threshold amount; otherwise the NEO s benefits are reduced so that no excise tax is imposed; and
- Amounts that may be required by existing agreements that have not been materially modified, Exelon s indemnification obligations or the reasonable terms of a settlement agreement.

In April 2008, the compensation committee reviewed the level of non-change in control severance benefits provided to senior vice presidents. These benefits had varied over time as the corporate organization evolved within a range of 1.25 to 2 times annual salary and incentive. The compensation consultant reported that 1.5 times annual salary and incentive was more appropriate and consistent with competitive practices. The compensation committee determined that non-change in control severance benefits for senior vice presidents would be reset at 1.5 times annual salary and bonus, provided that those senior vice presidents with such benefits at 2 times annual salary and bonus would be grandfathered at that level. In December 2008, the individual change in control employment agreements provided to the NEOs (other than the CEO) and certain other executives were amended to comply with section 409A of the Internal Revenue Code, which requires that certain payments of deferred compensation be paid not earlier than six months following a termination of employment. In addition, the severance multiple available to executives who entered into such agreements prior to 2007 was reduced from 3.0 to 2.99 times base salary and annual incentive, consistent with the 2007 compensation committee policy described immediately above, and the board s recoupment policy was incorporated.

In April 2009, the compensation committee adopted a policy that no future employment or severance agreement that provides for benefits for NEOs on account of termination will include an excise tax gross-up. The policy applies to employment, change in control, severance and separation agreements entered into, adopted, or materially changed on or after April 2, 2009, other than agreements changed to comply with law or to reduce or eliminate rights, agreements assumed in a corporate transaction, and automatic extensions or renewals where other terms are not changed. The compensation committee has the sole and absolute power to interpret and apply the policy, and it can amend, waive or terminate it if in the best interest of the company, provided that prompt disclosure is made.

Retirement Benefit Plans

The compensation committee believes that retirement benefit plans are an important part of the NEO compensation program. These plans serve a critically important role in the retention of senior executives, as retirement benefits increase for each year that these executives remain employed. The plans thereby encourage our most senior executives to remain employed and continue their work on behalf of the shareholders. Exelon sponsors both qualified traditional defined benefit and cash balance defined benefit pension plans and related non-qualified supplemental pension plans (the SERPs).

Exelon previously granted additional years of credited service under the SERP to a few executives in order to recruit or retain them. As of January 1, 2004, Exelon ceased the practice of granting additional years of credited service to executives under the non-qualified pension plans that supplement the Exelon Corporation Retirement Program for any

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period in which services are not actually performed, except that up to two years of service credits may be provided under severance or change in control agreements first entered into after such date. Service credits available under employment, change in control or severance agreements or arrangements (or any successor arrangements) in effect as of January 1, 2004 were not affected by this policy. To attract a new executive, Exelon is permitted to grant additional years of service under the SERP related to its cash balance pension plan to make the executive whole for retirement benefits lost from another employer by joining Exelon, provided such a grant is disclosed to shareholders. To date, Exelon has not made any such grant.

Perquisites

Exelon provides limited perquisites intended to serve specific business needs for the benefit of Exelon; however, it is understood that some may be used for personal reasons as well. When perquisites are utilized for personal reasons, the cost or value is imputed to the officer as income and the officer is responsible for all applicable taxes; however, in certain cases, the personal benefit is closely associated with the business purpose in which case the company may reimburse the officer for the taxes due on the imputed income. In 2005, the compensation consultant reviewed Exelon s perquisites program. Although specific data for Exelon s peer group was not available, the compensation consultant based its analysis on survey data for large energy and general industry companies. The compensation consultant found that Exelon s perquisite program was competitive. The compensation committee reviewed the costs of the perquisite program and determined the costs to be appropriate for a company of Exelon s size. Since then, many executive perquisites were phased out effective January 1, 2008. The eliminated perquisites included: leased vehicles (existing leases allowed to expire), financial and estate planning, tax preparation and health and dining/airline club memberships.

How The Amount of 2010 Compensation Was Determined

This section describes how 2010 compensation was determined and awarded to the NEOs.

The independent directors of the Exelon board, on the recommendations of the Exelon corporate governance committee, conducted a thorough review of Mr. Rowe s performance in 2010. The review considered performance requirements in the areas of finance and operations, strategic planning and implementation, succession planning and organizational goals, communications and external relations, board relations, leadership, and shareholder relations. Mr. Rowe prepared a detailed self-assessment reporting to the board on his performance during the year with respect to each of the performance requirements. The Exelon board considered the financial highlights of the year and a strategy scorecard that assessed performance against the company s vision and goals. The factors considered included:

- goals with respect to protecting the current value of the company, including:
  - delivering superior operating performance in terms of safety, reliability, efficiency, and the environment,
  - supporting competitive markets,
  - protecting the value of our generation assets, and
  - building healthy, self-sustaining delivery companies; as well as
- goals relating to growing long-term value, including:
  - organizational improvement,

- advancing an environmental strategy that sets the industry standard for low carbon energy generation and delivery, and
- rigorously evaluating new growth opportunities.

The Exelon board considered, in particular, the following results:

- Operational and financial performance beat the plans set at the beginning of the year, despite low gas prices and the continued effect of the recession;
- The average capacity factor of the nuclear generating plants was high, with 2010 being the eighth consecutive year with capacity factor above 93%;
- ComEd and PECO turned in strong performance despite intense storm activity, and it appeared that improved storm response led to increased in customer satisfaction at both companies;

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- While operating earnings declined as compared to the prior year, they were much better than was expected at the beginning of 2010 because of better than planned portfolio position at Generation, better than planned revenue net fuel at PECO, and effective cost management at all of the operating companies;
- Good performance at PECO resulted in an appropriate rate case settlement that closed out the deregulation transition;
- 2010 progress in advancing longer-term goals, including:
  - progress on the multi-year nuclear uprate strategy, with 101 MW added to date,
  - the acquisition of John Deere Renewables (now Exelon Wind) that enabled Exelon to enter the wind generation business and increased value with long-term PPAs in place, and
  - tangible steps to capture value from transmission;
- Progress in talent development, diversity, succession planning, and the corporate culture.

The board also considered the regulatory difficulties and adverse judicial decisions at ComEd and difficulties encountered in advancing the company s environmental strategy, as well as an employee fatality in the supply organization.

How base salary was determined

At its January 25, 2010 meeting, the compensation committee determined to make no annual increases in base salary for the NEOs as part of the initiatives to reduce 2010 compensation expenses that were considered in the fall of 2009.

How 2010 annual incentives were determined

For 2010, the annual incentive payments to Mr. Rowe and each of nine other senior executives were funded by a notional incentive pool established by the Exelon compensation committee under the Annual Incentive Plan for Senior Executives, a shareholder-approved plan, which is intended to comply with Section 162(m). The incentive pool was funded with 1.5% of Exelon s 2010 operating income, the same percentage used in 2009 and 2008, but was not fully distributed to participants because the committee decided on substantially lesser awards.

Annual incentive payments for 2010 to Messrs. Rowe, O Brien, Crane, McLean, Von Hoene, and Hilzinger were made from the portion of the incentive pool available to fund awards for each of them based on the company s operating earnings per share, adjusted for non-operating charges and other unusual or non-recurring items.

For 2010, the annual incentive payout scale was recalibrated so that the payout at threshold would be 25% of target rather than 50% of target, the payout at plan would be 50% of target rather than 100% of target, and the payout at distinguished would remain capped at 200%. For executives with general corporate responsibilities, the goal was adjusted (non-GAAP) operating earnings per share so that they would focus their efforts on overall corporate performance. The earnings per share goal ranges were set to be like the forecast earnings ranges. In accordance with the design of the annual incentive program, the compensation committee reviewed 2010 earnings and decided not to include the effects of significant one-time charges or credits that are not normally associated with ongoing operations and mark-to-market adjustments from economic hedging activities in adjusting earnings for purposes of making awards under the annual incentive plan. The adjusted earnings are consistent with the adjusted (non-GAAP) operating earnings that Exelon reports in its quarterly earnings releases. For 2010, the adjustments included:

- the cost of Illinois rate relief associated with the legislative settlement and a settlement with the City of Chicago,

- mark-to-market impacts of economic hedging activities,
- unrealized gains and losses on nuclear decommissioning trust fund investments,
- costs associated with the John Deere Renewables acquisition,
- charges associated with the impairment of certain emissions allowances,

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- expenses associated with the closing of certain fossil generating assets,
- remeasurement of income tax uncertainties relating to ComEd s 1999 sale of fossil generating assets and CTCs received by ComEd and PECO from 1999-2001,
- deferred income tax charges associated with the health care reform legislation enacted in 2010, and
- the effect of updated studies of asset retirement obligations, including nuclear decommissioning.

Actual adjusted (non-GAAP) operating earnings as reported in Exelon s earnings release on January 26, 2011 were $4.06. However, the compensation committee decided, for purposes of calculating earnings for the AIP, that the increase in income tax expense pursuant to lower manufacturer s tax deductions as a result of the decision to contribute $2.1 billion to Exelon s pension funds should not be taken into account. The committee wished to provide an incentive to management to make financial decisions that will benefit the company in the long run, even if they reduce earnings in the short run. This decision raised earnings for AIP purposes to $4.11 per share, or 152.5% of target.

2010 annual incentive payments for other NEOs with specific business unit responsibilities were based upon a combination of adjusted (non-GAAP) operating earnings per share (so that they would focus on overall corporate performance) and business unit financial and/or operating measures, depending on the nature of their responsibilities (so they would focus on the performance of their business unit). Under the terms of the plan, the business unit financial measures are adjusted from GAAP measures. For ComEd executive officers, adjusted (non-GAAP) operating earnings of Exelon were not a goal, consistent with the continuing efforts to recognize ComEd s independence as described above. ComEd s goals included other financial and operational goals. The following table summarizes the goals and weights applicable to the NEOs for 2010:

Name	Adjusted Operating Earnings Per Share	Adjusted PECO Net Income	Adjusted BSC Total Cost	PECO Reliability, Safety, Customer Satisfaction Measures, Focused Initiatives & Environ-mental Index
Rowe	100%	%	%	%
Hilzinger	75		25	
Crane	100			
Von Hoene	100			
O Brien	50	20		30
McLean	100			
Zopp	75		25	

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The following table describes the performance scale and result for the 2010 goals:

2010 Goals	Threshold	Plan	Distinguished	2010 Results	Payout as a Percentage of Target
Adjusted (non-GAAP) Operating Earnings Per Share (EPS)	$ 3.35	$ 3.70	$ 4.30	$ 4.11	152.5%
Adjusted PECO Net Income ($M)	$ 261.9	$ 290.9	$ 334.9	$ 352.5	200.0%
Adjusted BSC Total Cost ($M)	$ 631.5	$ 601.4	$ 541.3	$ 577.6	109.4%
PECO Reliability Measure Customer Average Interruption Duration Index (CAIDI) (minutes per outage)	95	88	84	95	25.0%
PECO Reliability Measure System Average Interruption Frequency Index (SAIFI) (outages per customer)	0.99	0.84	0.75	0.83	66.7%
PECO Reliability Measure Reduction in Gas Facility Service Record Inaccuracy	50,000	55,000	60,000	60,147	200.0%
PECO Safety Measure Occupational Safety and Health Administration (OSHA) Recordable Rate	1.68	1.04	0.99	0.87	200.0%
PECO Customer Satisfaction (weighted combined score of residential, small business and large business customers)	79.0	81.2	83.0	82.1	126.5%
PECO Focused Initiatives & Environmental Index	90%	100%	110%	147.5%	200.0%

The 2010 annual incentive program included the following shareholder protection features (SPF):

- If threshold earnings per share are not achieved, then no payments will occur; and
- Operating company/business unit key performance indicator payments cannot exceed the earnings per share performance by more than ten percentage points.

As a result of 2010 earnings for AIP purposes being at 152.5% of target, the operating company/business unit key performance indicators could not exceed 162.5% of target. The effect of these SPF reductions is shown in the table below.

In making annual incentive awards, the compensation committee has the discretion to reduce or not pay awards even if the targets are met.

With respect to the NEOs in the table below, individual performance multipliers (IPM) other than 100% were approved and recommended by the compensation committee based upon assessments of NEO performance and input from the CEO. Under the terms of the AIP, the individual performance multiplier is used to adjust awards from minus 50% to plus 10% subject to the maximum 200% of target opportunity and the amounts available under the incentive pool. Increases in IPM shown below reflect exceptional performance.

Based on the performance against the goals shown in the tables above, and taking into account the reductions resulting from the shareholder protection feature and the caps and adjustments discussed above, the compensation committee recommended and the Exelon or the ComEd board of directors, as the case may be (or in the case of Mr. Rowe, the independent directors) approved the following awards for the NEOs:

	Payout as a % of Target (pre-SPF)	Payout $ (pre-SPF)	SPF Reduction $	Payout as a % of Target (post-SPF & pre-IPM)	Payout $ (post-SPF & pre-IPM)	IPM %	Payout $ (post-SPF & post-IPM)
Rowe	152.5%	$ 2,474,313	$	152.5%	$ 2,474,313	100%	$ 2,474,313

Hilzinger	141.7	379,245	141.7	379,245	105	398,207
Crane	152.5	1,132,313	152.5	1,132,313	100	1,132,313
Von Hoene	152.5	686,250	152.5	686,250	100	686,250
O Brien	157.2	631,768	157.2	631,768	110	694,944
McLean	152.5	457,686	152.5	457,686	100	457,686
Zopp	141.7	279,839	141.7	279,839	100	279,839

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How Long-Term Incentives Were Determined

The compensation committee reviewed the amount of long-term compensation paid in the peer group for positions comparable to the positions held by the NEOs and reduced the targeted amount of long-term incentive compensation by 33% (except for Mr. Crane, whose targeted amount was reduced by 26%), as part of its initiative to reduce compensation expenses. The committee then applied a ratio of stock options to performance shares in order to determine the target long-term equity incentives for each NEO, using Black-Scholes valuation for stock options and a 90 day weighted-average price for the preceding quarter to value performance shares. Stock option grants for 2010 were all at the targeted amounts. The actual amounts of performance shares awarded to the NEOs depended on the extent to which the performance measures were achieved.

Stock Option Awards

The company granted non-qualified stock options to the Exelon Corporation senior officers, including the NEOs, on January 25, 2010. The stock option grants for 2010 were all at the targeted amounts. These options were awarded at an exercise price of $46.09, which was the closing price on the January 25, 2010 grant date. The number of the option awards granted in 2010 was larger than in 2009, reflecting the decrease in the price of Exelon s stock on the grant date in 2010 as compared to the price on the grant date in 2009.

Exelon Performance Share Unit Awards

The 2010 Long-Term Performance Share Unit Award Program was based on two measures, Exelon s three-year Total Shareholder Return (TSR), compounded monthly, as compared to the TSR for the companies listed in the Dow Jones Utility Index (60% of the award), and Exelon s three-year TSR, as compared to the companies in the Standard and Poor s 500 Index (40% of the award). This structure was consistent with the structure used in the 2009 program.

Payouts are determined based on the following scale: the threshold TSR Position Ranking, for a 50% of target payout, was the 25th percentile; the target, for a 100% payout, was 50th percentile; and distinguished, for a 200% payout, was the 75th percentile, with payouts interpolated for performance falling between the threshold, target, and distinguished levels.

Exelon fell below threshold performance levels with respect to both TSR measures. For the performance period of January 1, 2008 through December 31, 2010, Exelon s relative ranking of TSR as compared to the Dow Jones Utility Index was at the 8.3 percentile ranking or 0% of target payout. For the same time period, the company s relative ranking of TSR in the S&P 500 Index was at the 13.7 percentile ranking or 0% of target payout. Overall performance against both measures combined resulted in a zero payout to participants for 2010.

Accordingly, the NEOs received <u>no</u> performance share units awards for 2010.

Severance Payments

Ms. Andrea Zopp resigned from her position as Exelon s Executive Vice President and General Counsel, effective as of May 31, 2010. Ms. Zopp remained as an employee of Exelon through September 30, 2010 to cooperate in the orderly transition of her duties and to perform such other services as may be reasonably requested from time to time. She remained eligible for salary and annual incentive compensation through September 30, 2010. Ms. Zopp entered into a separation agreement, the terms of which are consistent with the Exelon Corporation Senior Management Severance Plan and the Exelon Corporation Long-Term Incentive Plan, in which she agreed to restrictive covenants relating to non-solicitation, non-competition, confidential information, intellectual property, and non-disparagement. In addition to the amounts that she will receive that are consistent with the Exelon Corporation Senior Management Severance Plan and the Exelon Corporation Long-Term Incentive Plan, the committee and the Exelon board of directors approved a payment of $200,000 to compensate her for the loss of restricted stock granted her when she was first employed by Exelon, consistent with the treatment of other executives affected by an involuntary separation. All amounts that Ms. Zopp will receive under her separation agreement are reflected in the Summary Compensation Table and the related compensation disclosure tables.

Mr. Ian McLean resigned from his position as Exelon s Executive Vice President and President, Exelon Transmission Company, effective as of July 15, 2010. Mr. McLean remained as an employee of Exelon through August 31, 2010 to cooperate in the orderly transition of his duties and to perform such other services as may be reasonably requested from

time to time. He remained eligible for salary and annual incentive compensation through August 31, 2010. Mr. McLean entered into a retirement and separation agreement, the terms of which are consistent with the Exelon Corporation Senior Management Severance Plan and the Exelon Corporation Long-Term Incentive Plan, in which he agreed to restrictive covenants relating to non-solicitation, non-competition, confidential information, intellectual property, and non-disparagement. All amounts that Mr. McLean will receive under his retirement and separation agreement are reflected in the Summary Compensation Table and the related compensation disclosure tables.

Tax Consequences

Under Section 162(m) of the Code, executive compensation in excess of $1 million paid to a CEO or other person among the four other highest compensated officers is generally not deductible for purposes of corporate Federal income taxes. However, qualified performance-based compensation, within the meaning of Section 162(m) and applicable regulations, remains deductible. The compensation committee intends to continue reliance on performance-based compensation programs, consistent with sound executive compensation policy. The compensation committee s policy has been to seek to cause executive incentive compensation to qualify as performance-based in order to preserve its deductibility for Federal income tax purposes to the extent possible, without sacrificing flexibility in designing appropriate compensation programs.

Because it is not qualified performance-based compensation within the meaning of Section 162(m), base salary is not eligible for a Federal income tax deduction to the extent that it exceeds $1 million. Accordingly, Exelon is unable to deduct that portion of Mr. Rowe s base salary in excess of $1 million. Annual incentive awards and performance share units payable to NEOs are intended to be qualified performance-based compensation under Section 162(m), and are therefore deductible for Federal income tax purposes. However, because of the element of compensation committee and ComEd board of directors discretion in the 2010-2012 ComEd Long-Term Incentive Program, payments under that program are not eligible for Federal income tax deduction to the extent that, combined with an individual s base salary, payments exceed $1 million. Restricted stock and restricted stock units are not deductible by the company for Federal income tax purposes under the provisions of Section 162(m) if NEOs compensation that is not qualified performance-based compensation is in excess of $1 million.

Under Section 4999 of the Internal Revenue Code, there is a excise tax if change in control or severance benefits are greater than 2.99 times the five-year average amount of income reported on an individual s W-2. In April 2009 the compensation committee adopted a policy that no future employment or severance agreements that provide for benefits for NEOs on account of termination will include an excise tax gross-up. However, certain NEOs have change in control severance agreements that pre-date April 2009 that provide excise tax gross-ups, and avoid gross-ups by reducing payments to under the threshold if the amount otherwise payable to an executive is not more than 110% of the threshold.

Conclusion

The compensation committee is confident that Exelon s compensation programs are performance-based and consistent with sound executive compensation policy. They are designed to attract, retain and reward outstanding executives and to motivate and reward senior management for achieving high levels of business performance, customer satisfaction and outstanding financial results that build shareholder value.

Compensation Committee Report

The compensation committee has reviewed and discussed the Compensation Discussion and Analysis required by Item 402(b) of Regulation S-K with management and, based on such review and discussion, the compensation committee recommended to the board that the Compensation Discussion and Analysis be included in the 2010 Annual Report on Form 10-K and the 2011 proxy statement.

February 8, 2011

The Compensation Committee

Rosemarie B. Greco, Chair

John A. Canning, Jr.

M. Walter D Alessio

William C. Richardson

Stephen D. Steinour

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Executive Compensation Data

Summary Compensation Table

The tables below summarize the total compensation paid or earned by each of the NEOs for the year ended December 31, 2010.

Salary amounts may not match the amounts discussed in Compensation Discussion and Analysis because that discussion concerns salary rates; the amounts reported in the Summary Compensation Tables reflect actual amounts paid during the year including the effect of changes in salary rates. Changes to base salary generally take effect on March 1, and there may also be changes at other times during the year to reflect promotions or changes in responsibilities.

Bonus reflects discretionary bonuses or amounts paid under the annual incentive plan on the basis of the individual performance multiplier or discretionary amounts approved by the compensation committee and the board of directors or, in the case of Mr. Rowe, approved by the independent directors.

Stock awards and option awards show the grant date fair value calculated in accordance with FASB ASC Topic 718.

Stock awards consist primarily of performance share awards pursuant to the terms of the 2006 Long-Term Incentive Plan. The compensation committee established a performance share unit award program based on total shareholder return for Exelon as compared to the companies in the Standard & Poor s 500 Index and the Dow Jones Utility Index for a three-year period. The threshold, target and distinguished goals for performance unit share awards are established on the grant date (generally the date of the first compensation committee meeting in the fiscal year). The actual performance against the goals and the number of performance unit share awards are established on the award date (generally the date of the first compensation committee meeting after the completion of the fiscal year). Upon retirement or involuntary termination without cause, earned but non-vested shares are eligible for accelerated vesting. The form of payment provides for payment in Exelon common stock to executives with lower levels of stock ownership, with increasing portions of the payments being made in cash as executives stock ownership levels increase in excess of the ownership guidelines. If an executive achieves 125% or more of the applicable ownership target, performance shares will be paid half in cash and half in stock. If executive vice presidents and above achieve 200% or more of their applicable stock ownership target, their performance shares will be paid entirely in cash. In limited cases, the compensation committee has determined that it is necessary to grant restricted shares of Exelon common stock or restricted stock units to executives as a means to recruit and retain talent. They may be used for new hires to offset annual or long-term incentives that are forfeited from a previous employer. They are also used as a retention vehicle and are subject to forfeiture if the executive voluntarily terminates, and in some cases may incorporate performance criteria as well as time-based vesting. When awarded, restricted stock or stock units are earned by continuing employment for a pre-determined period of time or, in some instances, after certain performance requirements are met. In some cases, the award may vest ratably over a period; in other cases, it vests in full at one or more pre-determined dates. Amounts of restricted shares held by each NEO, if any, are shown in the footnotes to the Outstanding Equity Table.

All option awards are made pursuant to the terms of the 2006 Long-Term Incentive Plan. All options are granted at a strike price that is not less than the fair market value of a share of stock on the date of grant. Fair market value is defined under the plans as the closing price on the grant date as reported on the New York Stock Exchange. Individuals receiving stock options are provided the right to buy a fixed number of shares of Exelon common stock at the closing price of such stock on the grant date. The target for the number of options awarded is determined by the portion of the long-term incentive value attributable to stock options and a theoretical value of each option determined by the compensation committee using a lattice binomial ratio valuation formula. Options vest in equal annual installments over a four-year period and have a term of ten years. Employees who are retirement eligible are eligible for accelerated vesting upon retirement or termination without cause. Time vesting adds a retention element to the stock option program. All grants to the NEOs must be approved by the full board of directors, which acts after receiving a recommendation from the compensation committee, except grants to Mr. Rowe, which must be approved by the independent directors, who act after receiving recommendation from the compensation committee.

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Non-equity incentive plan compensation includes the amounts earned under the annual incentive plan by the extent to which the applicable financial and operational goals were achieved. The amount of the annual incentive target opportunity is expressed as a percentage of the officer s or employee s base salary, and actual awards are determined using the base salary at the end of the year. Threshold, target and distinguished (i.e. maximum) achievement levels are established for each goal. Threshold is set at the minimally acceptable level of performance, for a payout of 50% of target. Target is set consistent with the achievement of the business plan objectives. Distinguished is set at a level that significantly exceeds the business plan and has a low probability of payout, and is capped at 200% of target. Awards are interpolated to the extent performance falls between the threshold, target, and distinguished levels. For 2010, the payout scales were recalibrated, with threshold paying out at 25%, plan paying out at 50%, target paying out at 100%, and distinguished paying out at 200%.

Summary Compensation Table

Name and Principal Position	Year	Salary ($)	Bonus ($) See Note 8	Stock Awards ($) See Note 9	Option Awards ($) See Note 10	Non-Equity Incentive Plan Compensation ($)	Change in Pension Value and Nonqualified Deferred Compen-sation Earnings ($) See Note 11	All Other Compen-sation ($) See Note 12	Total ($)
(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)
Rowe (1)	2010	$ 1,475,000		$ 1,070,210	$ 1,115,040	$ 2,474,313	$ 2,878,315	$ 405,521	$ 9,418,399
	2009	1,468,077		6,341,383	2,236,650	1,573,825	173,566	416,947	12,210,448
	2008	1,474,423		6,402,614	2,093,040	1,835,166	830,272	400,192	13,035,707
Hilzinger (2)	2010	446,000	18,962	103,057	107,464	379,245	88,452	20,465	1,163,645
	2009	442,769	13,079	609,573	215,007	261,579	85,891	31,725	1,659,623
	2008	408,627		992,836	201,960	318,750	57,492	143,916	2,123,581
Crane (3)	2010	825,000		396,374	428,240	1,132,313	1,621,679	87,155	4,490,761
	2009	821,154		2,049,674	707,070	680,213	719,399	76,140	5,053,650
	2008	694,230		2,748,159	514,080	750,000	642,938	272,727	5,622,134
Von Hoene (4)	2010	600,000		251,697	266,640	686,250	123,906	35,190	1,963,683
O Brien (5)	2010	536,000	63,177	212,060	218,160	631,768	213,789	28,712	1,903,666
	2009	532,923		1,255,539	443,001	395,970	233,772	55,464	2,916,669
	2008	495,538		1,280,523	403,920	428,934	105,978	175,687	2,890,580
McLean (6)	2010	510,246		251,697	266,640	457,686	235,518	2,210,028	3,931,815
	2009	640,346		1,519,384	536,796	437,276	122,086	87,738	3,343,626
	2008	561,538		2,281,177	514,080	510,416	95,727	216,544	4,179,482
Zopp (7)	2010	350,308		172,423	180,992	279,839	138,042	1,630,900	2,752,504

Notes to the Summary Compensation Table

(1) John W. Rowe, Chairman and CEO, Exelon; Chairman, Generation.

(2) Matthew F. Hilzinger, Senior Vice President and Chief Financial Officer, Exelon and Generation.

(3) Christopher M. Crane, President and Chief Operating Officer, Exelon and Generation.

(4) William A. Von Hoene, Executive Vice President, Finance and Legal, Exelon.

(5) Denis P. O Brien, Executive Vice President, Exelon; President and CEO, PECO.

(6) Ian P. McLean, Executive Vice President, Exelon; Chief Executive Officer, Exelon Transmission Company (through July 15, 2010).

(7) Andrea L. Zopp, Executive Vice President and General Counsel (through May 31, 2010).

(8) In recognition of their overall performance, certain NEOs received an individual performance multiplier to their annual incentive payments or other special recognition awards in certain years.

(9) The amounts shown in this column include the aggregate grant date fair value of stock awards granted on January 25, 2010 with respect to the three year performance period ending December 31, 2010. The grant date fair value of the stock award have been computed in accordance with FASB ASC Topic 718 using the assumptions described in Note 16 of the Combined Notes to Consolidated Financial Statements in the 2010 Annual Report on Form 10-K. For the 2010 grants for Messrs. Rowe, O Brien, Hilzinger, Crane, Von Hoene and McLean and Ms. Zopp, the grant date fair value of their awards assuming that the highest level of performance conditions would be achieved was $4,977,720, $986,326, $479,336, $1,843,600, $1,170,686, $1,170,686 and $801,966, respectively.

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(10) The amounts shown in this column include the aggregate grant date fair value of stock option awards granted on January 25, 2010. The grant date fair value of the stock options award have been computed in accordance with FASB ASC Topic 718 using the assumptions described in Note 16 of the Combined Notes to Consolidated Financial Statements in the 2010 Annual Report on Form 10-K.

(11) The amounts shown in the column represent the change in the accumulated pension benefit from December 31, 2009 to December 31, 2010. For certain NEOs the amount may include the value of above market earnings upon their investment in a particular fund within their non-qualified deferred compensation account. For 2010 and 2009, no NEOs had above market earnings; in 2008, Messrs. Crane and McLean recognized $48 and $160 of above market earnings respectively.

(12) The amounts shown in this column include the items summarized in the following tables:

All Other Compensation

Name	Perquisites $	Reimburse-ment for Income Taxes $	Payments or Accruals for Termination or Change in Control (CIC) $	Company Contributions to Savings Plans $	Company Paid Term Life Insurance Premiums $	Dividends or Earnings not included in Grants $	Total $
	See Note 1	See Note 2	See Note 3	See Note 4	See Note 5		
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
Rowe	$ 219,792	$ 3,678	$	$ 44,250	$ 137,801	$	$ 405,521
Hilzinger	3,000			13,380	4,085		20,465
Crane	42,831	7,215		24,750	12,359		87,155
Von Hoene	7,193	4,037		18,000	5,960		35,190
O Brien	1,774	2,737		16,080	8,121		28,712
McLean			2,189,600	13,524	6,904		2,210,028
Zopp	2,788	3,478	1,608,000	9,849	6,785		1,630,900

Notes to All Other Compensation Table

(1) The amounts shown in this column represent the incremental cost to Exelon to provide certain perquisites to NEOs as summarized in the Perquisites Table below.

(2) Officers receive a reimbursement to cover applicable taxes on imputed income for business-related spousal travel expenses for those cases where the personal benefit is closely related to the business purpose.

(3) Represents the expense, if applicable, or the accrual of the expense that Exelon has recorded during 2010 after the announcement of the officer s retirement or resignation for severance related costs including salary and Annual Incentive Plan (AIP) continuation, outplacement fees, medical benefits, and a prorated portion of his cash retention award.

(4) Represents company matching contributions to the NEO s qualified and non-qualified savings plans. The 401(k) plan is available to all employees and the annual contribution for 2010 was generally limited by IRS rules to $16,500. NEOs and other officers may participate in the Deferred Compensation Plan, into which payroll contributions in excess of the specified IRS limit are credited under the separate, unfunded plan that has the same portfolio of investment options as the 401(k) plan.

(5) Exelon provides basic term life insurance, accidental death and disability insurance, and long-term disability insurance to all employees, including NEOs. The values shown in this column include the premiums paid during 2010 for additional term life insurance policies for the NEOs, additional supplemental accidental death and dismemberment insurance and for additional long-term disability insurance over and above the basic coverage provided to all employees. Mr. Rowe has two term life insurance policies and one additional accidental death and dismemberment policy.

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Perquisites

Name	Personal and Spouse / Domestic Partner Travel $	Parking $	Other Items $	Total $
	See Note 1 & Note 2	See Note 3	See Note 4	
(a)	(b)	(c)	(d)	(e)
Rowe	$ 216,104	$ 3,000	$ 688	$ 219,792
Hilzinger		3,000		3,000
Crane	39,143	3,000	688	42,831
Von Hoene	3,505	3,000	688	7,193
O Brien	1,774			1,774
McLean				
Zopp	1,288	1,500		2,788

Notes to Perquisite Table

(1) Mr. Rowe is entitled to up to 60 hours of personal use of corporate aircraft each year. Mr. Crane was also permitted to use the corporate aircraft on two occasions in 2010 to minimize the time he spent away from Exelon responsibilities while attending meetings of another board of directors on which he serves. The figures shown in this column include $206,852 and $31,684 representing the aggregate incremental cost to Exelon for personal use of corporate aircraft by Mr. Rowe and Mr. Crane respectively. These costs were calculated using the hourly cost for flight services paid to the aircraft vendor, Federal excise tax, fuel charges, and domestic segment fees. From time to time Mr. Rowe s spouse accompanies Mr. Rowe in his travel on corporate aircraft. The aggregate incremental cost to the company, if any, for Mrs. Rowe s travel on corporate aircraft is included in this amount. For all executive officers, including Mr. Rowe, Exelon pays the cost of travel, meals, and other related amenities when a spouse or domestic partner attends company or industry-related events where it is customary and expected that officers attend with their spouses or domestic partners. The aggregate incremental cost to Exelon for these expenses is included in the table. In most cases, there is no incremental cost to Exelon of providing transportation or other amenities for a spouse or domestic partner, and the only additional cost to Exelon is to reimburse officers for the taxes on the imputed income attributable to their spousal travel, meals, and related amenities when attending company or industry-related events. This cost is shown in column (b) of the All Other Compensation Table above.

(2) The company maintains several cars and drivers in order to provide transportation services for the NEOs and other officers to carry out their duties among the company s various offices and facilities which are located throughout northeastern Illinois and southeastern Pennsylvania. Messrs. Rowe and O Brien are also entitled to limited personal use of the company s cars and drivers, including use for commuting which allows them to work while commuting. The cost included in the table represents the estimated incremental cost to Exelon to provide limited personal service. This cost is based upon the number of hours that the drivers worked overtime providing services to each NEO, multiplied by the average overtime rate for drivers plus an additional amount for fuel and maintenance. Personal use was imputed as additional taxable income to Messrs. Rowe and O Brien.

(3) For NEOs whose primary work location is downtown Chicago, Exelon s office lease provides for a limited number of parking spaces that are available for Exelon use. When NEOs are unable to utilize the available spaces, Exelon provides reimbursement for parking expenses incurred at other public garages.

(4) Executive officers may use company-provided vendors for comprehensive physical examinations and related follow-up testing. Executives also receive certain gifts during the year in recognition of their services that are imputed to the officer as additional taxable income. Certain NEOs were also provided with company paid travel insurance during 2010, the cost of this insurance was imputed to the NEO as additional taxable income.

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Grants of Plan Based Awards

Name	Grant Date	Estimated Possible Payouts Under Non-Equity Incentive Plan Awards (See Note 1)			Estimated Possible Payouts Under Equity Incentive Plan Awards (See Note 2)			All other Stock Awards: Number of Shares or Units (See Note 3)	All Other Options Awards: Number of Securities Under-lying Options	Exercise or base Price of Option Awards	Grant Date Fair Value of Stock and Option Awards (See Note 4)
		Threshold ($)	Plan ($)	Maximum ($)	Threshold (#)	Target (#)	Maximum (#)	(#)	(#)	($)	($)
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)
Rowe	25 Jan.2010	$ 405,625	$ 811,250	$ 3,245,000							
	25 Jan.2010				27,000	54,000	108,000				1,070,210
	25 Jan.2010								138,000	46.09	1,115,040
Hilzinger	25 Jan.2010	66,900	133,800	535,200							
	25 Jan.2010				2,600	5,200	10,400				103,057
	25 Jan.2010								13,300	46.09	107,464
Crane	25 Jan.2010	185,625	371,250	1,485,000							
	25 Jan.2010				10,000	20,000	40,000				396,374
	25 Jan.2010								53,000	46.09	428,240
Von Hoene	25 Jan.2010	112,500	225,000	900,000							
	25 Jan.2010				6,350	12,700	25,400				251,697
	25 Jan.2010								33,000	46.09	266,640
O Brien	25 Jan.2010	100,500	201,000	804,000							
	25 Jan.2010				5,350	10,700	21,400				212,060
	25 Jan.2010								27,000	46.09	218,160
McLean	25 Jan.2010	112,700	225,400	901,600							
	25 Jan.2010				6,350	12,700	25,400				251,697
	25 Jan.2010								33,000	46.09	266,640
Zopp	25 Jan.2010	66,000	132,000	528,000							
	25 Jan.2010				4,350	8,700	17,400				172,423
	25 Jan.2010								22,400	46.09	180,992

Notes to Grants of Plan Based Awards Table

(1) All NEOs have annual incentive plan target opportunities based on a fixed percentage of their base salary. Under the terms of the annual incentive plan, threshold performance earns 25% of the respective target, while performance at plan earns 50% of the respective target and the maximum payout is capped at 200% of target. For additional information about the terms of these programs, see Compensation Discussion and Analysis above.

(2) NEOs have a long-term performance share target opportunity that is a fixed number of performance shares commensurate with the officer s position. For additional information about the terms of these programs, see Compensation Discussion and Analysis and the narrative preceding the Summary Compensation Table above.

(3) This column shows additional restricted share awards made during the year. The vesting dates of the awards are provide in the footnote 2 to the Outstanding Equity Table below.

(4) This column shows the grant date fair value, calculated in accordance with FASB ASC Topic 718, of the performance share awards, stock options, and restricted stock granted to each NEO during 2010. Fair value of performance share awards granted on January 25, 2010 is based on an estimated payout of 43% of target. Fair value of performance share awards granted on June 1, 2010 is based on an estimated payout of 26.4% of target. Fair value of performance share awards granted on July 5, 2010 is based on an estimated payout of 8% of target.

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Outstanding Equity Awards at Year End

Name	Options (See Note 1)					Stock (See Note 2)			
	Number of Securities Underlying Unexercised Options That Are Exercisable (#)	Number of Securities Underlying Unexercised Options That Are Not Exercisable (#)	Option Exercise or Base Price ($)	Option Grant Date	Option Expiration Date	Number of Shares or Units of Stock That Have Not Yet Vested (#)	Market Value of Share or Units of Stock That Have Not Yet Vested Based on 12/31 Closing Price $41.64 ($)	Equity Incentive Plan Awards: Number of Unearned Shares, Units or Other Rights That Have Not Yet Vested (#)	Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Other Rights That Have Not Yet Vested ($)
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)
Rowe		138,000	$ 46.09	25 Jan. 2010	24 Jan. 2020	79,353	$ 3,304,259	54,000	$ 2,248,560
	38,750	116,250	56.51	26 Jan. 2009	25 Jan. 2019				
	57,000	57,000	73.29	28 Jan. 2008	27 Jan. 2018				
	112,500	37,500	59.96	22 Jan. 2007	21 Jan. 2017				
	229,000		42.85	24 Jan. 2005	23 Jan. 2015				
Hilzinger		13,300	46.09	25 Jan. 2010	24 Jan. 2020	12,629	$ 525,872	5,200	$ 216,528
	3,725	11,175	56.51	26 Jan. 2009	25 Jan. 2019				
	5,500	5,500	73.29	28 Jan. 2008	27 Jan. 2018				
	7,875	2,625	59.96	22 Jan. 2007	21 Jan. 2017				
	10,500		58.55	23 Jan. 2006	22 Jan. 2016				
	14,000		42.85	24 Jan. 2005	23 Jan. 2015				
	4,500		32.54	26 Jan. 2004	25 Jan. 2014				
Crane		53,000	46.09	25 Jan. 2010	24 Jan. 2020	52,999	$ 2,206,878	20,000	$ 832,800
	12,250	36,750	56.51	26 Jan. 2009	25 Jan. 2019				
	14,000	14,000	73.29	28 Jan. 2008	27 Jan. 2018				
	26,250	8,750	59.96	22 Jan. 2007	21 Jan. 2017				
	22,500		58.55	23 Jan. 2006	22 Jan. 2016				
	18,000		42.85	24 Jan. 2005	23 Jan. 2015				
	13,500		32.54	26 Jan. 2004	25 Jan. 2014				
Von Hoene		33,000	46.09	25 Jan. 2010	24 Jan. 2020	19,167	$ 798,114	12,700	$ 528,828
	6,300	18,900	56.51	26 Jan. 2009	25 Jan. 2019				
	9,500	9,500	73.29	28 Jan. 2008	27 Jan. 2018				
	14,250	4,750	59.96	22 Jan. 2007	21 Jan. 2017				
	17,000		58.55	23 Jan. 2006	22 Jan. 2016				
	14,000		42.85	24 Jan. 2005	23 Jan. 2015				
	4,500		32.54	26 Jan. 2004	25 Jan. 2014				
O Brien		27,000	46.09	25 Jan. 2010	24 Jan. 2020	15,788	$ 657,412	10,700	$ 445,548
	7,675	23,025	56.51	26 Jan. 2009	25 Jan. 2019				
	11,000	11,000	73.29	28 Jan. 2008	27 Jan. 2018				
	14,250	4,750	59.96	22 Jan. 2007	21 Jan. 2017				
	20,000		58.55	23 Jan. 2006	22 Jan. 2016				
	29,000		42.85	24 Jan. 2005	23 Jan. 2015				
	30,000		32.54	26 Jan. 2004	25 Jan. 2014				
	30,000		24.81	27 Jan. 2003	26 Jan. 2013				
McLean	33,000		46.09	25 Jan. 2010	1 Sep. 2015		$	12,700	528,828

	37,200	56.51	26 Jan. 2009	1 Sep. 2015			
	28,000	73.29	28 Jan. 2008	1 Sep. 2015			
	35,000	59.96	22 Jan. 2007	1 Sep. 2015			
	35,000	58.55	23 Jan. 2006	1 Sep. 2015			
	56,000	42.85	24 Jan. 2005	23 Jan. 2015			
	80,000	32.54	26 Jan. 2004	25 Jan. 2014			
	72,000	24.81	27 Jan. 2003	26 Jan. 2013			
	9,288	24.84	25 Feb. 2002	24 Feb. 2012			
	90,000	23.46	28 Jan. 2002	27 Jan. 2012			
Zopp					$	8,700	362,268

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Notes to Outstanding Equity Tables

(1) Non-qualified stock options are granted to NEOs pursuant to the company s long-term incentive plans. Grants made prior to 2003 vested in three equal increments, beginning on the first anniversary of the grant date. Grants made in 2003 and thereafter vest in four equal increments, beginning on the first anniversary of the grant date. All grants expire on the tenth anniversary of the grant date. For all data above, the number of shares and exercise prices have been adjusted to reflect the 2 for 1 stock split of May 5, 2004.

(2) The amount shown includes the unvested portion of performance share awards earned with respect to the three-year performance periods ending December 31, 2009 and December 31, 2008, and any unvested restricted stock unit awards as shown in the following table. The amount of shares shown in column (i) represents the target number of performance shares available to each NEO for the performance period ending December 31, 2010. Shares are valued at $41.64 closing price on December 31, 2010.

Unvested Restricted Stock or Restricted Stock Units

Name	Grant Date	Number of Restricted Shares	Vesting Dates
Hilzinger	01 Aug. 2008	5,000	01 Aug. 2013
Crane	03 Sep. 2007	15,000	03 Sep. 2011
	01 Aug. 2008	15,000	01 Aug. 2013
Von Hoene	01 Aug. 2008	5,000	01 Aug. 2013

Option Exercises and Stock Vested

Name	Option Awards		Stock Awards (See Note 1)	
	Number of Shares Acquired on Exercise	Value Realized on Exercise	Number of Shares Acquired on Vesting	Value Realized on Vesting
(a)	(b) (#)	(c) ($)	(d) (#)	(e) ($)
Rowe		$	98,898	$ 4,558,201
Hilzinger			8,681	400,098
Crane			25,770	1,187,719
Von Hoene			15,624	720,100
O Brien (Note 2)	17,000	379,334	17,091	787,704
McLean (Note 2)	33,600	448,006	23,606	1,087,991
Zopp			24,359	1,037,491

Notes to Option Exercises and Stock Vested Table

(1) Share amounts are generally composed of performance shares that vested on January 25, 2010, which included 1/3 of the grant made with respect to the three-year performance period ending December 31, 2009; 1/3 of the grant made with respect to the three-year performance period ending December 31, 2008, and 1/3 of the grant made with respect to the three-year performance period ending December 31, 2007. Shares were valued at $46.09 upon vesting.

(2) Mr. O Brien and Mr. McLean (prior to his separation from Exelon) each exercised options pursuant to Rule 10b5-1 trading plans that were entered into when each was unaware of any material information regarding Exelon that had not been publicly disclosed. The formula for the exercise and sale dates, number of options, and sale price was set at the time the trading plans were established.

Pension Benefits

Exelon sponsors the Exelon Corporation Retirement Program, a traditional defined benefit pension plan that covers certain management employees who commenced employment prior to January 1, 2001 and certain collective bargaining unit employees. The Exelon Corporation Retirement Program includes the Service Annuity System (SAS), the legacy

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ComEd pension plan, and the Service Annuity Plan (SAP), the legacy PECO pension plan. Effective January 1, 2001, Exelon also established two cash balance defined benefit pension plans in order to both reduce future retirement benefit costs and provide an option that is portable as the company anticipated a work force that was more mobile than the traditional utility workforce. The cash balance defined benefit pension plans cover management employees and certain collective bargaining unit employees hired on or after such date, as well as certain management employees hired prior to such date who elected to transfer to a cash balance plan. Each of these plans is intended to be tax-qualified under Section 401(a) of the Internal Revenue Code. An employee can participate in only one of the qualified pension plans.

For NEOs participating in the SAS, the annuity benefit payable at normal retirement age is equal to the sum of 1.25% of the participant s earnings as of December 25, 1994, reduced by a portion of the participant s Social Security benefit as of that date, plus 1.6% of the participant s highest average annual pay, multiplied by the participant s years of credited service (up to a maximum of 40 years). For NEOs participating in the SAP, the annuity benefit payable at normal retirement age is equal to the greater of the amount determined under the Career Pay Formula, which is 2% of each year s pensionable pay, and the amount determined under the Final Average Pay Formula, which is the sum of (a) 5% of average earnings, plus 1.2% of average earnings for each year of pension service (up to a maximum of 40 years), and (b) 0.35% of average earnings in excess of covered compensation for each year of pension service (up to a maximum of 40 years). Pension-eligible compensation for the SAS and the SAP s Final Average Pay Formula includes base pay and annual incentive awards. Pension eligible compensation in the SAP s Career Pay Formula includes base pay, incentive awards and other regular remuneration. Benefits under the SAS and SAP are vested after five years of service.

The normal retirement age under both the SAS and the SAP is 65. Each of these plans also offers an early retirement benefit prior to age 65, which is payable if a participant retires after attainment of age 50 and completion of ten years of service. The annual pension payable under each plan is determined as of the early retirement date, reduced by 2% for each year of payment before age 60 to age 58, then 3% for each year before age 58 to age 50. In addition, under the SAS, the early retirement benefit is supplemented by a temporary payment equal to 80% of the participant s estimated monthly Social Security benefit. The supplemental benefit is partially offset by a reduction in the regular annuity benefit.

Under the cash balance pension plan, a notional account is established for each participant, and the account balance grows as a result of annual benefit credits and annual investment credits. (Employees who participated in the SAS or the SAP prior to January 1, 2001 and elected to transfer to the cash balance plan also have a frozen transferred benefit from the former plan, and received a transition credit based on their age, service and compensation at the time of transfer.) Beginning January 1, 2008, the annual benefit credit under the plan is 7.00% of base pay and annual incentive award (subject to applicable Internal Revenue Code limit). For the portion of the account balance accrued beginning January 1, 2008, the annual investment credit is the third segment rate of interest on long-term investment grade corporate bonds, as provided for in Internal Revenue Code Section 430(h)(2)(C)(iii). The Segment Rate will be determined as of November of the year for which the cash balance account receives the investment credit. For the portion of the benefit accrued before January 1, 2008, pending Internal Revenue Service guidance, the annual investment credit is the greater of 4%, or the average for the year of the S&P 500 Index and the applicable interest rate specified in Section 417(e) of the Internal Revenue Code that is used to determine lump sum payments (the interest rate is determined in November of each year). Benefits are vested after three years of service, and are payable in an annuity or a lump sum at any time following termination of employment. Apart from the benefit credits and vesting requirement, and as described above, years of service are not relevant to a determination of accrued benefits under the cash balance pension plans.

The Internal Revenue Code limits to $245,000 the individual annual compensation that may be taken into account under the tax-qualified retirement plan. As permitted by Employee Retirement Income Security Act, Exelon sponsors two supplemental executive retirement plans (or SERPs) that allow the payment to a select group of management or highly-compensated individuals out of its general assets of any benefits calculated under provisions of the applicable qualified pension plan which may be above these limits. The SERPs offer a lump sum as an optional form of payment, which includes the value of the marital annuity, death benefits and other early retirement subsidies at a designated interest rate. The interest rate applicable for distributions to participants in the SAS in 2010 is 4.49% and for participants in the SAP in 2010 is 2.5%. For participants in the cash balance pension plan, the lump sum is the value of the non-qualified account balance. The value of the lump sum amounts do not include the value of any pension benefits covered under the qualified pension plans, and the methods and assumptions used to determine the non-qualified lump sum amount are different than the assumptions used to generate the present values shown in the tables of benefits to be received upon retirement, termination due to death or disability, involuntary separation not related to a change in control, or upon a qualifying termination following a change in control which appear later in this document.

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Under the terms of the SERPs, participants are provided the amount of benefits they would have received under the SAS, SAP or cash balance plan, as applicable, but for the application of the Internal Revenue Code limits. In addition, certain executives previously received grants of additional credited service under a SERP. In particular, Mr. Crane received an additional 10 years of credited service through December 31, 2010 as part of his employment offer that provides one additional year of service credit for each year of employment to a maximum of 10 additional years. Pursuant to his employment agreement first entered into when he joined the Company in 1998, Mr. Rowe is entitled to receive a SERP benefit that, when added to SAS benefit, will be determined as though he had earned 20 years of service on March 16, 1998 and one additional year of service on each anniversary of that date occurring prior to his termination of employment. A portion of Mr. Rowe s benefit may be forfeited upon a termination for cause (see below under Potential Payments upon Termination or Change in Control Employment Agreement with Mr. Rowe).

As of January 1, 2004, Exelon does not grant additional years of credited service to executives under the SERP for any period in which services are not actually performed, except that up to two years of service credits may be provided under severance or change in control agreements first entered into after such date. Service credits previously available under employment, change in control or severance agreements or arrangements (or any successors arrangements) are not affected by this policy.

The amount of the change in the pension value for each of the named executive officers is the amount included in the Summary Compensation Table above in the column headed Change in Pension Value & Nonqualified Deferred Compensation Earnings. The present value of each NEO s accumulated pension benefit is shown in the following tables. The assumptions used in estimating the present values include the following: for SAS participants, pension benefits are assumed to begin at each participant s earliest unreduced retirement age; and for cash balance plan participants, pension benefits are assumed to begin at the earliest unreduced age. The applicable discount rates are 5.83% as of December 31, 2009 and 5.26% as of December 31, 2010. The lump sum rate amounts are determined using the rate of 5% for SAS participants and 4.0% for SAP participants, both at the assumed retirement age, and the account balance for cash balance pension plan participants. The applicable mortality table as of December 31, 2009 is the IRS- required mortality table for 2010 funding valuation. The applicable table as of December 31, 2010 is the IRS required mortality table for 2011 funding valuation.

Name	Plan Name	Number of Years Credited Service (#)	Present Value of Accumulated Benefit ($)	Payments During Last Fiscal Year ($)
(a)	(b)	(c)	(d)	(e)
Rowe (Note 1)	SAS	12.80	557,484	
	SERP	32.80	19,362,602	
Hilzinger	Cash Balance	8.72	168,316	
	SERP	8.72	258,683	
Crane	SAS	12.26	432,606	
	SERP	22.26	4,305,794	
Von Hoene	Cash Balance	8.93	168,316	
	SERP	8.93	349,921	
O Brien	Cash Balance	28.51	811,480	
	SERP	28.51	771,277	
McLean	Cash Balance	8.00	145,159	
	SERP	8.00	558,710	
Zopp	Cash Balance	4.38	88,144	
	SERP	4.38	213,969	

(1) Based on discount rates prescribed by the SEC executive compensation disclosure rules, the present value of Mr. Rowe s SERP benefit is $19,362,602. Based on lump sum plan rates for immediate distributions, the comparable lump sum amount applicable for service through December 31, 2010 is $22,329,736. Note that, in any event, payments made upon termination may be delayed for six months in accordance with U.S. Treasury Department guidance.

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Deferred Compensation Programs

Exelon offers deferred compensation plans to permit the deferral of certain cash compensation to facilitate tax and retirement planning and satisfaction of stock ownership requirements for executives and key managers. Exelon maintains non-qualified deferred compensation plans that are open to certain highly-compensated employees, including the NEOs.

The Deferred Compensation Plan is a non-qualified plan that permits executives and key managers to defer receipt of base compensation and the company to credit related matching contributions that would have been contributed to the Exelon Corporation Employee Savings Plan (the company s tax-qualified 401(k) plan) but for the applicable limits under the Internal Revenue Code. The Deferred Compensation Plan permits participants to defer taxation of a portion of their income. It benefits the company by deferring the payment of a portion of its compensation expense, thus preserving cash.

The Employee Savings Plan is tax-qualified under Sections 401(a) and 401(k) of the Internal Revenue Code (the Code). Exelon maintains the Employee Savings Plan to attract and retain qualified employees, including the NEOs, and to encourage employees to save some percentage of their cash compensation for their eventual retirement. The Employee Savings Plan permits employees to do so, and allows the company to make matching contributions in a relatively tax-efficient manner. The company maintains the excess matching feature of the Deferred Compensation Plan to enable management employees to save for their eventual retirement to the extent they otherwise would have were it not for the limits established by the IRS for purposes of Federal tax policy.

The Stock Deferral Plan is a non-qualified plan that permitted executives to defer performance share units awarded prior to 2007. In response to declining plan enrollment and the administrative complexity of compliance with Section 409A of the Code, the compensation committee approved amendments to the Deferred Compensation and Stock Deferral Plans at its December 4, 2006 meeting. The amendments cease future compensation deferrals for the Stock Deferral Plan and Deferred Compensation Plan other than the excess Employee Savings Plan contribution deferrals.

The following tables show the amounts that NEOs have accumulated under both the Deferred Compensation Plan and the Stock Deferral Plan. Both plans were closed to new deferrals of base pay (other than excess Employee Savings Plan deferrals), annual incentive payments or performance shares awards in 2007, and participants were granted a one-time election to receive a distribution of their accumulated balance in each plan during 2007. Existing balances will continue to accrue dividends or other earnings until payout upon termination. Balances in the Deferred Compensation Plan will be settled in cash upon the termination event selected by the officer and will be distributed either in a lump sum, or in annual installments. Share balances in the Stock Deferral Plan continue to earn the same dividends that are available to all shareholders, which are reinvested as additional shares in the plan. Balances in the plan are distributed in shares of Exelon stock in a lump sum or installments upon termination of employment.

The Deferred Compensation Plan continues in effect, without change, for those officers who participate in the 401(k) savings plan and who reach their statutory contribution limit during the year. After this limit is reached, their elected payroll contributions and company matching contribution will be credited to their account in the Deferred Compensation Plan. The investment options under the Deferred Compensation Plan consist of a basket of mutual funds benchmarks that mirror those funds available to all employees through the 401(k) plan, with the exception of one benchmark fund that offers a fixed percentage return over a specified market return. Deferred amounts represent unfunded unsecured obligations of the company.

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Nonqualified Deferred Compensation

Name (a)	Executive Contributions in 2010 (b) Note (1)	Registrant Contributions in 2010 (c) Note (2)	Aggregate Earnings in 2010 (d) Note (3)	Aggregate Withdrawals/ Distributions (e)	Aggregate Balance at 12/31/10 (f) Note (4)
Rowe	$ 61,500	$ 36,900	$ 36,075		$ 471,705
Hilzinger	10,050	6,030	2,075		65,409
Crane	66,000	19,610	734		322,869
Von Hoene	17,750	10,650	(1,674)		108,111
O Brien (5)	14,550	8,730	99,204		1,452,681
McLean (5)	10,290	6,174	(27,921)		409,765
Zopp	16,331	4,772	179		133,911

(1) The full amount shown for executive contributions is included in the base salary figures for each NEO shown above in the Summary Compensation Table.

(2) The full amount shown under registrant contributions is included in the company contributions to savings plans for each NEO shown above in the All Other Compensation Table.

(3) The amount shown under aggregate earnings reflects the NEO s gain or loss based upon the individual allocation of the notional account balance into the basket of mutual fund benchmarks. These gains or losses do not represent current income to the NEO and have not been included in any of the compensation tables shown above.

(4) For all NEOs the aggregate balance (Column f) shown above includes those amounts, both executive contributions and registrant contributions, that have been disclosed either as base salary as described in Note 1 or as company contributions under all other compensation as described in Note 2 for the current fiscal year.

In 2007, all participants in the deferred compensation plan were eligible to receive a distribution of their entire account balance in the plan accumulated through December 31, 2006. Messrs. Rowe, Hilzinger and Crane elected to receive this distribution. Since receiving a distribution of their entire accumulated balance in 2007, all executive contributions which are included in the aggregate balance at fiscal year end have been included in base salary in the Summary Compensation Table for each year, and all registrant contributions that are included in the aggregate balance at fiscal year end have been included in all other compensation in the Summary Compensation Table for each year for each of these NEOs.

For Messrs. O Brien and McLean, who did not elect to receive the distribution of their accumulated plan balance in 2007, the following amounts consisting of both executive contributions and registrant contributions have been included in the Summary Compensation Table either as either base salary or all other compensation for prior years where these individuals have been included as NEOs: $875,884 and $275,281 respectively.

Mr. Von Hoene and Ms. Zopp are included as NEOs for the first time and no other executive contributions or registrant contributions except for the current fiscal year have been disclosed in the Summary Compensation Table.

(5) For Messrs. O Brien and McLean, the amounts shown in column (d) and column (f) also include the aggregate earnings and aggregate balance respectively of their Stock Deferral Plan accounts.

Potential Payments upon Termination or Change in Control

Employment Agreement with Mr. Rowe

Under the third amended and restated employment agreement between Exelon and Mr. Rowe, Mr. Rowe will continue to serve as Chief Executive Officer of Exelon, Chairman of Exelon s board of directors and a member of the board of directors until December 31, 2012.

If, prior to July 1, 2011, Exelon terminates Mr. Rowe s employment for reasons other than cause, death or disability or Mr. Rowe terminates his employment for good reason, he would be eligible for the following benefits:

- a lump sum payment of Mr. Rowe s accrued but unpaid base salary and annual incentive, if any, and a prorated annual incentive for the year in which his employment terminates based on the lesser of (1) the annual incentive that would have been paid based on actual performance without application of negative discretion to reduce the amount of the award, and (2) the formula annual incentive (i.e., the greater of the annual incentive for the last year ending prior to termination or the average of the annual incentives payable with respect to Mr. Rowe s last three full years of employment);

- a lump sum severance payment equal to his base salary and the formula annual incentive, multiplied by the number of years (including fractional years) remaining until the later of July 1, 2011 or the first anniversary of the termination date;
- continuation of life, disability, accident, health and other active welfare benefits for him and his family for a period equal to the number of years (including fractional years) remaining until the later of July 1, 2011 or the first anniversary of the termination date, followed by post-retirement healthcare coverage for him and his wife for the remainder of their respective lives;
- all exercisable stock options remain exercisable until the applicable option expiration date;
- non-vested stock options become exercisable and thereafter remain exercisable until the applicable option expiration date;
- previously earned but non-vested performance share units vest, consistent with the terms of the performance share unit award program under the LTIP, and an award based on actual performance for the year in which the termination occurs; and
- any non-vested restricted stock award vests.

If such a termination occurs within 24 months after a Change in Control of Exelon or within 18 months after a Significant Acquisition, as such terms are described under Change in Control Employment Agreements and Severance Plan Covering Other Named Executives, or Mr. Rowe resigns before July 1, 2011 because of the failure to be appointed or elected as Exelon s Chief Executive Officer, Chairman of Exelon s board of directors, and a member of the board of directors, then Mr. Rowe would receive the termination benefits described above except that:

- the annual incentive award described above and payable for the year in which Mr. Rowe s employment terminates will be paid in full, rather than prorated;
- in determining the amount of such full formula annual incentive and the lump sum severance payment described above, the formula annual incentive will be the greater of the amount described in the preceding paragraph or the target annual incentive for the year in which his employment terminates, but not greater than the annual incentive for the year in which the termination occurs based on actual performance without the application of negative discretion to reduce the amount of the award;
- the SERP benefit will be determined taking into account the lump sum severance payment, as though it were paid in installments and Mr. Rowe remained employed during the severance period; and
- professional outplacement services will be provided for up to twelve months.

The term good reason means any material breach of the employment agreement by Exelon, including:

- a failure to provide compensation and benefits required under the employment agreement (including a reduction in base salary that is not commensurate with and applied to Exelon s other senior executives) without Mr. Rowe s consent;

- causing Mr. Rowe to report to someone other than Exelon s board of directors;
- any material adverse change in Mr. Rowe s status, responsibilities or perquisites; or
- any public announcement by Exelon s board of directors without Mr. Rowe s consent that Exelon is seeking his replacement, other than with respect to the period following July 1, 2011.

With respect to a termination of employment during the Change in Control or Significant Acquisition periods described above, the following events will constitute additional grounds for termination for good reason:

- a good faith determination by Mr. Rowe that he is substantially unable to perform, or that there has been a material reduction in, any of his duties, functions, responsibilities or authority;
- the failure of any successor to assume his employment agreement;

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- a relocation of Exelon s principal offices by more than 50 miles; or
- a 20% increase in the amount of time that Mr. Rowe must spend traveling for business outside of the Chicago area.

In the event Mr. Rowe s employment terminates for cause, all outstanding stock options (whether vested or non-vested), non-vested performance shares and restricted stock will be forfeited. Upon a termination for cause on or before March 16, 2010 (the retirement date specified under a prior version of his employment agreement), the portion of the SERP benefit that accrued after March 16, 2006 (the retirement date specified under his original employment agreement) also would be forfeited.

The term cause means any of the following, unless cured within the time period specified in the agreement:

- conviction of a felony or of a misdemeanor involving moral turpitude, fraud or dishonesty;
- willful misconduct in the performance of duties intended to personally benefit the executive; or
- material breach of the agreement (other than as a result of incapacity due to physical or mental illness).

Upon Mr. Rowe s retirement or his termination of employment due to disability or death:

- Mr. Rowe (or his beneficiary or estate) will receive a prorated annual incentive for the year in which the termination occurs, determined under the method described above for a good reason termination;
- all exercisable stock options remain exercisable until the applicable option expiration date;
- non-vested stock options become exercisable and thereafter remain exercisable until the applicable option expiration;
- previously earned but non-vested performance share units vest, consistent with the terms of the performance share award program under the LTIP, and he (or his beneficiary or estate) will receive an award for the year in which the termination occurs;
- any non-vested restricted stock award vests, unless otherwise provided in the grant instrument; and
- he will be entitled to receive post-retirement healthcare coverage for him and his wife for the remainder of their respective lives.

The term retirement means:

- Mr. Rowe s termination of employment prior to July 1, 2011 other than a termination by him for good reason or a termination by the Company with or without cause or upon disability or death;
- Mr. Rowe s termination of employment on or after July 1, 2011 other than a termination by the Company with cause or upon disability or death.

Upon Mr. Rowe s retirement or termination of employment for any reason other than cause, disability or death:

- n For a period of five years, Mr. Rowe is required to attend board of directors meetings as requested by the board or the then-chairman, attend civic, charitable and corporate events, serve on civic and charitable boards and represent the Company at industry and trade association events as the Company s representative, and provide the then-chairman or the then-CEO advice or counseling on energy policy issues or strategy, each as mutually agreed;

- n The Company is required to provide Mr. Rowe with five years of office and secretarial services.

Mr. Rowe is subject to confidentiality restrictions and to non-competition, non-solicitation and non-disparagement restrictions continuing in effect for two years following his termination of employment, and is required to sign a general release to receive severance payments. If the payments or benefits payable to Mr. Rowe would be subject to excise taxes imposed under Section 4999 of the Internal Revenue Code on excess parachute payments or under similar state or local law, such payments and benefits shall be reduced or eliminated to the extent necessary to avoid such excise taxes unless doing so would leave Mr. Rowe with less after-tax payments and benefits than paying such amounts and

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the applicable excise taxes. Any payment to Mr. Rowe upon a termination of employment is subject to a six-month delay to the extent required under Section 409A of the Internal Revenue Code, and his agreement will be otherwise interpreted and construed to comply with Section 409A.

Change in control employment agreements and severance plan covering other named executives

Exelon s change in control and severance benefits policies were initially adopted in January 2001 and harmonized the policies of Exelon s predecessor companies. In adopting the policies, the compensation committee considered the advice of a consultant who advised that the levels were consistent with competitive practice and reasonable. The Exelon benefits include multiples of change in control benefits ranging from two times base salary and annual bonus for corporate and subsidiary vice presidents to 2.99 times base salary and annual bonus for the executive committee and select senior vice presidents other than the CEO. In 2003, the compensation committee reviewed the terms of the Senior Management Severance Plan and revised it to reduce the situations when an executive could terminate and claim severance benefits for good reason , clarified the definition of cause , and reduced non-change in control benefits for executives with less than two years of service. In December 2004, the compensation committee s consultant presented a report on competitive practice on executive severance. The competitive practices described in the report were generally comparable to the benefits provided under Exelon s severance policies. In discussing the compensation consultant s December 2007 annual report to the committee on compensation trends, the consultant commented that Exelon s change in control and severance policies were conservative, citing the use of double triggers, and that they remained competitive. In April 2009 the compensation committee adopted a policy that Exelon would not include excise tax gross-up payment provisions in senior executive employment, change in control, or severance plans, programs or agreements that are entered into, adopted or materially amended on or after April 2, 2009 (other than renewals of existing arrangements that are not materially amended or arrangements assumed pursuant to a corporate transaction).

Exelon has entered into change in control employment agreements with the named executive officers other than Mr. Rowe, which generally protect such executives position and compensation levels for two years after a change in control of Exelon. The agreements are initially effective for a period of two years, and provide for a one-year extension each year thereafter until cancellation or termination of employment.

During the 24-month period following a change in control, or during the 18-month period following another significant corporate transaction affecting the executive s business unit in which Exelon shareholders retain between 60% and 66$\frac{2}{3}$% control (a significant acquisition), if a named executive officer resigns for good reason or if the executive s employment is terminated by Exelon other than for cause or disability, the executive is entitled to the following:

- the executive s annual incentive and performance share unit awards for the year in which termination occurs;

- severance payments equal to 2.99 times the sum of (1) the executive s base salary plus (2) the higher of the executive s target annual incentive for the year of termination or the executive s average annual incentive award payments for the two years preceding the termination, but not more than the annual incentive for the year of termination based on actual performance before the application of negative discretion;

- a benefit equal to the amount payable under the SERP determined as if (1) the SERP benefit were fully vested, (2) the executive had 2.99 additional years of age and years of service (2.0 years for executives who first entered into such agreements after 2003) and (3) the severance pay constituted covered compensation for purposes of the SERP;

- a benefit equal to the actuarial equivalent present value of any non-vested accrued benefit under Exelon s qualified defined benefit retirement plan;

- all previously-awarded stock options, performance shares or units, restricted stock, or restricted share units become fully vested, and the stock options remain exercisable until (1) the option expiration date, for options granted before January 1, 2002 or (2) the earlier of the fifth anniversary of his termination date or the option s expiration date, for options granted after that date;

- life, disability, accident, health and other welfare benefit coverage continues for three years on the same terms and conditions applicable to active employees, followed by retiree health coverage if the executive has attained at least age 50 and completed at least ten years of service (or any lesser eligibility requirement then in effect for regular employees); and

- outplacement services for at least twelve months.

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The change in control benefits are also provided if the executive is terminated other than for cause or disability, or terminates for good reason (1) after a tender offer or proxy contest commences, or after Exelon enters into an agreement which, if consummated, would cause a change in control, and within one year after such termination a change in control does occur, or (2) within two years after a sale or spin-off of the executive s business unit in contemplation of a change in control that actually occurs within 60 days after such sale or spin-off (a disaggregation).

A change in control generally occurs:

- n when any person acquires 20% of Exelon s voting securities;
- n when the incumbent members of the Exelon board of directors (or new members nominated by a majority of incumbent directors) cease to constitute at least a majority of the members of the Exelon board of directors;
- n upon consummation of a reorganization, merger or consolidation, or sale or other disposition of at least 50% of Exelon s operating assets (excluding a transaction where Exelon shareholders retain at least 60% of the voting power); or
- n upon shareholder approval of a plan of complete liquidation or dissolution.

The term good reason under the change in control employment agreements generally includes any of the following occurring within two years after a change in control or disaggregation or within 18 months after a significant acquisition:

- n a material reduction in salary, incentive compensation opportunity or aggregate benefits, unless such reduction is part of a policy, program or arrangement applicable to peer executives;
- n failure of a successor to assume the agreement;
- n a material breach of the agreement by Exelon; or
- n any of the following, but only after a change in control or disaggregation: (1) a material adverse reduction in the executive s position, duties or responsibilities (other than a change in the position or level of officer to whom the executive reports or a change that is part of a policy, program or arrangement applicable to peer executives) or (2) a required relocation by more than 50 miles.

The term cause under the change in control employment agreements generally includes any of the following:

- n refusal to perform or habitual neglect in the performance of duties or responsibilities or of specific directives of the officer to whom the executive reports which are not materially inconsistent with the scope and nature of the executive s duties and responsibilities;
- n willful or reckless commission of acts or omissions which have resulted in or are likely to result in a material loss or material damage to the reputation of Exelon or any of its affiliates, or that compromise the safety of any employee;
- n commission of a felony or any crime involving dishonesty or moral turpitude;

- material violation of the code of business conduct which would constitute grounds for immediate termination of employment, or of any statutory or common-law duty of loyalty; or

- any breach of the executive s restrictive covenants.

Executives other than Mr. Rowe who have entered into such change in control employment agreements prior to April 2, 2009 (and which have not been materially amended after such date) will be eligible to receive an additional payment to cover excise taxes imposed under Section 4999 of the Internal Revenue Code on excess parachute payments or under similar state or local law, but only if the after-tax amount of payments and benefits subject to these taxes exceeds 110% of the safe harbor amount that would not subject the employee to these excise taxes. If the after-tax amount is less than 110% of the safe harbor amount, then payments and benefits subject to these taxes would be reduced or eliminated to equal the safe harbor amount.

If a named executive officer other than Mr. Rowe resigns for good reason or is terminated by Exelon other than for cause or disability, in each case under circumstances not covered by an individual change in control employment agreement, the named executive officer may be eligible for the following non-change in control benefits under the Exelon Corporation Senior Management Severance Plan:

- prorated payment of the executive s annual incentive and performance share unit awards for the year in which termination occurs;
- for a two-year severance period, continued payment of an amount representing base salary and target annual incentive;
- a benefit equal to the amount payable under the SERP determined as if the severance payments were paid as ordinary base salary and annual incentive;
- for the two-year severance period, continuation of health, basic life and other welfare benefits the executive was receiving immediately prior to the severance period on the same terms and conditions applicable to active employees, followed by retiree health coverage if the executive has attained at least age fifty and completed at least ten years of service (or any lesser eligibility requirement then in effect for non-executive employees); and
- outplacement services for at least six months.

Payments under the Senior Management Severance Plan are subject to reduction by Exelon to the extent necessary to avoid imposition of excise taxes imposed by Section 4999 of the Internal Revenue Code on excess parachute payments or under similar state or local law.

The term good reason under the Senior Management Severance Plan means either of the following:

- a material reduction of the executive s salary, incentive compensation opportunity or aggregate benefits unless such reduction is part of a policy, program or arrangement applicable to peer executives of Exelon or of the business unit that employs the executive; or
- a material adverse reduction in the executive s position or duties (other than a change in the position or level of officer to whom the executive reports) that is not applicable to peer executives of Exelon or of the executive s business unit, but excluding any change (1) resulting from a reorganization or realignment of all or a significant portion of the business, operations or senior management of Exelon or of the executive s business unit or (2) that generally places the executive in substantially the same level of responsibility.

The term cause under the Senior Management Severance Plan has the same meaning as the definition of such term under the individual change in control employment agreements.

Benefits under the change in control employment agreements and the Senior Management Severance Plan are subject to termination upon an executive s violation of his or her restrictive covenants, and incentive payments under the agreements and the plan may be subject to the recoupment policy adopted by the compensation committee of the board of directors.

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Estimated Value of Benefits to be Received Upon Retirement

The following tables show the estimated value of payments and other benefits to be conferred upon the NEOs assuming they retired as of December 31, 2010. These payments and benefits are in addition to the present value of the accumulated benefits from each NEO s qualified and non-qualified pension plans shown in the tables within the Pension Benefit section and the aggregate balance due to each NEO that is shown in the tables within the Nonqualified Deferred Compensation section.

Name	Cash Payment ($) Note (1)	Value of Unvested Equity Awards ($) Note (2)	Perquisites And Other Benefits ($) Note (3)	Total Value of All Payments and Benefits ($) Note (4)
Rowe	$ 2,474,000	$ 3,080,000	$ 1,500,000	$ 7,054,000
Hilzinger				
Crane	1,132,000	895,000		2,027,000
Von Hoene				
O Brien	632,000	613,000		1,245,000

(1) Under the terms of the 2010 AIP, a pro-rated actual incentive award is payable upon retirement assuming an Individual Performance Multiplier (IPM) of 100% and based on the number of days worked during the year of retirement. Pursuant to Section 7.4(a) of his employment agreement, Mr. Rowe is entitled to a pro-rata portion of the lesser of his (i) actual annual incentive in the year of retirement (determined before the application of negative discretion by the board of directors) or (ii) Formula Annual Incentive, based on days worked during the year of retirement. His Formula Annual Incentive is defined as the greater of the (i) target annual incentive for the year of termination, (ii) the actual annual incentive paid for the latest calendar year ended on or before the termination, and (iii) the average annual incentive paid for the three years prior to the year of termination. Incentive calculations assume an IPM of 100% for the termination year.

(2) The Value of Unvested Equity Awards includes the sum of previously unvested stock options, previously earned but unvested performance share units, a pro-rated performance share unit award based on actual results for the year of termination due to retirement, and, if applicable (depending upon each officer s individual restricted stock or restricted stock unit awards (if any)), the value of any unvested restricted stock or restricted stock units that may vest upon retirement. For previously unvested stock options, the value is determined by taking the spread between the closing price of Exelon stock on December 31, 2010, which was $41.64 and the exercise price of each unvested stock option grant, multiplied by the number of unvested options. If an NEO has attained age 50 with 10 or more years of service (or deemed service), his or her unvested stock options will vest upon termination of employment because he or she has satisfied the definition of retirement under the LTIP. For all performance share units and restricted shares or restricted share units, the value is based on the December 31, 2010 closing price of Exelon stock.

(3) Represents the estimated value of (i) five years of office and secretarial services (at an assumed cost of $300,000/yr), which is to be provided pursuant to Section 7.7 of Mr. Rowe s employment agreement.

(4) The estimate of total payments and benefits is based on a December 31, 2010 retirement date.

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Estimated Value of Benefits to be Received Upon Termination due to Death or Disability

The following tables show the estimated value of payments and other benefits to be conferred upon the NEOs assuming their employment is terminated due to death or disability as of December 31, 2010. These payments and benefits are in addition to the present value of the accumulated benefits from the NEO s qualified and non-qualified pension plans shown in the tables within the Pension Benefit section and the aggregate balance due to each NEO that is shown in tables within the Nonqualified Deferred Compensation section.

Name	Cash Payment ($) Note (1)	Value of Unvested Equity Awards ($) Note (2)	Perquisites and Other Benefits ($)	Total Value of All Payments and Benefits ($) Note (3)
Rowe	$ 2,474,000	$ 3,080,000	$	$ 5,554,000
Hilzinger	379,000	504,000		883,000
Crane	1,132,000	2,144,000		3,276,000
Von Hoene	686,000	759,000		1,445,000
O Brien	632,000	613,000		1,245,000

(1) Officers receive a pro-rated annual incentive award assuming an IPM of 100% and based on the number of days worked during the year of termination due to death or disability. Mr. Rowe would generally be entitled to a pro-rated portion of the lesser of his Formula Annual Incentive as specified by his employment agreement or the annual incentive for the year of termination (determined before application of negative discretion by the board of directors). Upon disability, Mr. Crane would be eligible for an additional pension benefit of $5,653 per month for the remainder of his life commencing upon exhaustion of his LTD benefits.

(2) The Value of Unvested Equity Awards includes the sum of previously unvested stock options, previously earned but unvested performance share units, a pro-rated performance share unit award based on actual results for the year of termination due to death or disability, and, if applicable (depending upon each officer s individual restricted stock or restricted stock unit awards, (if any)), the value of any unvested restricted stock or restricted stock units that may vest upon death or disability. For previously unvested stock options, the value is determined by taking the spread between the closing price of Exelon stock on December 31, 2010, which was $41.64, and the exercise price of each unvested stock option grant, multiplied by the number of unvested options. Under the terms of the LTIP, if an optionee terminates employment due to death or disability, all options vest upon termination. For all performance share units and restricted shares or restricted share units, the value is based on the December 31, 2010 closing price of Exelon stock.

(3) The estimate of total payments and benefits is based on a December 31, 2010 termination date due to death or disability.

Estimated Value of Benefits to be Received Upon Involuntary Separation Not Related to a Change in Control

The following tables show the estimated value of payments and other benefits to be conferred upon the NEOs assuming they were terminated as of December 31, 2010 under the terms of the Amended and Restated Senior Management Severance Plan. These payments and benefits are in addition to the present value of the accumulated benefits from the NEO s qualified and non-qualified pension plans shown in the tables within the Pension Benefit section and the aggregate balance due to each NEO that is shown in the tables within the Nonqualified Deferred Compensation section.

Name	Cash Payment ($)	Retirement Benefit Enhance-ment ($)	Value of Unvested Equity Awards ($)	Health And Welfare Benefit Continuation ($)	Perquisites and Other Benefits ($)	Total Value of All Payments and Benefits ($)
	Note (1)	Note (2)	Note (3)	Note (5)	Note (6)	Note (7)
Rowe	$ 6,423,000	$ 1,595,000	$ 3,080,000	$ 148,000	$ 1,500,000	$ 12,746,000
Hilzinger	1,449,000	78,000	396,000	25,000	40,000	1,988,000
Crane	4,267,000	2,052,000	1,716,000	50,000	40,000	8,125,000
Von Hoene	2,786,000	147,000	651,000	37,000	40,000	3,661,000
O Brien	2,508,000	133,000	613,000	40,000	40,000	3,334,000

(1) The cash payment is composed of payment equal to a specified multiple of the NEO s base salary plus a pro-rated annual incentive award assuming an IPM of 100% and based on the number of days worked in the year of termination. Other than Mr. Rowe, the executives are participants in the Senior Management Severance Plan (SMSP) and severance benefits are determined pursuant to Section 4 of the Severance Plan. Pursuant to Section 7.3(a) of his employment agreement, Mr. Rowe is entitled to a pro-rata portion of the lesser of his (i) actual annual incentive in the year of termination (determined before the application of negative discretion by the board of directors) or (ii) Formula Annual Incentive, based on days worked during the year of termination. Incentive calculations assume an IPM of 100% for the termination year. For all other officers except Messrs. Rowe and Hilzinger, the multiple used for base salary and annual incentive is 2. For Mr. Hilzinger the multiple is 1.5. For Mr. Rowe, the severance benefit is equal to 1.0 times the sum of his (i) current base salary and (ii) Formula Annual Incentive

(2) The retirement benefit enhancement consists of a one-time lump sum payment based on the actuarial present value of a benefit under the non-qualified pension plan assuming that the severance pay period was taken into account for purposes of vesting, and the severance pay constituted covered compensation for purposes of the non-qualified pension plan.

(3) The Value of Unvested Equity Awards includes the sum of previously unvested stock options, previously earned, but unvested performance share units, a pro-rated performance share unit award based on actual results for the year of termination, if termination occurs due to involuntary separation (other than for cause), and, if applicable (depending upon each officer s individual restricted stock or restricted stock unit awards (if any), the value of any unvested restricted stock that may vest upon involuntary separation not related to a change in control. For previously unvested stock options, the value is determined by taking the spread between the closing price of Exelon stock on December 31, 2010, which was $41.64, and the exercise price of each unvested stock option grant, multiplied by the number of unvested options. If an NEO has attained age 50 with 10 or more years of service (or certain deemed service), his or her unvested stock options will vest upon termination of employment because he or she has satisfied the definition of retirement under the LTIP. For all performance shares or restricted shares, the value is based on the December 31, 2010 closing price of Exelon stock.

(4) The value of cash based LTIP awards includes the value of earned and unvested award amounts and unearned award amounts. Pursuant to the ComEd LTIP, participants receive a pro-rated incentive award based on actual results for the year of termination, if termination occurs due to involuntary separation (other than for cause). The SEC rules indicate registrants are to assume the termination occurred on the last

business day of the fiscal year.

(5) Estimated costs of heath care, life insurance, and long-term disability coverage which continue during the severance period.

(6) Estimated costs of outplacement services for 12 months for all NEOs except Mr. Rowe. Pursuant to Section 7.7 of Mr. Rowe s employment agreement, he would receive five years of office and secretarial services (at an assumed cost of $300,000/yr).

(7) The estimate of total payments and benefits is based on a December 31, 2010 termination date.

Estimated Value of Benefits to be Received Upon a Qualifying Termination following a Change in Control

The following tables show the estimated value of payments and other benefits to be conferred upon the NEOs assuming they were terminated upon a qualifying change in control as of December 31, 2010. The company has entered into Change in Control agreements with Messrs. Crane, McLean and O Brien. These payments and benefits are in addition to the present value of accumulated benefits from the NEO s qualified and non-qualified pension plans shown in the tables within the Pension Benefit section and the aggregate balance due to each NEO that is shown in tables within the Nonqualified Deferred Compensation section. Mr. Rowe s employment agreement includes change in control provisions similar to those for the other NEOs. See Potential Payments upon Termination or Change in Control Employment Agreement with Mr. Rowe for additional information.

Name	Cash Payment ($)	Retirement Benefit Enhance-ment ($)	Value of Unvested Equity Awards ($)	Health and Welfare Benefit Continuation ($)	Perquisites and Other Benefits ($)	Modified Gross-up Payment / Scaleback	Total Value of All Payments and Benefits ($)
	Note (1)	Note (2)	Note (3)	Note (5)	Note (6)	Note (7)	Note (8)
Rowe	$ 6,423,000	$ 2,242,000	$ 3,080,000	$ 148,000	$ 1,540,000	Not Required	$ 13,433,000
Hilzinger	1,864,000	104,000	504,000	33,000	40,000	Not Required	2,545,000
Crane	5,430,000	2,848,000	2,144,000	75,000	40,000	Not Required	10,537,000
Von Hoene	3,590,000	220,000	759,000	55,000	40,000	Not Required	4,664,000
O Brien	3,273,000	134,000	613,000	59,000	40,000	Not Required	4,119,000

(1) Cash payment includes a severance payment and the NEO s annual incentive for the year of termination assuming an IPM of 100%. With the exception of Messrs. Rowe and Hilzinger, the severance benefit is equal to 2.99 times the sum of the executive s (i) current base salary and (ii) Severance Incentive. For Mr. Hilzinger, the severance benefit is equal to 2.0 times the sum of his (i) current base salary and (ii) Severance Incentive. Cash payment also includes an additional payment for Denis O Brien of $35,000. For Mr. Rowe, the severance benefit is equal to 1.0 times the sum of his (i) current base salary and (ii) Formula Annual Incentive.

The Severance Incentive is defined as the greater of the (i) target annual incentive for the year of termination and (ii) the average annual incentive paid for the two years prior to the year of termination (i.e., the 2008 and 2009 actual annual incentives).

Mr. Rowe s Formula Annual Incentive is defined as the greater of the (i) the actual annual incentive paid for the latest calendar year ended on or before the termination date, and (ii) the average annual incentive paid for the three years prior to the year of termination (i.e., the 2007, 2008, and 2009 actual annual incentives). For purposes of a Special Termination, the Formula Annual Incentive is defined as the lesser of (i) the greater of the Formula Annual Incentive or the target annual incentive for the year of termination and (ii) the actual annual incentive paid for the latest calendar year ended on or before the termination date (determined before the application of negative discretion by the board of directors). Incentive calculations assume an IPM of 100% for the termination year.

(2) Represents the estimated retirement benefit enhancement.

(3) The Value of Unvested Equity Awards includes the sum of previously unvested stock options, previously earned, but unvested performance share units, a pro-rated performance share unit award based on actual results for the year of termination due to a change in control, and, if applicable (depending upon each officer s individual restricted stock or restricted stock unit awards (if any)), the value of any unvested restricted stock that may vest upon a change in control. For previously unvested stock options, the value is determined by taking the spread between the closing price of Exelon stock on December 31, 2010, which was $41.64, and the exercise price of each unvested stock option grant, multiplied by the number of unvested options. If an NEO has attained age 50 with 10 or more years of service (or certain deemed service), his or her unvested stock options will vest upon termination of employment because he or she has satisfied the definition of retirement under the LTIP. For all performance shares or restricted shares, the value is based on the December 31, 2010 closing price of Exelon stock.

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(4) The value of cash based LTIP awards includes the value of earned and unvested award amounts and unearned award amounts. Pursuant to the ComEd LTIP, participants receive a pro-rated incentive award based on actual results for the year of termination, if termination occurs due to a change in control. The SEC rules indicate registrants are to assume the termination occurred on the last business day of the fiscal year.

(5) Health and welfare benefits (i.e., healthcare, life insurance and long-term disability) are continued during the severance period.

(6) Executives receive outplacement services for up to 12 months. Pursuant to Section 7.7 of Mr. Rowe s employment agreement Mr. Rowe would receive five years of office and secretarial services (at an assumed cost of $300,000/yr.).

(7) In 2009, the compensation committee adopted a policy that no future employment or severance agreements will provide for an excise tax gross-up payment. The SMSP as amended and restated on January 1, 2009 and CIC Employment Agreements that become effective after April 2, 2009 will reduce executives parachute payments to his or her safe harbor in order to avoid the excise tax imposed under Section 4999 of the Internal Revenue Code. Messrs. O Brien, Crane and Von Hoene have grandfathered CIC Employment Agreements, which still entitle these NEOs to an excise tax gross-up payment only if the present value of their parachute payments exceed their safe harbor amount by more than 10%. If their parachute payments do not exceed the amount permitted by the IRS by more than 10%, their payments are reduced to their safe harbor.

Mr. Rowe s Employment Agreement was amended on October 27, 2009 to eliminate his excise tax gross-up protection and provide him with a best after-tax provision pursuant to which the Company will reduce his parachute payments to his safe harbor amount if his after-tax benefits would be higher following such a reduction of payments. If his after-tax benefits would be greater without a reduction of his parachute payments to his safe harbor amount, the Company will not reduce his payments and Mr. Rowe will be responsible for paying the excise tax imposed by Section 4999 of the Internal Revenue Code.

Amounts in this column represent the estimated value of the required excise tax gross-up payment or scaleback, if applicable.

(8) The estimate of total payments and benefits is based on a December 31, 2010 termination date.

Compensation Policies and Practices as they Relate to Risk Management

The compensation committee has considered Exelon s policies and practices of compensating its employees, including non-executive officers, as they relate to risk management practices and risk-taking incentives and believes that such policies and practices are not reasonably likely to have material adverse effect on Exelon. In this regard, the committee considered the following factors:

n The annual and long term incentive programs place limits on incentive compensation plans (200% of target) unlike some uncapped plans utilized by financial institutions;

n Incentive goals are not tailored solely to a revenue-generating conduct;

n The annual incentive program key performance indicators are reviewed in a challenge session by a senior management panel to make sure the goals are fair, reasonable, aligned with the overall business plan and balanced between financial and operational excellence;

n

The annual incentive program contains shareholder protection features that limit payouts on non-earnings components based on earnings performance, and the compensation committee reserves the right to curtail awards if a business unit under-performs;

- Exelon has two long term incentive programs that are linked to shareholder value:
  - Performance share program based on TSR (75% of long term incentive opportunity), and
  - Stock options whose value is linked to increasing the stock price (25% of long term incentive opportunity);
- Exelon s officers are required to own Exelon stock, as described herein under Ownership of Exelon Stock, and performance shares are paid out over a two year period after they are earned;
- The Exelon Long Term Incentive Plan provides that the compensation committee may amend or adjust the performance measures or other terms and conditions of an outstanding award in recognition of unusual or nonrecurring events affecting the company or its financial statements or changes in law or accounting principles;

- The company has a recoupment policy, as described in Compensation Discussion and Analysis; and
- With respect to 2010 compensation programs, the following actions described in Compensation Discussion and Analysis demonstrate accountability and responsibility to shareholders:
  - Salary freeze for executives;
  - Reduction in long-term incentive compensation (lower targets and grants, etc.); and
  - Re-calibration of payout scale for the annual incentive program for 2010 (threshold reduced from 50% to 25% payout, plan reduced from 100% to 50% payout).

Although the foregoing factors address financial risks, the compensation committee also considered that Exelon s policies and practices include measures to make sure that the cost reduction and other goals designed to address financial performance do not present significant operational risk issues for the following reasons:

- For employees and all officers with business unit responsibilities, the annual incentive compensation program includes measures based on business unit operating measures, such as safety and reliability;
- ComEd s annual incentive program does not include earnings goals but only business unit operational and financial measures and cost measures and a net income limiter; ComEd s long term incentive program is based only 25% on total cost goals and 75% on safety, reliability, operational performance, employee engagement and environmental goals;
- Management carefully tracks a variety of safety and reliability metrics on a routine basis to make sure that performance is not adversely affected by such things as cost reduction efforts.

Advisory Votes on Executive Compensation

Proposal 3: Advisory Vote on Executive Compensation

As required by the Dodd-Frank Wall Street Reform and Consumer Protection Act, enacted in July 2010, and SEC rules, the company is providing shareholders with an advisory (non-binding) vote on compensation for our named executive officers as disclosed in this proxy statement in accordance with the compensation disclosure rules of the SEC (sometimes referred to as say on pay). Accordingly, you may vote on the following resolution at the 2011 annual meeting.

RESOLVED, that the company s shareholders approve, on an advisory basis, the compensation of the named executive officers, as disclosed in the company s proxy statement for the 2011 Annual Meeting of Shareholders pursuant to the rules of the SEC, including the Compensation Discussion and Analysis, the 2010 Summary Compensation Table and the other related tables and disclosure.

This vote is nonbinding. The board and the compensation committee, which is composed of independent directors, expect to take into account the outcome of the vote when considering future executive compensation decisions to the extent they can determine the cause or causes of any significant voting results.

As described in detail under the heading Compensation Discussion and Analysis, Exelon s executive compensation programs are designed to motivate and reward senior management to achieve Exelon s vision of being the best group of electric generation and electric and gas delivery companies in the United States, providing superior value for Exelon s customers, employees, investors and the communities Exelon serves. The compensation committee has adopted a pay-for-performance philosophy, which places an emphasis on pay at risk.

After experiencing earnings challenges in 2009, and in anticipation of continuing earnings challenges in 2010, the compensation committee and the board took a number of steps to reduce compensation, notably including freezing executive salaries, recalibrating the annual incentive program payout scale to reduce payouts at threshold and plan performance and enhancing the shareholder protection features of the program, and reducing target values for long-term incentive compensation. Performance during the year was mixed: earnings per share were better than expected, resulting in higher annual incentive program payouts, while total shareholder return was low, resulting in zero payouts of performance share awards. The reductions in compensation for 2010 and the effect of our financial performance on incentive compensation, as well as the positive steps that the compensation committee has taken in recent years to implement best practices in executive compensation, are summarized in the Executive Summary to Compensation Discussion and Analysis at pages 34 to 70 of this proxy statement. We encourage you to review the Compensation Discussion and Analysis and the accompanying compensation tables and believe that you will find the disclosures demonstrate that in 2010 Exelon s compensation achieved our goal of providing pay for performance.

The board of directors unanimously recommends a vote FOR

the approval of the compensation of our named executive officers,

as disclosed in the proxy statement.

Proposal 4: Advisory Vote on the Frequency of an Advisory Vote on Executive Compensation

The Dodd-Frank Wall Street Reform and Consumer Protection Act and SEC rules also provide that shareholders be given the opportunity to cast an advisory (non-binding) vote on how often the company should include an advisory vote on executive compensation in its proxy materials for future annual shareholder meetings. Under this Proposal No. 4, shareholders may vote to have the say-on-pay vote every year, every two years, or every three years, or shareholders may abstain from voting on this proposal.

Our board of directors has determined that an annual advisory vote on executive compensation is the appropriate alternative for Exelon. Exelon values the direct input it receives from shareholders on executive compensation and other matters. An annual advisory vote on executive compensation is consistent with our policy of seeking input from and engaging in discussions with our shareholders on corporate governance matters and our executive compensation philosophy, policies and practices. Given the large number of Exelon shareholders, we are unable to receive direct feedback from each of our shareholders. We believe that an annual advisory vote on the compensation of our named executive officers will allow all of our shareholders to provide us with their general input on our compensation philosophy, policies and practices while we continue to seek direct input from shareholders through other means. Although some of our shareholders may prefer a three-year interval for the advisory vote on executive compensation, we believe that a majority of our shareholders will prefer a one-year interval for this advisory vote. Our board of directors therefore recommends that you vote for a one-year interval for the advisory vote on executive compensation.

The proxy card provides shareholders with the opportunity to choose among four options (holding the vote every year, every two years or every three years, or abstaining) and, therefore, shareholders will not be voting to approve or disapprove the board s recommendation.

The option on the frequency of the advisory vote on the compensation of our named executive officers that receives the most votes from shareholders will be considered by the board and the compensation committee as the shareholders recommendation as to the frequency of future advisory votes on our compensation philosophy, policies and practices. However, the outcome of this advisory vote on the frequency of the advisory vote on the compensation of our named executive officers is not binding on us or our board. Nevertheless, our board will review and consider the outcome of this vote when making determinations as to when the advisory vote on the compensation of our named executive officers will again be submitted to shareholders for approval at an annual meeting of shareholders within the next three years.

The board of directors recommends a vote for the option of

ONE YEAR as the preferred frequency for future

advisory votes on executive compensation.

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 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.

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