EXELON CORP
Form DEF 14A
March 21, 2018
Table of Contents

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

SCHEDULE 14A

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

Filed by the Registrant Filed by a Party other than the Registrant

CHECK THE APPROPRIATE BOX:

Preliminary Proxy Statement
Confidential, For Use of the Commission Only (as permitted by Rule 14a-6(e)(2))
Definitive Proxy Statement
Definitive Additional Materials
Soliciting Material Under Rule 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):

No fee required.

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

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3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):
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1) Amount previously paid:
2) Form, Schedule or Registration Statement No.:
3) Filing Party:
4) Date Filed:

Table of Contents

NOTICE OF THE ANNUAL MEETING AND 2018 PROXY STATEMENT

Table of Contents

Exelon's Purpose:
Powering a cleaner and brighter future
for our customers and communities

We are collaborating with national labs, leading universities, start-ups, venture funds and corporations in the development of new technologies to transform the way we produce and use energy.
We will continue to advocate for the economic and environmental health of our communities.

Photo Credit: National Labs

Exelon, our family of companies, the Exelon Foundation and our employees set an Exelon record in corporate philanthropy and volunteerism, committing **more than $52 million to nonprofits and volunteering 210,000 hours.**

In 2017, we were named to the Dow Jones Sustainability Index **for the 12th consecutive year.**

Table of Contents

Notice of the Annual Meeting of Shareholders and 2018 Proxy Statement

March 21, 2018

Logistics

When
Tuesday, May 1, 2018,
at 9:00 a.m. Eastern Time

Where
Offices of Pepco Holdings LLC located at 701 Ninth Street, NW, Washington, D.C.

Who Can Vote
Holders of Exelon common stock as of 5:00 p.m. Eastern Time on March 2, 2018 are entitled to receive notice of the annual meeting and vote at the meeting

Items of Business

		Board Recommendation	Page
1	Elect 12 Director nominees named in the proxy statement	**FOR** each Director nominee	12
2	Ratify appointment of PricewaterhouseCoopers LLP as Exelon's independent auditor for 2018	**FOR**	41
3	Say on pay: advisory vote on the compensation of named executive officers	**FOR**	44

Shareholders will also conduct any other business properly presented before the meeting.

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 will vote such matters in the best interest of all shareholders. Your signed proxy card gives this authority to Thomas S. O'Neill and Carter C. Culver.

Advance Voting (before 11:59 p.m. Eastern Time on April 30, 2018)

Use the internet at
www.proxyvote.com
24 hours a day

Call toll-free
1-800-690-6903

Mark, date, sign and mail your proxy card in the postage-paid envelope provided

Date of Mailing: On or about March 21, 2018, these proxy materials and our annual report are being mailed or made available to shareholders.

Shareholders of Record: As of March 2, 2018, there were 964,986,919 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.

Thomas S. O'Neill
Senior Vice President,
General Counsel and Corporate Secretary

IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS FOR THE SHAREHOLDER MEETING TO BE HELD ON MAY 1, 2018

The Notice of 2018 Annual Meeting, Proxy Statement, and 2017 Annual Report and the means to vote by Internet are available at www.proxyvote.com.

Table of Contents

Table of Contents

Cautionary Statements Regarding Forward-Looking Information

This proxy statement contains certain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 that are subject to risks and uncertainties. The factors that could cause actual results to differ materially from the forward-looking statements made by Exelon Corporation include those factors discussed herein, as well as the items discussed in (1) Exelon's 2017 Annual Report on Form 10-K in (a) ITEM 1A. Risk Factors, (b) ITEM 7. Management's Discussion and Analysis of Financial Condition and Results of Operations and (c) ITEM 8. Financial Statements and Supplementary Data: Note 24 and (2) other factors discussed in filings with the SEC by Exelon. Readers are cautioned not to place undue reliance on these forward-looking statements, which apply only as of the date of this proxy statement. Exelon does not undertake any obligation to publicly release any revision to its forward-looking statements to reflect events or circumstances after the date of this proxy statement.

Table of Contents

Proxy Statement Summary

This summary highlights selected information about the items to be voted on at the annual meeting of shareholders. This summary does not contain all of the information that you should consider in deciding how to vote. Please read the entire proxy statement before voting.

Exelon is America's Leading Energy Provider

We are a FORTUNE 100 company that works in key facets of the power business: power generation, competitive energy sales, transmission and delivery. As the nation's leading competitive power provider, Exelon does business in 48 states, D.C., and Canada and had 2017 revenues of $33.5 billion. We employ approximately 34,000 people nationwide.

The Exelon Family of Companies

Generation
Exelon is the largest competitive U.S. power generator, with more than 35,500 megawatts of nuclear, gas, wind, solar and hydroelectric generating capacity comprising one of the nation's cleanest and lowest-cost power generation fleets.

Energy Sales & Service
The Company's Constellation business unit provides energy products and services to approximately 2 million residential, public sector and business customers, including more than two-thirds of the Fortune 100.

Transmission & Delivery
Exelon's six utilities deliver electricity and natural gas to approximately 10 million customers in Delaware, the District of Columbia, Illinois, Maryland, New Jersey and Pennsylvania through its Delmarva Power, Pepco, ComEd, BGE, Atlantic City Electric and PECO subsidiaries.

Learn more at www.exeloncorp.com

Our Strategy

As the energy industry undergoes rapid changes, Exelon is executing a strategy to grow and diversify the Company. We're making targeted investments in our core markets and promising technologies with the potential to reshape the energy landscape.

The Exelon Strategic Plan

Grow our Regulated Utilities Business to benefit customers and provide earnings stability to our investors.

Focus on Cash Flow to support utility growth while reducing debt.

Optimize Exelon Generation value by seeking fair compensation for the zero-carbon attributes of our fleet, closing uneconomic plants, monetizing assets and maximizing the value of our fleet through our generation to load matching strategy.

Retain a Strong Balance Sheet with all businesses meeting investment grade metrics through the 2021 planning horizon.

Return Cash to Shareholders and meet Capital Allocation Priorities with 5% dividend growth annually through 2020[1] while prioritizing organic utility growth, debt reduction and modest contracted generation investments.

(1) Quarterly dividends are subject to declaration by the Board of Directors.

Learn more at http://www.exeloncorp.com/company/business-strategy

Table of Contents

2017 Performance Highlights

"2017 was a great year for Exelon as our utilities delivered excellent performance in reliability and customer service, and our nuclear generation fleet produced the most power on record, all thanks to the great work of our people, who also set Company records for volunteerism and charitable giving."

Christopher Crane, CEO

Strong Financial and Operational Performance

- Achieved 2017 GAAP earnings per share (EPS) of $3.97 and adjusted (non-GAAP) operating EPS of $2.60 (see Appendix at A-1 for reconciliation)
- Results would have been $2.73 absent the deferral of 9 cents in Illinois zero emissions credits (ZEC) revenues given the Illinois Power Agency's decision to delay the ZEC procurement by one month into 2018, and a 4 cent impairment due to an unexpected Federal Energy Regulatory Commission (FERC) decision regarding utility transmission formula rate mechanisms
- Deployed targeted level of capital of $5.3 billion into our utilities to improve reliability, replace aging infrastructure, and enhance customer experience
- Announced commitment to lower costs by $250 million on an annual run-rate basis by 2020
- Increased the annual dividend growth rate to 5% from 2.5% for 2018 through 2020, effective in the first quarter of 2018
- Utilities performed largely at first quartile levels with especially strong results across key metrics:
- Baltimore Gas and Electric Company (BGE), Commonwealth Edison Company (ComEd) and PECO Energy Company (PECO) achieved first decile performance in the System Average Interruption Frequency Index (SAIFI)
- BGE and ComEd achieved first decile performance in the Customer Average Interruption Duration Index (CAIDI)
- Pepco Holdings, LLC (PHI) achieved best ever performance on SAIFI and CAIDI
- Completed the acquisition of the James A. FitzPatrick nuclear power plant in New York, preserving nearly 600 jobs
- Successfully executed PHI merger commitments to improve performance and reliability for our customers
- Continued total shareholder return (TSR) outperformance relative to the PHLX Utility Sector Index (UTY) in 2017
- Building on Exelon's 2016 TSR of 32.8%, we continued to deliver strong TSR performance of 15.1% in 2017, outperforming the UTY by 2.3 percentage points. For the three years beginning with 2015, Exelon trailed the UTY index by 4.9 percentage points driven by Exelon's 2015 TSR of negative 22.1%

Regulatory & Policy

- Successful dismissal of legal challenges of New York and Illinois ZEC programs in federal district courts; appeals process is ongoing
- FERC recognized need to better understand power system resilience. Created "Grid Resilience in Regional Transmission Organizations and Independent System Operators" order to seek input from regional transmission organizations (RTOs) on how market rules may need to be changed
- Completed 11 distribution and 6 transmission rate cases with regulatory authorities, increasing annual revenue and rate base by an expected combined $396 million

Employees & Community

- 2017 awards and recognitions include: Billion Dollar Roundtable, Civic 50, Top 50 Companies for Diversity, Best Places to Work in 2017, CEO Action for Diversity & Inclusion, and UN's HeForShe
- Exelon and our employees set a new record in corporate philanthropy and volunteerism, committing over $52 million in giving and volunteering 210,000 hours
- Recognized by Dow Jones Sustainability Index for 12th consecutive year and by NewsWeek Green rankings for 9th consecutive year
- 2,200 employees, contractors and support personnel from Exelon's six utilities mobilized to assist residents in the southeastern U.S. impacted by Hurricane Irma

Exelon 2017 Summary Annual Report

Learn more about Exelon from our 2017 Summary Annual Report at www.exeloncorp.com

Table of Contents

Proxy Statement Summary

Matters for Shareholder Voting

We are asking our shareholders to vote on the following matters:

Proposal 1
Election of Directors

The Board of Directors recommends a vote **FOR** each of the 12 Director nominees named in this proxy statement.

- The Board is composed of a diverse set of deeply talented and highly experienced professionals.
- Director skills and attributes comprise effective oversight abilities over Exelon's strategic goals and business performance.
- Exelon had a strong 2017 financially and operationally.
- Exelon's operational excellence and commitments to environmental stewardship inform our business conduct in a way that is sustainable for our customers, employees, and the communities we serve.
- For more information about the nominees' qualifications, skills, and experiences, please see pages 15-26.

DIRECTOR NOMINEES

Name and Age	Director Since	Exelon Committees	Other Current Public Company Boards
ANTHONY K. ANDERSON, 62 Retired Vice Chair and Midwest Area Managing Partner of Ernst & Young Independent	2013	Audit (Chair) Finance and Risk Generation Oversight	3
ANN C. BERZIN, 66 Former Chairman and Chief Executive Officer of Financial Guaranty Insurance Company Independent	2012	Audit Finance and Risk	1
CHRISTOPHER M. CRANE, 59 President and Chief Executive Officer of Exelon Corporation	2012	Finance and Risk Generation Oversight Investment Oversight	0
YVES C. DE BALMANN, 71 Former Co-Chairman of Bregal Investments LP Independent	2012	Compensation and Leadership Development (Chair) Corporate Governance Finance and Risk	1
NICHOLAS DEBENEDICTIS, 72 Chairman Emeritus, Aqua America Inc. Independent	2002	Corporate Governance Finance and Risk Generation Oversight	3
LINDA P. JOJO, 52 Executive Vice President, Technology and Chief Digital Officer of United Continental Holdings, Inc. Independent	2015	Compensation and Leadership Development Finance and Risk	0
PAUL L. JOSKOW, Ph. D., 70 Professor of Economics Emeritus, Massachusetts Institute of Technology and President Emeritus of the Alfred P. Sloan Foundation Independent	2007	Audit Finance and Risk Investment Oversight	0
ROBERT J. LAWLESS, 71 Former Chairman of the Board of McCormick & Company, Inc. Independent	2012	Corporate Governance (Chair) Compensation and Leadership Development Finance and Risk	0
RICHARD W. MIES, 73 Retired Admiral, U.S. Navy and President and Chief Executive Officer of The Mies Group, Ltd. Independent	2009	Generation Oversight (Chair) Audit Finance and Risk	1
JOHN W. ROGERS, JR., 59 Chairman and Chief Executive Officer of Ariel Investments, LLC Independent	2000	Investment Oversight (Chair) Corporate Governance	1

MAYO A. SHATTUCK III, 63 Chairman of the Board Former Chairman, President and Chief Executive Officer of Constellation Energy Independent	2012	Finance and Risk Generation Oversight Investment Oversight	3
STEPHEN D. STEINOUR, 59 Chairman, President and Chief Executive Officer of Huntington Bancshares Incorporated Independent	2007	Finance and Risk (Chair) Audit	2

Table of Contents

Proxy Statement Summary

SUMMARY OF INDIVIDUAL DIRECTOR PRIMARY SKILLS, CORE COMPETENCIES AND ATTRIBUTES

The following matrix identifies the **primary** skills, core competencies and other attributes that each independent Director brings to bear in their service to Exelon's Board and Committees. Each Director possesses numerous other skills and competencies not identified below. We believe identifying primary skills is a more meaningful presentation of the key contributions and value that each independent Director brings to their service on the Board and to Exelon shareholders. See page 13 for more details.

Accounting and financial reporting experience

Corporate finance and capital management experience

CEO/executive management leadership skills

Human resource management and executive compensation knowledge and experience

Innovation and technology experience

Safety and security (including physical and cyber) competencies

Industry experience and knowledge of Exelon's business

Government/public policy and regulatory insights

Risk oversight and risk management experience

Investor relations and investment management experience

Manufacturing, construction, engineering, and performance management experience

Diverse attributes

DIVERSITY, TENURE, AGE AND INDEPENDENCE

Directors' Race/Ethnicity	Directors' Gender	Directors' Average Tenure	Directors' Average Age	Directors' Independence
17%	17%	8.6	65	92%
Diverse	**Female**	**Years**	**Years**	**Independent, including our Chairman**

Table of Contents

Proxy Statement Summary

Governance Highlights

Exelon's Board is committed to maintaining the highest standards of corporate governance. We believe our strong corporate governance practices help us achieve our performance goals and maintain the trust and confidence of our shareholders, employees, customers, regulatory agencies and other stakeholders. A summary of our corporate governance practices are described below and more detail is presented on pages 27-37 and in our Corporate Governance Principles, which are available on the Exelon website at www.exeloncorp.com on the Governance page located under the Investors tab.

Board Accountability & Shareholder Rights

Directors are elected annually by a majority of votes cast in uncontested elections. The average level of vote support for Directors in 2017 was 97%.

Regular and ongoing shareholder engagement informs Board and Committee decisions on governance, compensation, and other matters.

Eligible shareholders may nominate Directors through Exelon's "proxy access" bylaws.

Oversight of Risk Management

The Board regularly reviews management's systematic approach to identifying and assessing risks faced by Exelon and each business unit taking into account emerging trends and developments and in connection with capital investments and business opportunities.

Our Board's Finance and Risk Committee oversees Exelon's risk management strategy, policies and practices, financial condition and risk exposures.

Governance Practices

Our Board and each of the Board's six Committees review their performance and effectiveness as a group on an annual basis. In addition, individual Directors undergo a periodic performance assessment that includes input from peers and select members of executive management.

Continuing director education is provided during Board and Committee meetings and the Company encourages Director participation in externally offered director development opportunities.

Independent Directors meet regularly in executive sessions without management.

Robust stock ownership guidelines require Directors to hold at least 15,000 shares of Exelon common stock within five years after joining the Board; the CEO to hold shares valued at 6X his base salary, and Executive Vice Presidents and higher level officers to hold shares valued at 3X base salary. Hedging, pledging, and short sales are prohibited.

Directors may not stand for election after age 75.

Directors should not serve on the boards of more than four other public companies in addition to Exelon and its subsidiaries and any Director who serves as the CEO of a public company should not serve on more than two other public company boards in addition to Exelon.

Political activities and contributions are transparent through annual reporting provided on www.exeloncorp.com

Purpose and Principles

In 2017, we set out to articulate our purpose as a Company—how and why we exist. Thousands of employees from across the Company provided input, and the result is a bold affirmation of our reason for being. It also gives us a renewed focus on the impact we have in the communities where we work and live. Each day we are working to power people's lives, to make them brighter and to build a better future. Our principles serve as our guide.

Purpose **Powering a cleaner and brighter future for our customers and communities.**

We put customer needs at the center of all we do by fueling innovation to improve the delivery of clean and affordable energy and services.

We practice the highest level of safety and security to reliably deliver energy to our customers and communities.

Our workforce is the foundation of our success. We succeed as a team of diverse individuals; respected, engaged and inspired to shape our nation's energy future.

We return our success to the communities we are privileged to serve.

Principles We adhere to the highest standards–ethically and with uncompromising integrity–to drive value for our customers and shareholders.

Table of Contents

Proposal 2
Ratify Appointment of PricewaterhouseCoopers LLP as independent auditor for 2018

The Board of Directors recommends a vote **FOR** the ratification of the appointment of PricewaterhouseCoopers LLP (PwC) as Exelon's independent auditor for 2018. The Board and Audit Committee believe the retention of PwC is in the best interests of Exelon and its shareholders based on the information presented in detail beginning on page 41.

Proposal 3
Say on Pay: Advisory Vote on the Compensation of the Named Executives

The Board of Directors recommends a vote **FOR** this proposal based on the efforts of the Compensation and Leadership Development Committee and Board to design an executive compensation program that:

- Aligns the interests of Exelon executives with Company shareholders
- Provides market-aligned pay opportunities that foster the attraction, motivation, engagement, and retention of key talent needed to drive outstanding Company performance and customer service and long-term shareholder value
- Reflects the input received from shareholders on our executive compensation program

Although the vote on this proposal is non-binding, the Board and Compensation and Leadership Development Committee take vote results into consideration when evaluating Exelon s executive compensation program on an ongoing basis.

Details about our executive compensation program are provided at pages 45-61.

2017 Executive Compensation Highlights

Strong CEO Pay for Performance Closely Aligned to Total Shareholder Return (TSR)

From 2013 through 2017, CEO pay decreased at an annualized rate of 2.9% from $17.2M to $14.9M, while Exelon's TSR increased at an annualized rate of 10.6%. See more details at page 48.

2017 Say-on-Pay Vote Outcome and Shareholder Engagement

Exelon's 2017 Say-on-Pay vote received the affirmative support of 86% of votes cast. To gain this level of support, Exelon engaged in discussions with holders of nearly 45% of our outstanding shares representing almost two-thirds of the Company's institutional investors to discuss proposed changes and gather input. The Exelon team, which included the Chair of the Compensation and Leadership Development Committee for some of the discussions, sought input from portfolio managers and governance professionals representing very large institutional money managers as well as smaller investment and public pension funds to ensure that the input received represented a significant cross-section of our shareholder base.

Table of Contents

2017 Compensation Program

The goal of our executive compensation program is to retain and reward leaders who create long-term value for our shareholders by delivering on objectives that support the Company's long-term strategic plan.

To meet this goal, the majority of compensation paid to our named executive officers (NEOs) is tied to the achievement of short-and long-term financial and operational goals. Additionally, a significant portion is paid in the form of equity and all components except for salary are "at-risk."

The elements of our 2017 program were as follows:

AVERAGE NEO (INCLUDING CEO) TARGET COMPENSATION MIX

Strong Compensation Governance

What We Do

- Pay for performance
- Significant stock ownership requirements for Directors and executive officers
- Mitigate undue risk in compensation programs
- Require double-trigger for change-in-control benefits
- Retain an independent compensation consultant
- Provide limited, modest perquisites based on sound business rationale
- Seek shareholder feedback on executive compensation
- Prohibit hedging transactions, short sales, derivative transactions or pledging of Company stock
- Require executive officers to trade through 10b5-1 trading plans or obtain pre-approval before trading Exelon stock
- Annually assess our programs against peer companies and best practices
- Include appropriate level of stretch in incentive targets based on industry performance and/or Exelon's business plan
- Clawback provisions

What We Don't Do

- No guaranteed minimum payout of AIP or LTIP programs
- No employment agreements
- No excise tax gross-ups for change-in-control agreements
- No dividend-equivalents on PShares
- No inclusion of the value of LTIP awards in pension or severance calculations
- No additional credited service under supplemental pension plans since 2004
- No option re-pricing or buyouts

For a detailed discussion of our executive compensation program, please see page 45.

Table of Contents

Board and Corporate Governance Matters

Proposal 1: Election of Directors

The Corporate Governance Committee collaborates with Exelon's Board Chair to determine the appropriate mix of skills and characteristics that our Board requires. The Board has determined that the current composition and size of the Board is appropriate for Exelon, considering the Company's size, geographic scope, and need to access a wide range of views and backgrounds to reflect the diversity and complexity of our business and the markets we serve. There are 12 nominees for Director at the 2018 annual meeting.

The Board of Directors unanimously recommends a vote "FOR" each of the Director nominees.

The Exelon Board of Directors

Director Qualifications and Nomination

Effective oversight of Exelon's strategic direction requires our Board to be composed of diverse individuals who possess attributes and core competencies important to the oversight of our Company. The Corporate Governance Committee identifies and recommends Director nominees for election to the Board and periodically also retains a board search firm to assist with the identification of potential candidates.

The Board values the diversity of thought that arises from Directors possessing different backgrounds, gender, age, race, and geographic experiences. The Board also deeply values the enhanced and thoughtful deliberations resulting from a balance of short- and long-tenured Directors that provides a mix of fresh perspectives and new ideas with deep and important utility and regulated industry and business cycle experiences.

The Corporate Governance Committee and the full Board determine the appropriate mix of skills and characteristics required to best fill the needs of the Board taking into account the short- and long-term strategies of the Company to determine the current and future skills and experiences required of the Board. All candidates should demonstrate the following attributes to qualify for Board service:

- Highest personal and professional ethics, integrity and values;
- An inquiring and independent mind, practical wisdom and mature judgment;
- Broad training and experience at the policy-making level in business, government, education or technology;
- Expertise that is useful to the enterprise and complementary to the background and experience of other Directors;
- Willingness to remain current with industry and other developments relevant to Exelon's strategic direction;
- Willingness to devote the required amount of time to carrying out the duties and responsibilities of Board membership and a commitment to serve over a period of years to develop knowledge about Exelon's principal operations;
- A commitment to representing the long-term interests of shareholders, customers, employees and communities served by the Company and its subsidiaries; and
- Involvement only in activities or interests that do not conflict with responsibilities to Exelon and its shareholders.

Table of Contents

In addition, the Board as a whole should reflect core competencies in the following areas. Summarized below is a description of why each core competency is important for service on Exelon's Board.

Description of Skills, Core Competencies and Attributes

Accounting and financial reporting experience is important to Exelon's use of broad financial metrics used to accurately and transparently measure and report operating performance and assess financial merits of strategic opportunities.

Corporate finance and capital management experience is important to effectively oversee the financial affairs of Exelon's operations.

CEO/executive management leadership skills are important to gain a practical understanding of organizations and drivers of individual growth and development.

Human Resource management and executive compensation knowledge and experience help Exelon recruit, retain, and develop key talent essential to Company operations.

Innovation and Technology experience is important in overseeing Exelon's business in the rapidly changing energy markets, and physical and cyber threats against the security of our operations, assets, and systems.

Safety and security (including physical and cyber) competencies are critical to oversee safe and secure nuclear operations, power grids, and our other assets.

Industry experience and knowledge of Exelon's businesshelp inform our views on energy markets and economics, technology, nuclear power, renewable energy, electric and gas transmission and distribution and the public policy and public safety implications of these aspects.

Government/Public Policy and Regulatory insights are important to help shape public policy initiatives and government regulation.

Risk Oversight and Risk Management experience inform Exelon's enterprise risk management of key risks with potential to impact public safety and shareholder value including its environmental impacts.

Investor Relations and Investment Management experience ensures strong alignment with investors and inform decision making on value-adding initiatives.

Manufacturing, construction, engineering, and performance management experience inform Exelon's ongoing commitment to maintaining and strengthening the reliability of the electric and gas transmission and distribution systems, smart grid and generation portfolio and assets.

Diverse attributes reflect the Company's commitment to diversity and inclusion through age, ethnicity, gender, race and sexual orientation.

Table of Contents

Director Nominees

The Board nominates the 12 candidates named below for re-election as Directors. If elected by shareholders, each Director will serve a term ending with the 2019 annual meeting. Each nominee 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 at the annual meeting, 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.

Nancy Gioia announced her decision to not stand for election at the 2018 annual shareholders meeting. The Board wishes to acknowledge Ms. Gioia's service and dedication to Exelon.

The Corporate Governance Committee and the Board believe the skills and experiences listed above are well represented among the Director nominees.

The Committee and Board also believe the nominees represent an effective mix of backgrounds, experience and diversity.

KEY BOARD FACTS

17%
Diversity of Race/Ethnicity
17%
Female

92%
Independent, including our Chairman

65 years
Average age
8.6 years
Average Tenure

The Corporate Governance Committee also considers whether each nominee has the time available, in light of other business and personal commitments. Among the criteria considered is whether any incumbent Director nominee demonstrates preparedness and engagement required for effective service to the Board and its Committees. The Board has adopted limits on other board memberships providing that Directors who serve as the CEO of a public company should not serve on more than two other public company boards in addition to Exelon and its subsidiary boards. Other Directors should not serve on the boards of more than four other public companies in addition to the Exelon Board and its subsidiary boards.

In connection with the nomination of Stephen Steinour, the Corporate Governance Committee considered Mr. Steinour's consistently demonstrated preparedness, engagement, and attention to Exelon Board stewardship and his vigorous leadership of the Finance and Risk Committee.

Table of Contents

Anthony K. Anderson

Age: 62

Director since: 2013

Committee Memberships:

- Audit (Chair)
- Finance and Risk
- Generation Oversight

Career Highlights

Mr. Anderson served as the Vice Chair and Midwest Area Managing Partner of Ernst & Young (EY), a global assurance, tax, transaction and advisory services firm, until his retirement in 2012. During Mr. Anderson's 35-year career with EY, he oversaw a practice of 3,500 audit, tax, and transaction professionals serving clients throughout the Midwest and also served for six years in the Los Angeles area as managing partner of EY's Pacific Southwest region. Mr. Anderson also served as a member of EY's governing body, the Americas Executive Board.

Board Service

Mr. Anderson currently serves as a director of AAR Corp. (aerospace and defense), Avery Dennison (manufacturer of adhesive technologies, display graphics and packaging materials), and Marsh & McLennan Companies (global professional services firm). He is also a director of the Regional Transportation Authority (oversight body for regional transportation agencies), chairman of the board of the Perspectives Charter School, and on the board of directors for World Business Chicago.

Mr. Anderson previously served as a director of First American Financial Corporation from 2012 to 2016 and the Federal Reserve Bank of Chicago from 2008 to 2010. Mr. Anderson also previously served as a director of The Chicago Council on Global Affairs and as a director of the Chicago Urban League.

Primary Skills, Core Competencies and Attributes

Mr. Anderson's experience as the vice chair of a global professional services firm and his training and experience as an audit partner and certified public accountant enhance his contribution to the Exelon Board and add value to his leadership of the Audit Committee and service on the Finance and Risk Committee.

Accounting and financial reporting experience	Corporate finance and capital management experience	CEO/executive management leadership skills
Human resource management and executive compensation knowledge	Risk oversight and risk management experience	

Table of Contents

Ann C. Berzin

Age: 66

Director since: 2012

Committee Memberships:

Audit

Finance and Risk

Career Highlights

Ms. Berzin served as Chairman and Chief Executive Officer of Financial Guaranty Insurance Company (FGIC), an insurer of municipal bonds, asset-backed securities and structured finance obligations, from 1992 to 2001. Ms. Berzin joined FGIC in 1985 as its General Counsel following seven years of securities law practice in New York City.

Board Service

Ms. Berzin currently serves as a director of Ingersoll-Rand plc (industrial manufacturing). Ms. Berzin previously served as a director of Kindred Healthcare, Inc. from 2006 to 2012 and as a director of Constellation Energy Group from 2008 to 2012 when Constellation merged with Exelon.

Ms. Berzin also serves on the board of Baltimore Gas and Electric Company, an Exelon subsidiary.

Primary Skills, Core Competencies and Attributes

Ms. Berzin has broad business and executive leadership experience, as well as expertise in the financial services sector, which is particularly valuable for her service on the Audit and Finance and Risk Committees.

Accounting and financial reporting experience	Corporate finance and capital management experience	CEO/executive management leadership skills	Risk oversight and risk management experience
Investor relations and investment management experience			

Table of Contents

Christopher M. Crane

Age: 59

Director since: 2012

Committee Memberships:

- Finance and Risk
- Generation Oversight
- Investment Oversight

Career Highlights

Mr. Crane is President and Chief Executive Officer of Exelon Corporation. Previously, he served as President and Chief Operating Officer of Exelon and Exelon Generation from 2008 to 2012. In that role, he oversaw one of the U.S. industry's largest portfolios of electric generating capacity, with a multi-regional reach and the nation's largest fleet of nuclear power plants. He directed a broad range of activities including major acquisitions, transmission strategy, cost management initiatives, major capital programs, generation asset optimization and generation development. Mr. Crane is one of the leading executives in the electric utility and power industries.

Board Service

Mr. Crane is vice-chairman and a member of the executive committee of the Edison Electric Institute. He also serves as vice-chairman of the Institute of Nuclear Power Operations, the industry organization promoting the highest levels of safety and reliability in nuclear plant operation.

Mr. Crane previously served as vice chairman of the Nuclear Energy Institute, the nation's nuclear industry trade association. Mr. Crane served as a director of Aleris International Inc. from 2010 to 2013.

Mr. Crane also serves as Chair of the boards of directors of Exelon subsidiaries Baltimore Gas and Electric Company, Commonwealth Edison Company, PECO Energy Company, and Pepco Holdings LLC.

Primary Skills, Core Competencies and Attributes

In his role, Mr. Crane oversees a family of companies representing every stage of the energy business, including Exelon Generation, one of the largest, cleanest, and lowest-cost power generation fleets in the country. Mr. Crane also oversees Exelon's six utilities, which deliver electricity and natural gas to approximately 10 million customers in Delaware, the District of Columbia, Illinois, Maryland, New Jersey, and Pennsylvania.

Accounting and financial reporting experience	Corporate finance and capital management experience	CEO/executive management leadership skills	Human resource management and executive compensation knowledge
Innovation and technology experience	Safety and Security (including physical and cyber)	Industry experience and knowledge of Exelon's business	Government/ public policy and regulatory insights
Risk oversight and risk management experience	Investor relations and investment management experience	Manufacturing, construction, engineering, and performance management experience	

Table of Contents

Yves C. de Balmann

Age: 71

Director since: 2012

Committee Memberships:

Compensation and Leadership Development (Chair)

Corporate Governance

Finance and Risk

Career Highlights

Mr. de Balmann served as the Co-Chairman of Bregal Investments LP (private equity investing firm) from 2002 to 2012. Previously, he was Vice-Chairman of Bankers Trust Corporation, in charge of Global Investment Banking, until its merger with Deutsche Bank in 1999 at which time he became Co-Head of Deutsche Bank's Global Investment Bank and Co-Chairman and Co-Chief Executive Officer of Deutsche Banc Alex. Brown from 1999 to 2001. He remained a Senior Advisor to Deutsche Bank AG from 2001 to 2003.

Board Service

Mr. de Balmann currently serves as a director of ESI Group (virtual prototyping software and services) which is listed in compartment B of Euronext Paris. Previously, Mr. de Balmann served as a director of Laureate Education, Inc. and as the non-executive chairman of Conversant Intellectual Property Management. Mr. de Balmann also served as a director of Constellation Energy Group from 2003 to 2012 when Constellation merged with Exelon.

Primary Skills, Core Competencies and Attributes

Mr. de Balmann has extensive experience in corporate finance, including the derivatives and capital markets as well as industry experience as a director of Constellation Energy Group from 2003 to 2012. His background leading major organizations informs his leadership of the Compensation and Leadership Development Committee.

Corporate finance and capital management experience Investor relations and investment management experience	CEO/executive management leadership skills	Human resource management and executive compensation knowledge	Risk oversight and risk management experience

Table of Contents

Nicholas DeBenedictis

Age: 72

Director since: 2002

Committee Memberships:

- Corporate Governance
- Finance and Risk
- Generation Oversight

Career Highlights

Mr. DeBenedictis currently serves as Chairman Emeritus of Aqua America Inc. (water utility operating in eight states) and served as its Chairman and Chief Executive Officer from 1993 to 2015. As CEO of Aqua America, Mr. DeBenedictis gained 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: Secretary of the Pennsylvania Department of Environmental Resources and 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.

Board Service

In addition to serving as Chairman Emeritus of Aqua America, Mr. DeBenedictis has served as a director of MISTRAS Group (asset protection solutions) since 2015 and as a director of P.H. Glatfelter, Inc. (global supplier of specialty papers and engineered products) since 1995. Previously, Mr. DeBenedictis served as a director of Met-Pro Corporation from 1997 to 2010.

Mr. DeBenedictis also serves on the boards of Commonwealth Edison Company and PECO Energy Company, which are Exelon subsidiaries.

Primary Skills, Core Competencies and Attributes

As a leader in the greater Philadelphia business community, Mr. DeBenedictis has deep knowledge of the communities and local economies served by PECO. Mr. DeBenedictis' experiences as former CEO of a public company, service on other company boards, former utility executive, familiarity and experience with environmental regulations, and his educational background in environmental engineering and science, all provide valuable perspectives to Exelon's Board, Finance and Risk, Generation Oversight, and Corporate Governance Committees.

Corporate finance and capital management experience Risk oversight and risk management experience	CEO/executive management leadership skills	Industry experience and knowledge of Exelon's business	Government/ public policy and regulatory insights

Table of Contents

Linda P. Jojo

Age: 52

Director since: 2015

Committee Memberships:

Compensation and Leadership Development

Finance and Risk

Career Highlights

Ms. Jojo is Executive Vice President, Technology and Chief Digital Officer of United Continental Holdings, Inc. (commercial airline). She is responsible for the effective implementation and management of technology strategy and solutions supporting United's global business. She has held her current position at United since 2014. Prior to joining United, she served as Executive Vice President and Chief Information Officer for Rogers Communications Inc. from 2011 to 2014 (wireless communication and media company), where she was responsible for all IT systems for both customer facing and business support systems. Prior to this, Ms. Jojo served in other senior officer roles at Energy Future Holdings Corporation (held a portfolio of competitive and regulated energy companies), Flowserve Corporation (suppliers of industrial and environmental machinery), General Electric, and General Electric Silicones.

Board Service

Ms. Jojo serves as vice-chair of the board of trustees of the Adler Planetarium in Chicago, Illinois.

Primary Skills, Core Competencies and Attributes

Ms. Jojo has a wealth of experience leading complex IT organizations and brings important information technology and innovation expertise to Exelon's Board. Ms. Jojo's educational background in computer science and industrial engineering also lend expertise to Exelon's risk oversight areas and cybersecurity initiatives.

Human resource management and executive compensation knowledge Manufacturing, construction, engineering, and performance management experience	Innovation and technology experience	Safety and Security (including physical and cyber)	Industry experience and knowledge of Exelon's business

Table of Contents

Paul L. Joskow, Ph. D.

Age: 70

Director since: 2007

Committee Memberships:

- Audit
- Finance and Risk
- Investment Oversight

Career Highlights

Dr. Joskow is the Elizabeth and James Killian Professor of Economics, Emeritus at the Massachusetts Institute of Technology (MIT). He is also the President Emeritus of the Alfred P. Sloan Foundation, where he served as president for ten years until 2017. Dr. Joskow joined the MIT faculty in 1972. He served as head of the MIT Department of Economics from 1994 to 1998 and as Director of the MIT Center for Energy and Environmental Policy Research from 1999 to 2007. Dr. Joskow's teaching and research has been in the areas of industrial organization, energy and environmental economics, competition policy, and government regulation of industry. Much of his research and consulting activity has focused on the electric power industry, electricity pricing, fuel supply, demand, generating technology, and regulation.

Dr. Joskow has served on the U.S. Environmental Protection Agency's (EPA) Acid Rain Advisory Committee and on the Environmental Economics Committee of the EPA's Science Advisory Board. Dr. Joskow also served on the National Commission on Energy Policy, as a member of the Secretary of Energy Advisory Board, and as chair of the National Academies Board on Science, Technology and Economic Policy. He is a fellow of the American Academy of Arts and Sciences, a fellow of the Econometric Society and a distinguished fellow of the American Economic Association.

Board Service

Dr. Joskow currently serves as a member of the board of trustees of the Putnam Mutual Funds. He previously served as a director of New England Electric System from 1987 to 2000 until it was acquired by National Grid, following which he served as a director of National Grid plc from 2000 to 2007. Dr. Joskow served as a director of TransCanada Corporation from 2004 to 2013.

Primary Skills, Core Competencies and Attributes

Dr. Joskow's extensive background in economics and energy and his experience as a utility director offer a unique set of skills to the Company's Board of Directors.

CEO/executive management leadership skills Investor relations and investment management experience	Industry experience and knowledge of Exelon's business	Government/ public policy and regulatory insights	Innovation and technology experience

Table of Contents

Robert J. Lawless

Age: 71

Director since: 2012

Committee Memberships:

- Corporate Governance (Chair)
- Compensation and Leadership Development
- Finance and Risk

Career Highlights

Mr. Lawless served as Chairman of McCormick & Company, Inc. (food manufacturing industry) from 1997 to 2009, having also served as its President until 2006, and its Chief Executive Officer until his retirement in 2008.

Board Service

Mr. Lawless currently serves as a director of The Baltimore Life Insurance Company (insurance provider). Mr. Lawless previously served as a director of Constellation Energy Group from 2002 to 2012 when Constellation merged with Exelon.

Primary Skills, Core Competencies and Attributes

Mr. Lawless has extensive executive leadership and strategic planning experience. As a former chief executive officer of a public company, he provides critical perspectives on governance and other public company issues that inform his leadership of the Corporate Governance Committee.

Accounting and financial reporting experience Manufacturing, construction, engineering, and performance management experience	CEO/executive management leadership skills	Human resource management and executive compensation knowledge	Investor relations and investment management experience

Table of Contents

Richard W. Mies

Age: 73

Director since: 2009

Committee Memberships:

Generation Oversight (Chair)

Audit

Finance and Risk

Career Highlights

Admiral Mies is President and Chief Executive Officer of The Mies Group, Ltd, a private consulting firm, providing strategic planning and risk assessment advice and assistance to clients on international security, energy, defense, and maritime issues. A graduate of the Naval Academy, he completed a 35-year career as a nuclear submariner in the US Navy. Admiral Mies has a wide range of operational command experience, having served as the senior operational commander of the US Submarine Force, and commander of the U.S. Strategic Command for four years prior to his retirement in 2002. Following his retirement, Admiral Mies served as a Senior Vice President of Science Applications International Corporation (SAIC), a provider of scientific and engineering applications for national security, energy, and the environment, and as President and Chief Executive Officer of Hicks and Associates, Inc., a subsidiary of SAIC from 2002 to 2007.

Board Service

From 2008 to 2010, Admiral Mies served as a director of McDermott International. In 2010, he transitioned to the board of Babcock and Wilcox (B&W), an equipment and technology provider to the energy industry, when that company spun off from McDermott International. Following the split of B&W into Babcock and Wilcox Enterprises and BWX Technologies, Inc. (BWXT), he transitioned to the board of BWXT, a supplier to the nuclear power industry, where he currently serves as a director. He is also a member of the board of governors for Los Alamos National Security, LLC and the board of governors for Lawrence Livermore National Security LLC. Admiral Mies previously served as a director of Mutual of Omaha from 2002 to 2014.

Primary Skills, Core Competencies and Attributes

Admiral Mies' extensive educational background in mechanical engineering and mathematics, and post-graduate studies and degrees in government administration and international relations at Oxford University, the Fletcher School of Law and Diplomacy, and Harvard University contribute to his insights and leadership of the Generation Oversight Committee and his service on the Finance and Risk, and Audit Committees. His deep leadership experience with nuclear power and strategic planning in the Navy and in business and through his experience on the boards of other companies enable his ability to provide thoughtful contributions to the Exelon Board.

CEO/executive management leadership skills Risk oversight and risk management experience	Innovation and technology experience	Safety and Security (including physical and cyber)	Industry experience and knowledge of Exelon's business

Table of Contents

John W. Rogers, Jr.

Age: 59

Director since: 2000

Committee Memberships:

- Investment Oversight (Chair)
- Corporate Governance Committee
- Finance and Risk until April 2017

Career Highlights

Mr. Rogers is the Chairman and CEO of Ariel Investments, LLC, an institutional money management firm that he founded in 1983. Mr. Rogers also serves as trustee of the Ariel Investment Trust.

Board Service

Mr. Rogers has served as a director of McDonald's Corporation (global foodservice retailer) since 2003. He previously served as a director of Aon Corporation from 1993 to 2012; GATX Corporation from 1998 to 2004; Bank One Corporation from 1998 to 2004; and Bally Total Fitness from 2003 to 2006.

Primary Skills, Core Competencies and Attributes

Mr. Rogers' broad experience on the boards of a number of major public corporations doing business in a variety of industries has made him a leader in the Chicago business community with perspectives 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 robust diversity initiatives and community outreach. His success in investment management and the financial markets, and board service at an insurance brokerage and services company, provide him with honed skills and expertise ideal to his leadership of the Investment Oversight Committee and its role in managing Exelon's extensive nuclear decommissioning, pension, and post-retirement benefit trust funds. Mr. Rogers' service on the boards and committees of other companies has provided experience that adds further depth to the Corporate Governance Committee. He was named one of six 2010 Outstanding Directors by the Outstanding Directors Exchange.

Corporate finance and capital management experience Human resource management and executive compensation knowledge	CEO/executive management leadership skills	Government/ public policy and regulatory insights	Investor relations and investment management experience

Table of Contents

Mayo A. Shattuck III

Chairman of the Board

Age: 63

Director since: 2012

Committee Memberships:

Finance and Risk

Generation Oversight

Investment Oversight

Career Highlights

Mr. Shattuck serves as the independent Board Chair of Exelon Corporation. He previously served as Executive Chair of Exelon from 2012 to 2013. Prior to joining Exelon, Mr. Shattuck was the Chairman, President and Chief Executive Officer of Constellation Energy from 2001 until 2012, when Constellation merged with Exelon. Prior to this, Mr. Shattuck was at Deutsche Bank, where he served as Chairman of the Board of Deutsche Bank Alex. Brown and, during his tenure, also served as Global Head of Investment Banking and Global Head of Private Banking. From 1997 to 1999, he served as Vice Chairman of Bankers Trust Corporation, which merged with Deutsche Bank in 1999. From 1991 until 1997, Mr. Shattuck was President and Chief Operating Officer and a Director of Alex. Brown Inc., which merged with Bankers Trust in 1997.

Mr. Shattuck is the past chairman of the Institute of Nuclear Power Operations and was previously a member of the executive committee of the board of Edison Electric Institute. He was also co-chairman of the Center for Strategic & International Studies Commission on Nuclear Policy in the United States.

Board Service

Mr. Shattuck currently serves as a director of Gap Inc. (clothing retailer), Capital One Financial Corporation (commercial banking services), and at Alarm.com Holdings, Inc. (cloud-based security and monitoring services).

Primary Skills, Core Competencies and Attributes

Mr. Shattuck's qualifications to serve as Board Chair include his extensive experience in business, and the energy industry in particular, gained from his service as Constellation Energy's Chief Executive Officer, which enables him to effectively identify strategic priorities and oversee the execution of strategic initiatives. His financial expertise from his years of experience in the financial services industry also brings valuable perspectives to the Board.

Corporate finance and capital management experience Risk oversight and risk management experience	CEO/executive management leadership skills	Human resource management and executive compensation knowledge	Industry experience and knowledge of Exelon's business

Table of Contents

Stephen D. Steinour

Age: 59

Director since: 2007

Committee Memberships:

Finance and Risk (Chair)

Audit

Career Highlights

Mr. Steinour is Chairman, President and Chief Executive Officer of Huntington Bancshares Incorporated, a regional bank-holding company delivering a full suite of commercial and retail banking, investment management, and insurance services across the Midwest. Mr. Steinour joined Huntington in 2009 from CrossHarbor Capital (investment firm) where he served as Managing Partner. Previously, he served as President and CEO of Citizens Financial Group (commercial bank holding company), as Division Executive for Fleet Financial Group (asset management company), and as Executive Vice President at Bank of New England.

Board Service

Since 2014, Mr. Steinour has served as a director of L Brands, Inc. (fashion retailer). Mr. Steinour also serves on the board of directors of the Federal Reserve Bank of Cleveland and is a trustee of The Ohio State University Wexner Medical Center. He is a member of the Financial Services Roundtable and The Columbus Partnership. He is vice chair of the Columbus Downtown Development Corporation and is a member of the Ohio Business Roundtable.

In connection with the nomination of Mr. Steinour, the Corporate Governance Committee considered his consistently demonstrated preparedness, engagement, and attention to Exelon Board stewardship and his vigorous leadership of the Finance and Risk Committee.

Primary Skills, Core Competencies and Attributes

Mr. Steinour's experience leading Huntington Bancshares provides him with a strong background in mergers and acquisitions, including post-merger integration and conversions, business development, creation, and partnerships. His deep banking experience provides market experience important to Exelon Generation and the utility businesses and his experience in credit and risk management, credit and capital markets, enhances his value to the Exelon Board and its Finance and Risk and Audit Committees. Mr. Steinour's educational achievements in the Executive Program in Leadership at Stanford University's Graduate School of Business and economics also provide informed insights. Mr. Steinour was named to the 2016 "Directorship 100" list issued by the National Association of Corporate Directors.

- Accounting and financial reporting experience
- Corporate finance and capital management experience
- CEO/executive management leadership skills
- Risk oversight and risk management experience
- Investor relations and investment management experience

Table of Contents

Director Independence

The Board has determined that all non-employee Directors who served on the Board in 2017 and all nominees for election, except for Mr. Crane, are independent according to applicable law and the listing standards of the New York Stock Exchange (NYSE), as incorporated into the Independence Standards for Directors found in Exelon's Corporate Governance Principles. The Board has also determined that the members of the Audit, Compensation and Leadership Development, and Corporate Governance Committees are independent within the meaning of applicable laws, the listing standards of the NYSE, and the Independence Standards for Directors. Mr. Crane is not considered independent because of his employment as President and Chief Executive Officer of Exelon.

Pursuant to Exelon's related person transactions policy, the Board also takes into account information provided by Directors about business and familial-based relationships with Exelon including other boards on which they may serve and charitable, civic, cultural and professional affiliations. Under the policy, all transactions and relationships are evaluated by Exelon's Office of Corporate Governance, and information is presented to the Corporate Governance Committee and Board for a determination of the materiality of such relationships on independence and for the approval of any related person transactions identified. Details related to all transactions reviewed are provided in the chart below.

When assessing the independence of Director nominees, the Corporate Governance Committee takes into account the impact that tenure may have on the independence of certain longer-tenured incumbent Board nominees. The Board places a high value on the perspectives and contributions that our longer serving Directors provide to Board discussions, having served Exelon during various industry developments and with different management teams over the years. The Board determined that the independence of the longer-tenured Directors has not been diminished by their years of service on the Board. Exelon's longer-tenured Directors continue to thoughtfully challenge management and provide reasoned, balanced, and insightful guidance to senior management and the Board and its decisions.

In January 2018, the Board amended the Corporate Governance Principles and, as part of the amendments, determined that certain categories of relationships do not affect a Director's independence. These Categorical Standards of Independence are set forth in Appendix A-4. The amended Corporate Governance Principles and Categorical Standards of Independence were not applied to the independence determinations made in January 2018, but will be applied in future determinations.

Director	Summary of Relationship
Anthony K. Anderson	Mr. Anderson serves as a director of Avery Dennison, a public company, which purchased power and gas in 2017 from Exelon subsidiary Constellation Energy, based on a competitively bid process.
Ann C. Berzin	Ms. Berzin serves as a director of Ingersoll Rand plc, a public company that provided equipment and services to Exelon Generation. In 2017, Exelon paid Ingersoll Rand approximately $574,000. In addition, Ingersoll Rand purchased power in 2017 from Exelon subsidiary, Constellation Energy, based on a competitively bid process.
Nicholas DeBenedictis	Mr. DeBenedictis serves as the Chairman Emeritus of Aqua America, a public water utility company that supplied water in 2017 to PECO, an Exelon subsidiary, under tariffed utility rates. Aqua America is also a customer of Exelon subsidiaries, PECO, ComEd, and Constellation Energy for which it paid approximately $14.1 million for power and gas at tariffed rates or through a competitively bid process in 2017. Mr. DeBenedictis serves as a director of Independence Blue Cross, a not-for-profit company that received approximately $51.8 million from Exelon in 2017 for health care coverage for Exelon employees. The transaction was the result of a competitively bid process. Mr. DeBenedictis serves as a director of MISTRAS Group, a public company which provides asset protection solutions. Exelon paid that company approximately $1.85 million in 2017. The transaction was the result of a competitively bid process. Mr. DeBenedictis serves on the advisory board of Pennoni Associates, Inc., a company which provides engineering consulting services for which Exelon paid approximately $5.3 million in 2017 at arms-length terms. Mr. DeBenedictis serves as a director of P.H. Glatfelter, a public manufacturing company to which Exelon paid $818,000 for Renewable Energy Credits in 2017. The transaction was effected through the use of a blind auction process. Mr. DeBenedictis also serves on the advisory board of PNC Bank, a company that provides financial services and participates in some Exelon credit facilities at arms-length terms for which Exelon paid $7.2 million in 2017.

Table of Contents

Director	Summary of Relationship
Nancy L. Gioia	Ms. Gioia serves as a director of Meggitt, PLC, an aerospace manufacturer listed on the London Stock Exchange that received approximately $715,000 from Exelon in 2017 for consulting services. The transactions were the result of a competitively bid process.
Linda P. Jojo	Ms. Jojo is an employee of United Continental Holdings, a public company and commercial airline. In 2017, Exelon paid United approximately $5.7 million for regularly occurring employee travel at established market rates.
Richard W. Mies	Admiral Mies serves as a director of BWX Technologies, a public company that provides nuclear operations and technical services to Exelon Generation for which Exelon paid approximately $3 million in 2017. The transactions were the result of a competitively bid process. Admiral Mies also serves as a consultant to LEIDOS, a public company to which Exelon paid approximately $3.2 million in 2017 for consulting services, amounting to less than 2% of LEIDOS's consolidated gross revenues for 2017.
John W. Rogers, Jr.	Mr. Rogers serves as a director of McDonald's Corporation, a public company which purchased utility services at tariffed rates from Exelon's utility subsidiaries, and power and gas from Constellation Energy as the result of a competitive bid process in 2017.
Mayo A. Shattuck III	Mr. Shattuck serves as a director of Gap Inc., a public company which purchased power and gas from Constellation Energy, an Exelon subsidiary in 2017. The transactions were the result of a competitively bid process.
Stephen D. Steinour	Mr. Steinour is the Chairman, President and CEO of Huntington Bancshares, a public company which is a part of a syndicate of banks that participate in Exelon's credit facilities on similar terms. In 2017, Exelon paid Huntington Bancshares approximately $97,000 in fees.

Related Person Transactions

As referenced above, Exelon has a written policy for the review and approval or 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 Atlantic City Electric Company (ACE), Baltimore Gas and Electric Company (BGE), Commonwealth Edison Company (ComEd), Delmarva Power and Light Company (DPL), PECO Energy Company (PECO), or Potomac Electric Power Company (Pepco) 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 2017 that were disclosed by Directors and executive officers of Exelon, ACE, BGE, ComEd, DPL, PECO and Pepco, and by executive officers of Exelon Generation that required separate consideration and ratification. Exelon's Office of Corporate Governance conducted due diligence on each of these transactions 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 transactions that required approval or ratification under the policy, or disclosure under U.S. Securities and Exchange Commission (SEC) rules. The Committee recommended the Board's ratification of all transactions 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 transactions, the value or cost of the transaction was very small, and the Board considered the de minimis nature of the transaction as a further reason for ratifying it. The Board ratified other transactions that were the result of a competitive bidding process and therefore were considered fairly priced, or arms-length, regardless of any relationship. The remaining transactions were approved by the Board, even though the Director is an executive officer of the affiliated company, because the transactions involved only retail electricity or gas purchases under tariffed rates, the price and terms were determined to be the result of a competitive bidding process, or were provided at market terms generally available.

None of the transactions reviewed were determined to be material related person transactions requiring disclosure under SEC rules.

Table of Contents

The Board's Role and Responsibilities

Overview

Exelon's business, property and affairs are managed under the direction of the Board of Directors. All Directors stand for election by shareholders annually and must receive a majority of the votes cast in uncontested elections. The Board considers the interests of all of its constituencies, which include shareholders, customers, employees, annuitants, suppliers, the communities we serve, and the environment. The Board is committed to ensuring that Exelon conducts business in accordance with the highest standards of ethics, integrity, and transparency.

Board Oversight of Risk

The Company operates in a complex market and regulatory environment that involves significant risks, many of which are beyond its direct control. The Company has an Enterprise Risk Management group consisting of a Chief Enterprise Risk Officer, a Chief Commercial Risk Officer, a Chief Credit Officer, a Vice President of Enterprise Risk Management Operations, a Vice President of Enterprise Risk Management Analytics and a full-time staff of 124. The Enterprise Risk Management group draws upon other Company personnel for additional support on various matters related to identification, assessment, management, mitigation and monitoring through established key risk indicators of enterprise risks.

The Company also has a Risk Management Committee comprising select senior officers of the Company who meet regularly to discuss matters related to enterprise risk management generally and particular risks associated with new developments or proposed transactions under consideration.

The Chief Enterprise Risk Officer and the Risk Management Committee regularly meet with management of the Company to identify and evaluate the most significant risks of the businesses and appropriate steps to manage and mitigate those risks. In addition, the Chief Enterprise Risk Officer and the Enterprise Risk Management group perform a regular assessment of enterprise risks, drawing upon resources throughout the Company for an assessment of the probability and severity of identified risks as well as control effectiveness. These risk assessments, which also include the review of operating company-specific key risk indicators, are discussed at operating company risk management committees before being aggregated and discussed with the Board's Finance and Risk Committee and Audit Committee and, when appropriate, the BGE, ComEd, PECO and PHI boards of directors.

The Finance and Risk, Audit, and Generation Oversight Committees regularly report on the Committees' discussions of enterprise risks to the Board. Furthermore, the 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 and business strategies.

Environmental, Social and Governance Oversight

Exelon's strategy to grow and diversify the Company through targeted investments in our core markets and promising technologies with the potential to reshape the energy landscape include efforts to power a cleaner, brighter future for our customers and communities. We are committed to building the next-generation energy company and applying innovative technologies to manage energy use and meet customer expectations for clean, reliable and affordable power. The Corporate Governance Committee oversees the Company's strategies and efforts to protect and improve the quality of the environment, sustainability policies and practices.

Director Attendance at Meetings of the Board of Directors and Shareholder Meetings

Attendance

The Board of Directors held five meetings during 2017, including a two-day strategy retreat with senior officers of Exelon and its subsidiary companies. Each incumbent Director nominee attended at least 75% of the combined Board and Committee meetings of which he or she was a member. Attendance at Board and Committee meetings during 2017 averaged 96.84% for incumbent Directors as a group.

While Exelon does not have a formal policy requiring attendance at the annual shareholders meeting, all Directors attended the 2017 annual shareholders meeting.

Board Structure

Board Leadership

Exelon's bylaws permit the independent members of the Board to determine the leadership structure of the Board including whether the roles of Board Chair and Chief Executive Officer should be performed by the same individual or whether the roles should be performed by separate individuals. As a matter of policy, the Board believes that separation of these functions is not required, and whether to combine the roles or not is a matter for the Board's sole discretion, taking into consideration the current and anticipated circumstances of the Company, the skills and experiences of the individual or individuals in question, and the leadership composition of the Board. The Board reviews its leadership structure periodically and as circumstances warrant. The Board separated the roles of Board Chair and Chief Executive Officer in 2012 upon the completion of its merger with Constellation Energy Group and named Mayo Shattuck as Board Chair and Christopher Crane as President and Chief Executive Officer of Exelon. We find that this leadership structure ensures independent oversight and promotes the Board's ability to effectively represent the best interests of all shareholders.

Because the Board is committed to continued independent oversight at all times, the Corporate Governance Principles provide that the independent members of the Board shall select and elect a Lead Independent Director in the event the Board Chair and Chief Executive role are held by the same individual or the person holding the role of Board Chair is not independent under Exelon's Independence Standards for Directors. At any time during which the position of Lead Independent Director may be required but is vacant due to timing considerations, the Chair of the Corporate Governance Committee shall serve as the Lead Independent Director.

Exelon's Corporate Governance Principles provide a full outline of the responsibilities for each of the Board Chair, Chief Executive Officer, and any Lead Independent Director.

Board Committees

In 2017, six standing Committees assisted the Board in carrying out its duties: the Audit Committee, the Compensation and Leadership Development Committee, the Corporate Governance Committee, the Finance and Risk Committee, the Generation Oversight Committee and the Investment Oversight Committee. The Board Chair and CEO may attend all Committee meetings. All Committees meet regularly in executive session without management.

Committee membership and principal responsibilities for each Committee is described below:

	Audit	Compensation and Leadership Development	Corporate Governance	Finance and Risk	Generation Oversight	Investment Oversight
Anderson	C					
Berzin						
Crane						
de Balmann		C				
DeBenedictis						
Gioia				(1)	(1)	
Jojo						
Joskow						
Lawless			C			
Mies					C	
Rogers				(2)		C
Shattuck						
Steinour				C		
Meetings in 2017	**6**	**5**	**4**	**4**	**4**	**2**

C Chair
Member

Notes:
(1) Ms. Gioia will serve on the Finance and Risk and Generation Oversight Committees through the end of her tenure.
(2) Mr. Rogers served on the Finance and Risk Committee until April 2017.

Each Committee is governed by a Board-approved charter stating its responsibilities. Each charter is reviewed annually and updated, as appropriate, to address changes in regulatory requirements, authoritative guidance, evolving oversight practices and investor feedback. The charters were last amended on January 30, 2018, and are available on the Exelon website at www.exeloncorp.com on the Governance page under the Investors tab. The charters are available in print to any shareholder who requests a copy from Exelon's Corporate Secretary as described on page 80 of this proxy statement.

Audit Committee

Meetings in 2017: 6

Independence: The Audit Committee is composed entirely of independent Directors.

Report: Pages 42-43

Primary Responsibilities:

The Audit Committee's primary responsibility is to assist the Board of Directors in fulfilling its responsibility to oversee and review the quality and integrity of the Company's financial statements and internal controls over financial reporting, the independent auditor's qualifications and independence, and the performance of the Company's internal audit function and of its independent auditor.

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.

The Audit Committee's principal duties include:

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

Reviewing financial reporting and accounting policies and practices;

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

With the advice and assistance of the Finance and Risk Committee, reviewing in a general manner the processes by which Exelon assesses and manages enterprise risk; and

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

Table of Contents

Compensation and Leadership Development Committee

Meetings in 2017: 5

Independence: The Compensation and Leadership Development Committee is composed entirely of independent Directors.

Report: Page 62

Primary Responsibilities:

The primary responsibilities of the Committee are to:

- Assist the Board in the establishment of performance criteria, evaluation, and compensation setting for the CEO;
- Approve the compensation program design and plans for the compensation of all executive officers of Exelon, other than the CEO;
- Review and discuss with management Compensation Discussion and Analysis (CD&A) for inclusion in the Company's annual proxy statement and determine whether to recommend to the Board the inclusion of CD&A in the annual proxy statement;
- Prepare or cause to be prepared the Compensation Committee Report for inclusion in the annual proxy statement; and
- Develop leadership and succession planning policies and criteria for the Company.

The Compensation and Leadership Development Committee is responsible for setting the Company's general policy regarding executive compensation to ensure that compensation levels and performance targets for Exelon and its subsidiaries are consistent with Exelon's compensation philosophy and aligns with its strategic and operating objectives.

The Committee is careful to set goals that are sufficiently difficult to meaningfully incent management performance. In setting the goals, the Committee takes into account input from the Company's executive officers.

The Committee develops recommendations for the CEO's compensation and collaborates with the Board Chair and Corporate Governance Committee to determine the CEO's compensation in light of the performance achieved against criteria established by the Board. The Chairs of the Corporate Governance and Compensation and Leadership Development Committees sit on each other's Committees, which is helpful in the process for evaluating the performance and setting the compensation for the CEO.

The Compensation and Leadership Development Committee has delegated authority to the CEO to make off-cycle equity awards to eligible employees of up to 600,000 shares in the aggregate, and 20,000 shares per recipient in any year. Eligible employees include those below the level of Executive Vice President of Exelon and who are not subject to reporting obligations under Section 16 of the Securities Exchange Act of 1934, or were subject to the limitations of Internal Revenue Code Section 162(m) prior to the Tax Cuts and Jobs Act of 2017. Any awards made under this delegated authority are reviewed and ratified by the Compensation and Leadership Development Committee.

Table of Contents

Compensation Consultant

The Compensation and Leadership Development 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 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 compensation consultant reports directly to the Committee.

The Committee first engaged Meridian Compensation Partners, LLC (Meridian) in 2016 as its consultant after conducting a request for proposal process. In reviewing the engagement in 2017, the Committee considered the following factors and determined that Meridian continued to be an independent consultant and had no conflicts of interest:

- Meridian performed no other services for the Company or its affiliates and received no other fees from the Company other than for executive compensation consulting for the Committee and Director compensation consulting for the Corporate Governance Committee;
- The amount of fees paid by the Company to Meridian in 2017 was less than 1% of Meridian's gross annual revenues;
- Meridian has formal written policies designed to prevent conflicts of interest, including an insider trading and stock ownership policy; and
- There were no relationships between Meridian and its consultants and Exelon and its officers, Directors or affiliates.

As part of its ongoing services to the Committee, Meridian supports the Committee in executing its duties and responsibilities with respect to Exelon's executive compensation programs by providing information and advice regarding market trends and competitive compensation programs and strategies that include:

- 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;
- An independent assessment of management recommendations for changes in the compensation structure;
- Assisting management to ensure that the Company's executive compensation programs are designed and administered consistent with the Committee's requirements; and
- Ad hoc support, including executive compensation and related corporate governance trends.

Meridian attends meetings of the Committee when requested. The Committee may directly or indirectly request Meridian to advise on 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.

Corporate Governance Committee

Meetings in 2017: 4

Independence: The Corporate Governance Committee is composed entirely of independent Directors.
Primary Responsibilities:

In addition to its responsibilities described elsewhere in this proxy statement, the Corporate Governance Committee's principal responsibilities include:

- Identifying individuals qualified to become Board candidates;
- Recommending Board approval of Director nominees for election at the annual meeting of shareholders;
- Developing and recommend to the Board a set of governance guidelines applicable to the Company; and
- Overseeing the evaluation processes for the Board, Committees, each Director, and the CEO.

The Committee is responsible for taking a leadership role in shaping the corporate governance practices of Exelon including amongst other things:

- Board and Committee structure and composition issues;
- Performance criteria and evaluations of the CEO and Board Chair if employed by the Company;
- Oversight of Exelon's environmental strategies, including climate change and sustainability policies;
- Delegations of authority for Exelon and its subsidiaries;
- Oversight of Exelon's efforts to promote diversity among its contractors and suppliers; and
- Recommendations with respect to Director compensation.

The Committee utilizes an independent compensation consultant to assist it in its evaluation and recommendations to the Board with respect to Director compensation. The Chairs of the Corporate Governance and Compensation and Leadership Development Committees sit on each other's Committees which is helpful in the process for evaluating the performance and setting the compensation for the CEO. The Corporate Governance Committee may utilize other consultants, such as specialized search firms, to identify candidates for Director.

As part of the Corporate Governance Committee's role in monitoring and oversight of CEO succession planning, the Committee developed an emergency CEO succession plan, which is reviewed by the Committee and the full Board annually. In addition, CEO succession is a topic on the agenda for meetings of the full Board at least twice each year.

Finance and Risk Committee

Meetings in 2017: 4

Primary Responsibilities:
The Finance and Risk Committee's purpose and responsibilities include:

- Overseeing the Company's risk management functions;
- Overseeing matters relating to the financial condition and risk exposures by Exelon;
- Monitoring the financial condition, capital structure, financing plans and programs, dividend policy, treasury policies and liquidity and related financial risk at Exelon and its major subsidiaries;
- Overseeing or appraising of the capital management and planning process, including capital investments, acquisitions and divestitures;
- Overseeing Company-wide risk management strategy, policies, procedures, and mitigation efforts, including insurance programs;
- Overseeing the strategy and performance of risk management policies relating to risks associated with marketing and trading of energy and energy-related products; and
- Reviewing and approving risk policies relating to power marketing, hedging and the use of derivatives.

The Finance and Risk Committee includes members with experience in the economics of energy, nuclear operations, banking and investment management and security, reflecting experience in dealing with the range of risks that the Company faces.

Generation Oversight Committee

Meetings in 2017: 4

Primary Responsibilities:

The Generation Oversight Committee's purpose and responsibilities 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 with principal focus on nuclear safety and, including those facilities in which Exelon has significant equity or operational interests;
- Overseeing the management and operation of the Company's generating facilities and the overall organizational effectiveness (both corporate and stations) of the generation operations;
- Overseeing the establishment of and compliance with policies and procedures to manage and mitigate risks associated with the security and integrity of Exelon's generation assets; and
- Reviewing environmental, health and safety issues related to the Company's generating facilities.

Investment Oversight Committee

Meetings in 2017: 2

Primary Responsibilities:

The purpose and responsibilities of the Investment Oversight Committee include:

- Overseeing the management and investment of the assets held in trusts established or maintained by the Company or any subsidiary for the purpose of funding the expense of decommissioning nuclear facilities;
- Monitoring the performance of the nuclear decommissioning trusts and the trustees, investment managers and other advisors and service providers for the trusts;
- Overseeing the evaluation, selection and retention of investment advisory and management, consulting, accounting, financial, clerical or other services with respect to the nuclear decommissioning trusts;
- Overseeing the evaluation, selection and appointment of trustees and other fiduciaries for the nuclear decommissioning trusts;
- Overseeing the administration of the nuclear decommissioning trusts; and
- Monitoring and receiving periodic reports concerning the investment performance of the trusts under the pension and post-retirement welfare plans and the investment options under the savings plans.

The Investment Oversight Committee also provides general oversight of Exelon's investment management functions. The Committee includes members with experience in investment management, investment banking and the economics of energy and serves as a resource and advisory panel for Exelon's investment management team and the Board.

Table of Contents

Board Processes and Policies

Board, Committee, and Individual Director Evaluations

Exelon has strong evaluation processes for its Board, six Board Committees, and individual Directors.

Board Evaluations

The Board conducts an annual assessment of its performance and effectiveness. The process is coordinated by the Board Chair and the chair of the Corporate Governance Committee taking into account the recommendations of the Corporate Governance Committee on the process and criteria to be used for Board, Committee, and individual Director evaluations. All Directors are interviewed by the Board Chair or the chair of the Corporate Governance Committee to discuss the following topics, among others that may arise:

- overall Board performance and areas of focus including strategic and business issues, challenges, and opportunities;
- Board meeting logistics;
- CEO, senior management and Director succession planning;
- accountability to shareholder views;
- Board Committee structure and composition;
- Board culture;
- Board composition; and
- management performance, including quality of materials, provided to the Directors.

Interviews also seek practical input on what the Board should continue doing, start doing, and stop doing. Following such interviews, the Board Chair and Chair of the Corporate Governance Committee collaborate to prepare and provide a summary of the assessment input provided and discussed with the Board.

Committee Evaluations

All six of the Board's Committees conduct annual assessments of their performance and take into consideration:

- the sufficiency of their charters;
- whether Committee members possess the right skills and experiences or whether additional education or training is required;
- whether there are sufficient meetings covering the right topics; and
- whether meeting materials are effective, among other matters.

A summary of all Committee assessment results is provided to the Corporate Governance Committee and Board for review and discussion.

Individual Director Evaluations

Individual Directors are assessed regularly taking into consideration experience, tenure, qualifications, and core competencies as well as contributions and performance. The process for individual Director performance assessments was recently strengthened to include peer and senior management input on the contributions and performance of six of the current twelve independent Directors, with the remaining six Directors undergoing such assessment next year. The Board was divided into two groups taking into account tenure and other diversity considerations to effectively and thoughtfully execute such assessments. All Directors were interviewed to provide input on each of the six Directors and four members of senior management also provided input, based on their regular interactions with Board members. Interviews were conducted by the chair of the Corporate Governance Committee in 2018, as the Board Chair volunteered to undergo assessment in 2018. Topics covered in the interviews included:

- meeting preparedness;
- meaningful and constructive participation and contributions;
- respectful, effective and candid communication skills;
- demonstrated independence;
- Company and industry knowledge;
- strategic foresight; and
- openness to new learnings and training.

Interviews also sought practical input on what Directors should continue doing, start doing, and stop doing. After discussing with the Corporate Governance Committee, the Chair of the Corporate Governance Committee collaborates with the Board Chair and feedback is conveyed separately to the individual Directors assessed for developmental opportunities.

Table of Contents

Director Education

The Board has an orientation and onboarding program for new Directors and provides continuing education for all Directors that is overseen by the Corporate Governance Committee.

New Director Orientation	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. Materials provided to new Directors include information on the Company's vision, strategic direction, financial matters, corporate governance practices, Code of Business Conduct, and other key policies and practices. New Directors also meet with the CEO, senior executives and members of their staff for briefings on the executives' responsibilities, programs and challenges. New Directors are also invited for tours of various Company facilities, depending on their orientation needs. Incumbent Directors are also invited to participate in site visits.
Continuing Director Education	Continuing director education is provided during portions of Board and Committee meetings and is focused on topics necessary to enable the Board to consider effectively issues before them at that time (such as new regulatory or accounting standards). The education often takes the form of "white papers," covering timely subjects or topics, which a Director can review before the meeting and ask questions about during the meeting. The Audit Committee devotes a meeting each year to educating the Committee members about new accounting rules and standards, and topics that are necessary to having a good understanding of our accounting practices and financial statements. The Generation Oversight Committee uses site visits as a regular part of education for its members by holding each of its meetings at a different generating station (nuclear, fossil or hydro). Each Generation Oversight Committee meeting agenda includes a briefing by local plant management, a tour of the facility, and lunch with plant personnel.
Director Education Seminars	Continuing director education also involves individual Directors' attendance at education seminars and programs sponsored by other organizations. The Company covers the cost for any Director who wishes to attend external programs and seminars on topics relevant to their service as Directors.

Corporate Governance Principles

Our Corporate Governance Principles, together with the articles of incorporation, bylaws, Committee charters, and other policies and practices, provide the framework for the effective governance of Exelon. The Corporate Governance Principles address matters including the Board's responsibilities and role; Board structure, Director selection, evaluation, and other expectations; Board operations; Board Committees; and additional matters such as succession planning, executive stock ownership requirements, and our recoupment policy. The Corporate Governance Principles are reviewed periodically and were last amended in January 2018 to reflect evolving governance trends and to remain contemporary with the needs of the Company and its stakeholders.

Process for Communicating with the Board

Shareholders and other interested persons can communicate with any Director or the independent Directors as a group by writing to them, c/o Thomas S. O'Neill, Senior Vice President, 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 email to EthicsOffice@ExelonCorp.com.

Table of Contents

Directors' Compensation

Stock Ownership Requirements for Directors

Under Exelon's Corporate Governance Principles, all Directors are required to own, within five years of joining the Board, at least 15,000 shares of Exelon common stock or deferred stock units or shares accrued in the Exelon common stock fund of the Directors' deferred compensation plan.

Compensation of Non-Employee Directors

The Corporate Governance Committee is responsible for reviewing and making recommendations to the Board regarding its non-employee Director compensation program. The Committee is authorized to engage outside advisors and consultants in connection with its review and analysis of Director compensation.

In making Director compensation recommendations, the Corporate Governance Committee takes various factors into consideration, including responsibilities of Directors generally, Board leadership roles such as the Board Chair and Committee Chairs, and the form and amount of compensation paid to Directors at comparable companies.

The Board targets Director compensation to be at the median level of compensation paid at the peer group of companies used to benchmark executive compensation.

For service rendered to the Company in 2017, Exelon's non-employee Directors received the compensation shown in the following table and explained in the accompanying notes.

Name	Annual Board & Committee Retainers $	Stock Awards (Description Below) $	All Other Compensation (Note 1) $	Total Compensation $
Anderson	$ 165,000	$ 145,000	$ —	$ 310,000
Berzin	125,000	145,000	15,000	285,000
de Balmann	145,000	145,000	15,000	305,000
DeBenedictis	145,000	145,000	15,000	305,000
Gioia	145,000	145,000	5,300	295,300
Jojo	125,000	145,000	15,000	285,000
Joskow	125,000	145,000	—	270,000
Lawless	135,000	145,000	—	280,000
Mies	165,000	145,000	19,722	329,722
Rogers	135,000	145,000	15,000	295,000
Shattuck	445,000	145,000	15,000	605,000
Steinour	145,000	145,000	15,000	305,000
Total All Directors	2,000,000	1,740,000	130,022	3,870,022

(1) Values in this column represent gifts made by the Company or the Exelon Foundation as the matching portion of the Director's contributions to qualified not-for-profit organizations pursuant to Exelon's matching gift plan described below in Other Compensation. For Mr. Mies, the amount also includes $4,722, the incremental cost to the Company for travel from an Exelon Board meeting to another professional engagement.

Table of Contents

Fees Earned or Paid in Cash

The following table sets forth the components of the cash compensation paid in 2017 to Exelon's non-employee Directors.

Role	Annual Cash Retainer
Non-Employee Director	$ 125,000
Board Chair	300,000
Chairs of Audit Committee, Compensation and Leadership Development Committee, Finance and Risk Committee and Generation Oversight Committee	20,000
Chairs of Corporate Governance Committee and Investment Oversight Committee	10,000
Generation Oversight Committee Member, including the Chair	20,000

In December 2017, the Corporate Governance Committee reviewed a director compensation study prepared by Meridian at the request of the Committee. The Meridian study indicated that the compensation paid to some Committee chairs should be adjusted to reflect the work load and responsibilities associated with the position and was below the median for the peer group. The Meridian study otherwise confirmed that Exelon's Director compensation and Director stock ownership requirements were appropriately set at about the median level of the peer group. The Committee also determined that the compensation paid to some Committee chairs should be adjusted to reflect the work load and responsibilities associated with the position. The Committee recommended that the compensation payable to the Chairs of the Audit and Finance and Risk Committee should be increased to $25,000 per year, the compensation payable to the Chair of the Corporate Governance Committee should be increased to $20,000 per year, and the compensation payable to the Chair of the Investment Oversight Committee should be increased to $15,000 per year. The Board approved the changes in Committee chair fees to be effective as of January 1, 2018.

No additional compensation is paid for meeting attendance.

Deferred Compensation

Directors may elect to defer any portion of cash compensation described above into a non-qualified multi-fund deferred compensation plan. Under the 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 amounts invested in the Exelon common stock fund) are settled in cash and may be distributed in a lump sum or in annual installment payments upon a Director reaching age 65, age 72, or upon retirement from the Board. These funds are identical to those that are available to Company employees who participate in the Exelon Employee Savings Plan.

Table of Contents

Fees Paid in Stock Awards

A significant portion of Director compensation is paid in the form of deferred stock units to align the interests of Directors with the interests of shareholders. In 2017, Exelon's non-employee Directors received deferred stock units worth $145,000 that are paid quarterly in arrears. Deferred stock units are credited to a notional account maintained on the books of the Company 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 dividend equivalents at the same level and at the same time that dividends are paid on shares of Exelon common stock. Dividend equivalents are reinvested in the deferred stock accounts as additional stock units. Deferred stock units are paid out to the Directors upon the end of Board service, when they are settled in shares of Exelon common stock, leaving these amounts at risk during the Director's entire tenure on the Board.

As of December 31, 2017, the non-employee Directors held the following amounts of deferred Exelon common stock units.

Name	Total Deferred Stock Units (Note 1) (#)
Anderson	17,982
Berzin	49,116
de Balmann	59,745
DeBenedictis	40,929
Gioia	7,237
Jojo	8,810
Joskow	33,985
Lawless	63,967
Mies	30,945
Rogers	56,454
Shattuck	17,693
Steinour	34,367
Total All Directors	**421,230**

(1) Total deferred stock units includes deferred stock units from the current Exelon deferred stock unit plan and stock units deferred from the equivalent plans for Unicom Corporation and Constellation Energy Group, Inc. for Exelon Directors who previously served as Directors of those predecessor companies.

Other Compensation

Exelon Directors may bring spouses or guests to Exelon or industry related events where it is customary and expected. Exelon pays the cost of spousal or guest travel, meals, lodging and related activities when invited to attend such events. The value of this spousal or guest related travel is calculated according to IRS regulations and imputed to the Director as additional taxable income. Directors also receive reimbursement to cover the additional taxes owed on such imputed income. However, in most cases there is no direct incremental cost to Exelon of providing transportation and lodging for a Director's spouse or guest 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 2017, there were no incremental costs to the Company for such perquisites.

Exelon and the Exelon Foundation have a matching gift program available to Directors, officers and employees that matches contributions to eligible not-for-profit organizations up to $15,000 per year for Directors, $10,000 per year for executives and up to $5,000 per year for other employees.

Table of Contents

Audit Committee Matters

Proposal 2: Ratification of PricewaterhouseCoopers LLP as Exelon's Independent Auditor for 2018

The Audit Committee and the Board of Directors have concluded that retaining PricewaterhouseCoopers LLP (PwC) is in the best interests of the Company and its shareholders based on consideration of the factors set forth in the Report of the Audit Committee on pages 42-43 of this proxy statement. Representatives of PwC will attend the annual meeting to answer questions and will have the opportunity to make a statement.

The Board recommends a vote "FOR" the ratification of PricewaterhouseCoopers LLP as Exelon's Independent Auditor for 2018.

Auditor Fees

The following table presents fees for professional audit services rendered by PwC for the audit of Exelon's annual financial statements for the years ended December 31, 2017 and 2016, and fees billed for other services rendered by PwC during those periods.

	Year Ended December 31,			
(in thousands)	**2017**		**2016**	
Audit fees(1)	$	28,483	$	24,986
Audit related fees(2)		2,207		3,656
Tax fees(3)		1,205		1,943
All other fees(4)		379		836

(1) Audit fees include financial statement audits and reviews under statutory or regulatory requirements and services that generally only the auditor reasonably can provide, including issuance of comfort letters and consents for debt and equity issuances and other attest services required by statute or regulation.

(2) Audit related fees consist of assurance and related services that are traditionally performed by the auditor such as accounting assistance and due diligence in connection with proposed acquisitions or sales, consultations concerning financial accounting and reporting standards and audits of stand-alone financial statements or other assurance services not required by statute or regulation.

(3) Tax fees consist of tax compliance, tax 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.

(4) All other fees primarily reflect accounting research software license costs.

Pre-approval Policies

The Exelon Audit Committee has a policy for pre-approval of audit and non-audit services. Under this policy, the Audit Committee pre-approves all audit and non-audit services to be provided by the independent auditor taking into account the nature, scope, and projected fees of each service as well any potential implications for auditor independence. The policy specifically sets forth services that the independent auditor is prohibited from performing by applicable law or regulation. Further, the Audit Committee may prohibit other services that in its view may compromise, or appear to compromise, the independence and objectivity of the independent auditor. Predictable and recurring audit and permitted non-audit services are considered for pre-approval by the Audit Committee on an annual basis.

For any services not covered by these initial pre-approvals, the Audit Committee has delegated authority to the Audit Committee Chair to pre-approve any audit or permitted non-audit service with fees in amounts less than $500,000. Services with fees exceeding $500,000 require full Committee pre-approval. The Audit Committee receives quarterly reports on the actual services provided by and fees incurred with the independent auditor. No services were provided pursuant to the de minimis exception to the pre-approval requirements contained in the SEC's rules.

Table of Contents

Audit Committee Matters

Report of the Audit Committee

The Audit Committee's primary responsibility is to assist the Board of Directors in fulfilling its responsibility to oversee and review the quality and integrity of the Company's financial statements and internal controls over financial reporting, the independent auditor's qualifications and independence, and the performance of the Company's internal audit function and of its independent auditor.

The Audit Committee is composed entirely of independent Directors and satisfies the independence, financial experience and other qualification requirements of the New York Stock Exchange (NYSE) and applicable securities laws and regulations. The Board of Directors has determined that each of the members of the Audit Committee is an "audit committee financial expert" for purposes of the SEC's rules and also that each of the members of the Audit Committee is independent as defined by the rules of the NYSE and Exelon's Corporate Governance Principles.

Under its charter, the Audit Committee's principal duties include:

- Having sole authority to appoint, retain, or replace the independent auditor, subject to shareholder ratification, and to oversee the independence, compensation and performance of the independent auditor;
- Reviewing financial reporting and accounting policies and practices;
- Overseeing the work of the internal auditor and reviewing internal controls;
- With the advice and assistance of the Finance and Risk Committee, reviewing in a general manner the processes by which Exelon assesses and manages enterprise risk; and
- Reviewing policies and procedures with respect to internal audits of officers' and Directors' expenses, compliance with Exelon's Code of Business Conduct, and the receipt and response to complaints regarding accounting, internal controls or auditing matters.

Each member of the Audit Committee also serves on the Finance and Risk Committee. On occasion, the Audit and Finance and Risk Committees meet jointly to review areas of mutual interest between the two Committees.

The Audit Committee meets outside the presence of management for portions of its meetings to hold separate discussions with the independent auditor, the internal auditors, and the General Counsel.

The Audit Committee met six times in 2017, fulfilling its duties and responsibilities as outlined in its charter, as well as receiving periodic updates on the Company's financial performance and strategic initiatives, as well as other matters germane to its responsibilities.

Management has primary responsibility for preparing the Company's financial statements and establishing effective internal controls over financial reporting. PricewaterhouseCoopers LLP (PwC), the Company's independent auditor, is responsible for auditing those financial statements and expressing an opinion on the conformity of the Company's audited financial statements with generally accepted accounting principles and on the effectiveness of the Company's internal controls over financial reporting based on criteria established in 2013 by the Committee of Sponsoring Organizations of the Treadway Commission.

In this context, the Audit Committee has reviewed and discussed with management and PwC the Company's audited financial statements contained in the 2017 Annual Report on SEC Form 10-K, including the critical accounting policies applied by the Company in the preparation of these financial statements. The Audit Committee discussed with PwC the requirements of the Public Company Accounting Oversight Board (PCAOB), and had the opportunity to ask PwC questions relating to such matters. These discussions included the quality, and not just the acceptability, of the accounting principles utilized, the reasonableness of significant accounting judgments, and the clarity of disclosures in the financial statements.

At each of its meetings in 2017, the Audit Committee met with the Company's Chief Financial Officer and other senior members of the Company's financial management. The Audit Committee reviewed with PwC and the Company's internal auditor the overall scope and plans for their respective audits in 2017. The Audit Committee also received regular updates from the Company's internal auditor on internal controls and business risks and from the Company's General Counsel on compliance and ethics issues.

The Audit Committee met with the internal auditor and PwC, with and without management present, to discuss their evaluations of the Company's internal controls and the overall quality of the Company's financial reporting. The Audit Committee also met with the Company's General Counsel and Chief Compliance and Ethics Officer, with and without management present, to review and discuss compliance and ethics matters, including compliance with the Company's Code of Business Conduct.

On an ongoing basis, the Audit Committee considers the independence, qualifications, compensation and performance of PwC. Such consideration includes reviewing the written disclosures and the letter provided by PwC in accordance with applicable requirements of the PCAOB regarding PwC's communications with the Audit Committee concerning independence, and discussing with PwC their independence.

Table of Contents

Audit Committee Matters

The Audit Committee is responsible for the approval of audit fees, and the Committee reviewed and pre-approved all fees paid to PwC in 2017. The Audit Committee has adopted a policy for pre-approval of services to be performed by the independent auditor. Further information on this policy and on the fees paid to PwC in 2017 and 2016 can be found in the section of this proxy statement titled “Ratification of PricewaterhouseCoopers LLP as Exelon’s Independent Auditor for 2018.” The Audit Committee periodically reviews the level of fees approved for payment to PwC and the pre-approved non-audit services PwC has provided to the Company to ensure their compatibility with independence. The Audit Committee also monitors the Company’s hiring of former employees of PwC.

The Audit Committee monitors the performance of PwC’s lead partner responsible for the audit, oversees the required rotation of PwC’s lead audit partner and, through the Audit Committee Chair, reviews and approves the selection of the lead audit partner. In addition, to help ensure auditor independence, the Audit Committee periodically considers whether there should be a rotation of the independent auditor.

PwC has served as the Company’s independent auditor since the Company’s formation in 2000. As in prior years, the Audit Committee and management engaged in a review of PwC in connection with the Audit Committee’s consideration of whether to recommend that shareholders ratify the selection of PwC as the Company’s independent auditor for 2018. In that review, the Audit Committee considered both the continued independence of PwC and whether retaining PwC is in the best interests of the Company and its shareholders. In addition to independence, other factors considered by the Audit Committee included:

- PwC’s historical and recent overall performance on the audit, including the quality of the Audit Committee’s ongoing discussions with PwC;
- PwC’s expertise and capability in handling the accounting, internal control, process and system risks and practices present in the Company’s utility and energy generation businesses, including relative to the corresponding expertise and capabilities of other audit firms; the quality, quantity and geographic location of PwC staff, and PwC’s ability to provide responsive service;
- PwC’s tenure as the Company’s independent auditor and its familiarity with its operations and businesses, accounting policies and practices, and internal control over financial reporting;
- the significant time commitment required to onboard and educate a new audit firm that could distract management’s focus on financial reporting and internal control;
- the appropriateness of PwC’s fees, relative to the Company’s financial statement risk and the size and complexity of its business and related internal control environment, and compared to fees incurred by peer companies;
- an assessment of PwC’s identification of its known significant legal risks and proceedings that may impair PwC’s ability to perform the audit; and
- external information on audit quality and performance, including recent PCAOB reports on PwC and its peer firms.

The Audit Committee concluded that PwC is independent from the Company and its management, and has retained PwC as the Company’s independent auditor for 2018. The Audit Committee and the Board believe that the continued retention of PwC is in the best interests of the Company and its shareholders and have recommended that shareholders ratify the appointment of PwC as the Company’s independent auditor for 2018.

In addition, in reliance on the reviews and discussions referred to above, the Audit Committee recommended to the Board, and the Board approved, that the audited financial statements be included in Exelon Corporation’s Annual Report on Form 10-K for the year ended December 31, 2017, for filing with the SEC.

THE AUDIT COMMITTEE

Anthony K. Anderson, *Chair*
Ann C. Berzin
Paul L. Joskow
Richard W. Mies
Stephen D. Steinour

Table of Contents

Executive Compensation

Proposal 3: Say-on-Pay: Advisory Vote on Executive Compensation

We provide shareholders with a say-on-pay vote every year at the annual meeting of shareholders. While the vote is non-binding, the Board and Compensation and Leadership Development Committee (referred to as the "Compensation Committee" in the Executive Compensation and Compensation Discussion and Analysis sections) take the results of the vote into consideration when evaluating the executive compensation program. Accordingly, you may vote to approve or not approve the following advisory resolution on the executive compensation of the named executive officers at the 2018 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 2018 Annual Meeting of Shareholders pursuant to the rules of the SEC, including the Compensation Discussion and Analysis, the 2017 Summary Compensation Table and the other related tables and disclosure.

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

- Most of compensation is performance-based and contingent on achieving financial and operational results that align the interests of executives with those of the Company's shareholders based on rigorous goals,
- Exelon had strong financial and operational performance in 2017, achieving total shareholder return (TSR) of 15.1% that continued to build on the 2016 TSR of 32.8%.
- The Company achieved the adoption of Zero Emission Credits (ZEC) policies in the states of New York and Illinois, thereby helping to safeguard the fair valuation of resilient and emissions-free nuclear power production in those states.
- The Company's compensation framework provides market-aligned pay opportunities that foster the attraction, motivation, engagement and retention of key talent, to drive outstanding Company performance and long-term shareholder value.
- We continued to engage with shareholders in 2017. The feedback received was positive and highly supportive of the changes we implemented in 2016 to strengthen our executive compensation program over the past two years. In particular, many investors commented favorably on the demonstrated linkage between pay and performance and the alignment of our incentive compensation goals with the Company's overall business strategies.

The Board of Directors unanimously recommends a vote "FOR" the approval of the compensation paid to the Company's named executives, as disclosed in this proxy statement.

Table of Contents

Compensation Discussion & Analysis

"Our Committee strives to design and implement an executive compensation framework that motivates and rewards Exelon executives to achieve superior performance for the benefit of our shareholders and other key stakeholders."

Yves C. de Balmann, Chair, Compensation and Leadership Development Committee

This Compensation Discussion and Analysis (CD&A) discusses Exelon's 2017 executive compensation program. The program covers compensation for our named executive officers (NEOs) listed below:

Exelon's Named Executive Officers

CHRISTOPHER M. CRANE	JONATHAN W. THAYER	WILLIAM A. VON HOENE, JR.	KENNETH W. CORNEW	DENIS P. O'BRIEN
President and Chief Executive Officer, Exelon	Senior EVP and Chief Financial Officer, Exelon	Senior EVP and Chief Strategy Officer, Exelon	Senior EVP and Chief Commercial Officer, Exelon; President and Chief Executive Officer, Exelon Generation	Senior EVP, Exelon; Chief Executive Officer, Exelon Utilities

Executive Summary

Business and Strategy Overview, Value Proposition and Performance Highlights

Business Overview

Exelon is composed of two primary businesses:

1

Regulated Utilities

We have regulated operations that consist of six utility subsidiaries, serving approximately 10 million electricity and gas customers, more than any other company in the industry. Our operational performance is top quartile or better across numerous metrics such as the frequency and duration of outages. We have significantly improved the operational performance of PHI since the 2016 acquisition consistent with our long-term strategy to increase investment in regulated assets for the benefit of our customers.

2

Electric Generation

We also operate a competitive generation business that comprises one of the largest and cleanest electric generation businesses in the country and the largest competitive retail supply business serving wholesale, commercial, and industrial customers. We are the largest producer of emissions-free energy in the U.S. and are a best-in-class operator in terms of outage days and operating costs for our nuclear fleet.

Table of Contents

Exelon's Value Proposition

The value proposition articulated below provides more granular insights into our long-term strategic goals and the path to achieving these goals. Our continued focus on the following five key strategic initiatives is expected to drive strong operational and financial performance. The table below demonstrates the strong link between Exelon's value proposition and the compensation components or metrics used in our executive compensation program.

Strategic Business Objective	Compensation Component or Metric
1. Regulated utility growth with utility EPS rising 6-8% and rate base growth of 7.4% annually through 2021	**Adjusted (non-GAAP) Operating EPS** Performance measure for annual incentive **Utility Net Income** Performance share award measure
2. Strong free cash generation and maintaining a strong balance sheet to support utility growth while also reducing debt by $3 billion over the next 4 years	**Exelon FFO/Debt** Performance share award measure
3. Invest in utilities where we can earn an appropriate return	**Utility Return on Equity** Performance share award measure
4. Superior operational performance to support achievement of financial objectives	**Operational Metrics** Outage duration, outage frequency, net fleetwide capacity factor and dispatch match are performance measures for the annual incentive
5. Create sustainable value for shareholders by executing business strategy	**Relative TSR** Modifier for performance share award

Overview of 2017 Key Achievements on Objectives

Reported below are the achievements attained on our long-term strategic goals.

Strong Financial and Operational Performance

Strategic Business Objective	2017 Results
1. Regulated utility growth with utility EPS rising 6-8% and rate base growth of 7.4% annually through 2021 2. Strong free cash generation and maintaining a strong balance sheet to support utility growth while also reducing debt by $3 billion over the next 4 years 3. Invest in utilities where we can earn an appropriate return	Completed 11 distribution and 6 transmission rate cases with regulatory authorities, increasing annual revenue and rate base by an expected combined $396 million Deployed targeted level of capital of $5.3 billion into our utilities to improve reliability, replace aging infrastructure, and enhance customer experience
4. Superior operational performance to support achievement of financial objectives	Utilities performed largely at first quartile levels with especially strong results across key metrics: BGE, ComEd and PECO achieved 1st decile performance in the System Average Interruption Frequency Index (SAIFI) BGE and ComEd achieved 1st decile performance in the Customer Average Interruption Duration Index (CAIDI) PHI achieved best ever performance on SAIFI and CAIDI
5. Create sustainable value for shareholders by executing business strategy	Achieved 2017 adjusted (non-GAAP) operating EPS of $2.60 Results would have been $2.73 absent the deferral of 9 cents in Illinois zero emissions credits (ZEC) revenues given the Illinois Power Agency's decision to delay the ZEC procurement by one month, into 2018, and a 4 cent impairment due to an unexpected FERC decision regarding utility transmission formula rate mechanisms

Achieved significant judicial success in defending ZEC programs in New York and Illinois

Announced commitment to lower costs by $250 million on an annual run-rate basis by 2020

Table of Contents

Sustainable Business Practices

Exelon's sustainability practices – including our environmental and social initiatives – are a fundamental component of our strategy and operations. We achieved significant progress against our objectives in 2017, including:

- Expanded paid leave policy to allow both women and men to meet the dual demands of work and family;
- Signed the White House Equal Pay Pledge affirming our commitment to uphold fair treatment for all of our employees and aligning with our values;
- Increased diversity spending with suppliers by $432 million (a 29% increase from the prior year) demonstrating our strong commitment to diversity and inclusion initiatives;
- 2017 awards and recognitions include: Billion Dollar Roundtable, Civic 50, Top 50 Companies for Diversity, Best Places to Work in 2017, CEO Action for Diversity & Inclusion, and UN's HeForShe;
- Exelon and our employees set a new record in corporate philanthropy and volunteerism, committing over $52 million in giving and volunteering 210,000 hours;
- Recognized as having the lowest carbon dioxide emissions of the top 20 investor owned utilities; and
- Named to the Dow Jones Sustainability Index North America for the 12th consecutive year and by Newsweek Green rankings for 9th consecutive year.

Executive Compensation Program Highlights

What We Do		What We Don't Do
Pay for performance – 90% of CEO pay and an average of 81% of NEO pay is at risk	Seek shareholder feedback on executive compensation programs, engaged with holders of approximately 45% of our shares in 2017	No guaranteed minimum payout of AIP or LTIP programs
Significant stock ownership requirements for Directors and executive officers – 6X base salary for CEO and 3X for other NEOs	Prohibit hedging transactions, short sales, derivative transactions or pledging of Company stock	No employment agreements
Mitigate undue risk in compensation programs (e.g., incentive awards are capped) and conduct an annual risk assessment of the compensation programs	Require executive officers to trade through 10b5-1 trading plans or obtain pre-approval before trading Exelon stock	No excise tax gross-ups for change-in-control agreements
Require double-trigger for change-in-control benefits – change-in-control plus termination	Annually assess our programs against peer companies and best practices	No dividend-equivalents on PShares
Retain an independent compensation consultant to advise the Compensation Committee	Set appropriate levels of "stretch" in incentive targets, based on industry performance and/or Exelon's business plan	No inclusion of the value of LTIP awards in pension or severance calculations
Evaluate management succession and leadership development efforts annually	Provide for discretionary clawbacks of incentive compensation paid or payable to current and former executives under certain circumstances	No additional credited service under supplemental pension plans since 2004
Provide limited perquisites based on sound business rationale		No option re-pricing or buyouts

Table of Contents

2017 CEO Pay Outcomes

Strong CEO Pay for Performance Alignment Closely Aligned to Total Shareholder Return (TSR)

Exelon's TSR of 52.9% for the period January 1, 2016 through December 29, 2017 outperformed the PHLX Utility Sector Index (UTY) by 20.7 percentage points.
Chart provides a comparison of the CEO total compensation as shown in the Summary Compensation Tables of Exelon's annual proxy statements to Exelon's stock price over a five-year period beginning December 31, 2012.
CEO pay decreased at an annualized rate of 2.9%, from $17.2 million to $14.9 million, while Exelon's stock price increased from $29.74 to $39.41 resulting in an annualized rate of increase for TSR of 10.6%.

Continued TSR Outperformance Relative to UTY in 2017

Building on Exelon's 2016 TSR of 32.8%, we continued to deliver strong TSR performance of 15.1% in 2017, outperforming the UTY by 2.3 percentage points.
For the three-year period beginning in 2015, Exelon trailed the UTY index, dragged down by a negative 22.1% TSR for 2015.

ONE- AND THREE-YEAR TSR GROWTH

CEO

NEOs

Almost 78% of our CEO's target total direct compensation is in the form of LTIP, which is nearly 6 percentage points higher than the average CEO in our peer group.

Table of Contents

Goal Rigor

The 2017 EPS "Target" goal was set at $2.75, 7 cents above the 2016 actual results and 10 cents above the midpoint of our publicly disclosed 2017 earnings guidance range. 2017 operational metrics were set at challenging levels that corresponded to top quartile performance compared to industry standards.

Building on the 2017 goal rigor, the Compensation Committee set the adjusted (non-GAAP) operating EPS AIP target for 2018 at a level significantly higher than the Company's actual performance in 2017, which is generally aligned with the midpoint of our publicly disclosed 2018 financial guidance. For 2018, maximum targets were set at levels that outperform Company historical metrics for three of the four operational metrics:

- best-ever for Dispatch Match
- best-ever for Nuclear Fleetwide Capacity Factor
- best-ever for outage frequency results (best-in-class)
- first decile of industry standards for outage duration goals

Compensation Philosophy and Practices

Exelon's Executive Compensation Program Philosophy

The goal of our executive compensation program is to retain and reward leaders who create long-term value for our shareholders by delivering on objectives that support the Company's long-term strategic plan. The executive compensation program is constructed to attract, motivate, engage and retain the high quality leaders who can effectively manage a company of Exelon's size and complexity.

In designing the Company's executive compensation program, the Compensation Committee strives to align the incentives of our NEOs with the interests of our shareholders. This is accomplished by using metrics and adopting goals directly linked to the Company's strategy. We believe consistent execution of our strategy over multi-year periods will drive long-term shareholder value creation. Moreover our program is structured to motivate measured but sustainable and appropriate risk-taking.

Robust Goal Setting Process

- The Compensation Committee annually reviews components, targets and payouts to ensure that they are challenging, contain appropriate stretch, and are designed to mitigate excessive risk
- The Committee considers short- and long-term financial and operational results relative to our internal goals
- Goals for the AIP, including Adjusted Operating EPS, are set in January
- Exelon provides full-year guidance for EPS and other key financial metrics around the same time

- EPS metric is aligned generally with external financial guidance
- Target goals are generally set near the mid-point of Exelon's full-year EPS guidance
- Distinguished goals are generally set above Exelon's full-year EPS guidance
- Operational metrics are set at challenging levels (i.e., target typically corresponds to top quartile performance) compared to industry standards
- Return and cash flow metrics are set based on internal business plan

Table of Contents

Guiding Principles

The following principles guide and inform the Compensation Committee's efforts to deliver a highly effective executive compensation program that drives shareholder value, operational performance, and fosters the attraction, motivation, of key talent.

Manage for the Long-term

The Board manages for the long-term and makes pay decisions that are in the best long-term interests of the Company and shareholders.

Alignment with Shareholders

Compensation is directly linked to performance and is aligned with shareholders by having a majority of NEO pay at risk in both short- and long-term incentives.

Extensive Shareholder Engagement

We engage directly with shareholders and take responsive actions to improve our compensation programs based on year-round feedback from shareholders.

Market Competitive

Our NEOs' pay levels are set by taking into consideration multiple factors, including peer group market data, internal equity comparisons, experience, succession planning, performance and retention.

Stock Ownership Guidelines

Executives are required to meet and maintain significant stock ownership requirements. Since 2016, our CEO's requirement is 6X base salary, while other NEOs are 3X base salary.

Balance

The portion of NEO pay at risk rewards the appropriate balance of short- and long-term financial and strategic business results.

Compensation Decisions - Roles of Board, Compensation Committee and CEO

CEO compensation decisions are made by the independent members of the Board, based on recommendation of the Compensation Committee.

Other NEO compensation decisions are made by the Compensation Committee, based on several factors including input from the CEO and the independent compensation consultant.

Setting Target Total Direct Compensation (TDC) for the CEO…

One of the Compensation Committee's most important responsibilities is to recommend the CEO's compensation to the independent Directors of the Board. The Compensation Committee fulfills this responsibility by analyzing peer group compensation and performance data with its independent compensation consultant. The Committee also reviews the various elements of the CEO's compensation in the context of the target TDC which includes base salary, annual and long-term incentive target opportunities.

…and for Our NEOs

The Compensation Committee uses a variety of data to gauge market competitiveness, including peer group data and regression analysis. TDC can vary based on competencies and skills, scope of responsibilities, the executive's experience and performance, retention, succession planning and the organizational structure of the businesses (e.g., internal alignment and reporting relationships).

Table of Contents

Peer Groups Used for Benchmarking Executive Compensation

We use a blended peer group for assessing our executive compensation program that consists of two sub-groups: energy services peers and general industry peers. We use a blended peer group because (1) there are not enough energy services peers with size, scale and complexity comparable to Exelon to create a robust energy services-only peer group, and (2) Exelon's market for attracting talent includes general industry peers, with recent key executives hired from companies such as Johnson & Johnson and Proctor & Gamble. When selecting general industry peers, we look for capital asset-intensive companies with size, scale and complexity similar to Exelon, and we also consider the extent to which they may be subject to the effects of volatile commodity prices similar to Exelon's sensitivity to commodity price volatility. Exelon's revenues are at the 85th percentile of the following blended peer group comprising 20 companies.

Energy Services – Beginning in 2017, we included the following 11 energy services companies in our peer group even though seven of these companies had 2016 revenues that were less than half of Exelon's revenues:

American Electric Power Company, Inc.	**Dominion Energy, Inc.**	**Duke Energy Corporation**	**Edison International**	**Entergy Corporation**
FirstEnergy Corporation	**NextEra Energy, Inc.**	**PG&E Corporation**	**Public Service Enterprise Group Inc.**	**Sempra Energy**
The Southern Company				

General Industry – Beginning in 2017, we included the following general industry peers in our peer group:

3M Company	**Deere & Company**	**DowDuPont**	**General Dynamics Corporation**	**Honeywell International Inc.**
International Paper Company	**Marathon Petroleum Company**	**Northrop Grumman Corporation**	**Valero Energy Corporation**	

In 2017, a change was made to our general industry peer sub-group. Alcoa, Hess, and Johnson Controls were removed due to corporate transactions that significantly altered their comparability to Exelon. These companies were replaced with Marathon Petroleum and Valero Energy Corporation in the general industry peer group and Sempra Energy in the energy services peer group, which the Compensation Committee deemed to better reflect the overall composition and profile of the peer group.

To account for differences in the size of the compensation peer group companies, market data is statistically adjusted using a regression analysis by the Committee's independent consultant allowing for a comparison of the compensation levels to similarly-sized companies. Each element of our NEOs' compensation is then targeted to the median of the peer group. To the extent an NEO's total compensation exceeds the peer group median, it is due to outstanding performance, critical skills, experience and tenure. If an NEO's compensation is below the median, it is generally due to underperformance against relevant metrics or reflective of an individual who is newer in his or her role.

How the Peer Group is used

- As an input in developing compensation targets and pay mix
- To assess the competitiveness of compensation and benefit programs
- Benchmarks for incentive program design
- Benchmarks for stock ownership guidelines

Table of Contents

2017 Say-on-Pay Vote Outcome and Shareholder Engagement

The Compensation Committee regularly reviews executive compensation, taking into consideration the input received through Exelon's robust engagement program with its investors. Feedback is typically solicited throughout the year in connection with the annual meeting of shareholders and the Compensation Committee's review of the executive compensation program.

During 2017, Exelon contacted the holders of nearly 50% of our outstanding shares, representing almost two-thirds of the Company's institutional investors. We engaged with portfolio managers and governance professionals from a significant cross-section of our shareholder base, representing approximately 45% of Exelon's outstanding shares. Mr. Yves de Balmann, Chair of the Compensation Committee, participated in most of the discussions held with shareholders, and feedback received was shared with the Compensation Committee, the Corporate Governance Committee, and the Board.

Feedback received in 2017 indicated that investors remain supportive of the extensive changes made to the executive compensation program in 2016. This support was reflected in our 2017 say-on-pay vote results. At the Company's annual meeting of shareholders held in April 2017, approximately 86% of the votes cast on the Company's say-on-pay proposal voted in favor of the proposal (up from approximately 38% in 2016). No additional substantive changes were made to the executive compensation program as a result of this feedback.

Actions Implemented in 2016 Demonstrate Responsiveness to Shareholders

Annual Incentive Plan (AIP)

- Capped future payouts at target if absolute TSR is negative for 12 months
- Moved operational metrics to AIP from PShare metrics to eliminate duplicate metrics used in LTIP
- Eliminated the individual performance multiplier component

Long-Term Incentive Plan (LTIP)

- Changed PShare performance periods from annual to three-year periods to align with long-term strategic goals and initiatives and shareholder interests
- Moved EPS and operational metrics from LTIP to AIP to parallel market practices and eliminate duplicate metrics used in annual and long-term plans; adopted new PShare financial and credit metrics connected with goal to support and drive utility performance
- Amended TSR modifier to compare to UTY market index to more closely correspond with shareholder return experience, and capped payouts at target where TSR is negative for the final 12 months of the measurement period

Table of Contents

Compensation Decisions and Rationale

2017 Compensation Program Structure

The Compensation Committee designed Exelon's 2017 compensation program to motivate and reward leaders who create long-term value for our shareholders. The primary compensation elements include fixed and variable components that include:

Pay Element	Form	Performance	Purpose
Salary	Cash	Merit Based	Provides portion of income stability at competitive, market-based levels
Annual Incentive Plan	Cash	1 Year Adjusted Operating EPS **(70%)** Operational Goals **(30%)** *Outage Duration, Outage Frequency, Net Fleetwide Capacity Factor, Dispatch Match* TSR Cap if negative 1-year absolute TSR	Motivates executives to achieve key annual financial and operational objectives using adjusted operating EPS and operational goals that reflect commitment to become the leading diversified energy provider Aligns with shareholder interests by capping payouts at target if 1-year absolute TSR is negative
Long-Term Incentive Plan	Performance Shares **(67%** of LTIP)	Cumulative Performance 2017-2019 Scorecard: Utility Earned ROE **(33.3%)**; Utility Net Income **(33.3%)**; Exelon FFO/Debt **(33.4%)** 2017-2019 Modifier: Point- for-point relative TSR Modifier (3-year period); TSR Cap if negative 1-year absolute TSR	Drives executive focus on long-term goals supporting utility growth, financial results, and capital stewardship to drive behavior and align with shareholder interests Includes relative comparison of TSR to market index and caps payout at target if absolute TSR is negative to further align with shareholder interests
	Restricted Stock **(33%** of LTIP)	Vest One-Third Per Year Over 3 Years	

2017 Target Compensation

The table below lists the target value of the compensation elements for each NEO as of December 31, 2017.

	Cash Compensation			Long-Term Incentives			Target Total
		AIP	Target	RSUs	PShares	Target Total	Direct
Name	Base	Target	Total Cash	33% of LTIP	67% of LTIP	LTIP	Compensation
Crane	$1,261,000	130%	$2,900,300	$3,332,901	$6,766,799	$10,099,700	$13,000,000
Thayer	807,900	95%	1,575,405	891,526	1,810,069	2,701,595	4,277,000
Von Hoene, Jr.	886,600	100%	1,773,200	963,864	1,956,936	2,920,800	4,694,000
Cornew	883,600	100%	1,767,200	963,204	1,955,596	2,918,800	4,686,000
O'Brien	824,700	95%	1,608,165	815,376	1,655,459	2,470,835	4,079,000

Total Cash Compensation (Base Salary and Annual Incentive Program)

2017 Base Salary Review and Adjustments

Base salaries for our NEOs are set by the Compensation Committee and adjusted following an annual market assessment of peer group compensation. Base salaries may be adjusted (1) as part of the annual merit review or (2) based on a promotion or significant change in job scope. The Compensation Committee considers the results of the annual market assessment in addition to the following factors when contemplating a merit review: individual performance, scope of responsibility, leadership skills and values, current compensation, internal equity, and legacy matters.

In January 2017, the Compensation Committee approved a 2.5% increase in base salary for each NEO (excluding the CEO) effective March 1, 2017, as part of its annual merit review.

2017 Annual Incentive Program (AIP) Award Determinations

In prior years, the AIP process included the application of an individual performance multiplier to the final award determination. Some shareholders voiced concern about the use of the discretionary individual performance multiplier, so this multiplier was removed in 2016 for AIP payout determinations made in 2017.

Accordingly, for 2017 the Compensation Committee used the following process to determine 2017 AIP awards for each NEO:

Step 1
Set AIP Target

- Expressed as percentage of base salary, as of 12/31/17
- CEO annual incentive target of 130%
- Other NEO annual incentive targets range from 95% to 100%

Step 2
Determine Performance Factor

- Based on 70% adjusted (non-GAAP) operating EPS and 30% operational metrics

Step 3
Determine Negative TSR Cap

- If Exelon's absolute TSR for the year is negative, AIP payout will be capped at target (100%)

Step 4
Apply Final Multiplier

- Multiply the target award by the lesser of (i) the performance factor or (ii) the negative TSR cap if applicable
- Award can range from 0% to 200% of target (target of 100%)

Table of Contents

Compensation Discussion & Analysis

2017 Performance. The following table includes the threshold, target, and distinguished or maximum performance goals and results achieved under the 2017 annual incentive plan (AIP).

Goals	Threshold	Target	Distinguished	Weighting	Weighted Payout as a % of Target
Financial (70%)					
Adjusted (non-GAAP) Operating Earnings Per Share (EPS)*				70%	42.37%
Operational (30%)					
Outage Duration (CAIDI) Calculated as the total number of customer interruption minutes divided by the total number of customer interruptions				7.5%	12.86%
Outage Frequency (SAIFI) Calculated as the total number of customer interruptions divided by the total number of customers served				7.5%	15.00%
Net Fleetwide Capacity Factor The weighted average of the capacity factor of all Exelon nuclear units, calculated as the sum of net generation in megawatt hours divided by the sum of the hourly annual mean net megawatt rating, multiplied by the number of hours in a period**				7.5%	11.49%
Dispatch Match Measure the responsiveness of a fossil generating unit to the market				7.5%	15.00%
Formulaic Performance Calculation					96.72%

* Refer to Appendix at A-1 for our rationale for using a reconciliation of adjusted (non-GAAP) operating earnings per share to GAAP earnings per share.

** Starting in 2017 we introduced a capping feature on Net Fleetwide Capacity Factor to account for the lower spot pricing for energy and to ensure that this metric is self-funding. For every incremental dollar the Company makes after achieving target performance, participants receive half.

Performance Considerations. The AIP payout was calculated at 96.72% of target, based on the following performance outcomes:

- achieved outstanding operational performance on the four metrics, including best-in-class performance for Nuclear Fleetwide Capacity Factor and best-ever SAIFI performance;
- had an absolute TSR of 15.1%, outperforming the UTY; and
- delivered solid financial performance on operating EPS at $2.60, which would have been $2.69 if the 2017 ZEC credits revenue recognition was not postponed to 2018 as explained on page 46.

In determining the final payout for all NEOs (including the CEO), the Compensation Committee and Board concluded that this was the appropriate payout to reflect overall financial and operational performance. Furthermore, the Committee and Board decided to not adjust 2017 performance for the loss of 9 cents attributable to ZEC credits that were carried forward to 2018, even though those credits were included in the 2017 target of $2.75. This 2017 target was 7 cents above the 2016 actual operating EPS.

Table of Contents

The following table shows how the formula was applied and the actual amounts awarded. The Compensation Committee made no changes to the NEOs targets for AIP.

NEO	AIP Target	Formulaic Performance Factor	Actual Award
Crane	$1,639,300	96.72%	$1,585,531
Thayer	767,505	96.72%	742,331
Von Hoene, Jr.	886,600	96.72%	857,520
Cornew	883,600	96.72%	854,618
O'Brien	783,465	96.72%	757,767

2017 Long-Term Incentive Program (LTIP)

The Compensation Committee annually grants equity incentive awards at its meeting in January. On January 30, 2017, the Compensation Committee approved awards of restricted stock units (RSUs) and performance shares (PShares) shown in detail in the Grants of Plan-Based Awards table on page 65.

Restricted Stock Units. RSUs vest ratably over three years. Dividend equivalents with respect to RSUs are reinvested as additional RSUs, subject to the same vesting conditions as the underlying RSUs.

Performance Share Units. A target number of PShares is granted, the earning of which is contingent on performance for the subsequent three-years. Performance measures for the currently open cycles are summarized in the tables below. In addition to these financial measures, any earned award is subject to a total shareholder return modifier to compensate for relative performance achieved against the performance of the UTY index. See page 53 for the rationale behind the selection of the performance goals used for PShares.

Table of Contents

Performance Share (PShare) Award Determinations

In prior years, the PShare determination process included the application of an individual performance multiplier to the final award determination. Some shareholders voiced concern about the use of the discretionary individual performance multiplier, so this multiplier was not applied to PShare payout determinations made in 2017.

Accordingly, the Compensation Committee uses the following process to determine PShare targets and awards:

Step 1	Step 2	Step 3	Step 4	Step 5
Establish PShare Target Target set in January of the first year of the performance cycle	**Determine Performance Multiplier** Based on performance achieved over the cycle Performance can range from 0% to 150% of target (target of 100%)	**Determine TSR Modifier** Subtract the performance of the UTY from Exelon's absolute TSR performance over the three-year performance period (e.g., 2017-2019)	**Calculate Final Multiplier** Multiply the performance multiplier by (1 + the TSR multiplier) If Exelon's absolute TSR for the final 12 months of the measurement period is negative, PShare payout will be capped at target	**Apply Final Multiplier** Apply the final multiplier to determine the number of shares issued Award can range from 0% to 200% of target (target of 100%) after application of the TSR modifier

2015-2017 PShare Program Payout Determination

The Compensation Committee approved a payout of 111.25%, based on the average performance of 117.03% for the 2015, 2016 and 2017 scorecards and a TSR modifier of negative 4.94% based on 2015-2017 TSR performance. The 2015, 2016 and 2017 scorecards are presented in the Appendix at A-2; the 2017 award payout calculation is presented below:

Year	Scorecard Performance	Average Performance	TSR Modifier	Overall Award Payout
2015	122.48%			
2016	125.00%	117.03%	-4.94%	111.25%*
2017	103.61%			

* 117.03% X (100%-4.94%)

2015-2017 TSR Modifier and Cap Determination

To address shareholder concerns received in 2016, the following modifications were made to the TSR modifier and a TSR cap was added:

- Changed TSR modifier peer group from the competitive integrated companies (Entergy, FirstEnergy, NextEra Energy, and PSEG) to the UTY
- Changed to a point-for-point approach, where the UTY's absolute TSR performance is subtracted from Exelon's absolute TSR over the three-year period
- The modifier is no longer capped (positive or negative)
- Cap payout at target if TSR is negative for the final 12 months of the measurement period

For the 2015-2017 performance period, the TSR modifier was 18.98% for Exelon minus 23.92% for the UTY, resulting in a TSR modifier of negative 4.94%. Exelon's 2017 one-year absolute TSR was 15.11% so the TSR cap was not applicable.

The following table shows how the formula was applied and the actual amounts awarded.

NEO	Target Shares		Performance Factor		Actual Award
Crane	176,221	x	111.25%	=	196,046
Thayer	48,455	x	111.25%	=	53,906
Von Hoene, Jr.	53,112	x	111.25%	=	59,087
Cornew	52,359	x	111.25%	=	58,249
O'Brien	44,307	x	111.25%	=	49,292

Because all of the NEOs have achieved 200% or more of their stock ownership targets (as described on page 59), all of their PShare awards were settled in cash. For participants who have not achieved 200% of their stock ownership target, PShare awards are settled half in shares of Exelon common stock and half in cash.

Robust Goal-Setting Process and Rigorous Targets

The Compensation Committee strives to set challenging operational and financial performance targets that drive and motivate executives to achieve short- and long-term success and to help ensure key talent is retained. The Compensation Committee selects metrics that are directly tied to the Company's operational and financial strategies and are proven measures of long-term value creation. Operational targets are benchmarked and set at the top quartile or higher as compared to industry standards. Financial targets are based on our internal business plans and external market factors.

Goal-Setting for 2018

Exelon's goal-setting process employs a multi-layer approach and analysis that incorporates a blend of objective and subjective business considerations and other analytical methods to ensure that the goals are sufficiently rigorous. Such considerations include:

- **Recent History:** Goals generally reflect a logical progression of results from the recent past
- **Relative Performance:** Performance is evaluated against a relevant group of the Company's peers
- **Strategic Aspirations:** Near- and intermediate-term goals follow a trend line consistent with long-term aspirations
- **Shareholder Expectations:** Goals are aligned with externally communicated financial guidance and shareholder expectations
- **Sustainable Sharing:** Earned awards reflect a balanced degree of shared benefits between shareholders and participants

To ensure adequate rigor for the financial targets applicable to the PShares, we conducted statistical simulations to understand the level of difficulty of our payout range. We also conducted a sensitivity analysis of reasonable value ranges for several internal and external variables that are significant drivers of performance. We also examined historical levels of deviation of Company performance compared to plan.

Example: AIP Goal Rigor

The Compensation Committee set the adjusted (non-GAAP) operating EPS AIP target for 2018 at a level significantly higher than the Company's actual performance in 2017, which is generally aligned with the midpoint of our publicly disclosed 2018 financial guidance. For 2018, maximum targets were set at levels that outperform Company historical performance for three of the four operational metrics:

- best-ever for Dispatch Match
- best-ever for Nuclear Fleetwide Capacity Factor
- best-ever for outage frequency results (best-in-class)
- first decile of industry standards for outage duration goals

Table of Contents

PShare Goal Setting

The three-performance metrics underlying the 2018-2020 PShare awards include the following:

Utility Earned ROE (33.3%)	Utility Net Income (33.3%)	Exelon FFO/Debt (33.4%)
Average utility ROE weighted by year-end rate base	Aggregate utility adjusted (non-GAAP) operating earnings, including Corporate	Funds from operations to total debt ratio

The Utility Return on Equity (ROE) and Utility Net Income use interpolation between threshold, target, and distinguished levels of performance whereas the Funds From Operations (FFO)/Debt metric uses a "stair-step" approach with no interpolation between the performance levels. Performance will be evaluated at the end of 2020 after the completion of the three-year performance period. This is part of the transition to the three-year performance period.

PShare targets were set based on external commitments and/or probabilistic modeling. The performance scale range for the Utility Net Income and Utility ROE metrics was based on the following probability levels of achievement: 95% for threshold and 5% for distinguished and the target is aligned with projected performance. The target for Exelon FFO/Debt metric is aligned with the expectations of credit rating agencies.

Governance Features of Our Executive Compensation Programs

Stock Ownership and Trading Requirements

To strengthen the alignment of executive interests with those of shareholders, officers of the Company are required to own certain amounts of Exelon common stock by the later of (1) five years following an adjustment made to the guidelines (last adjustments made in 2012) or (2) his or her employment or promotion to a new position. As of the annual measurement date of September 30, 2017, all NEOs had exceeded 200% of their stock ownership guidelines as shown in the following chart:

Crane	Thayer	Von Hoene, Jr.	Cornew	O'Brien

The following types of ownership count towards meeting the stock ownership guidelines: restricted shares and restricted stock units, shares held in the Exelon Deferral Plan, dividend reinvestment plan, 401(k) Employee Savings Plan, and common shares beneficially owned directly or indirectly. For additional details about NEO stock ownership, please see the Beneficial Ownership Table on page 77.

Exelon requires executive vice presidents and above who wish to sell Exelon common stock to do so only through the adoption of a stock trading plan meeting the requirements of SEC Rule 10b5-1(c). 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 personal financial plans. The use of Rule 10b5-1 stock trading plans serves to reduce the risks that such transactions will be viewed negatively or as commentary with respect to the future value of Exelon's stock. In addition, the use of Rule 10b5-1 stock trading plans are believed to reduce the potential for accusations of trading on the basis of material, non-public information, which could damage the reputation of the Company. Exelon's stock trading policy does not permit short sales, hedging or pledging.

Recoupment (Clawback) Policy

Consistent with developing best practices, the Board of Directors recently revised its recoupment policy to broaden the discretionary ability to clawback incentive compensation when deemed appropriate. Under the policy, the Board has sole discretion to recoup incentive compensation if it determines that:

- the incentive compensation was based on the achievement of financial or other results that were subsequently restated or corrected;
- the incentive plan participant engaged in fraud or intentional misconduct that caused or contributed to the need for restatement or correction;
- a lower incentive plan award would have been made to the participant based on the restated or corrected results; and
- recoupment is not precluded by applicable law or employment agreements.

The Board or Compensation Committee may also seek to recoup incentive compensation paid or payable to current or former incentive plan participants if, in its sole discretion, the Board or Compensation Committee determine that:

- the current or former incentive plan participant breached a restrictive covenant or engaged or participated in misconduct or intentional or reckless acts or omissions or serious neglect of responsibilities that caused or contributed to a significant financial loss or serious reputational harm to Exelon or its subsidiaries regardless of whether a financial statement restatement or correction of incentive plan results was required; and
- recoupment is not precluded by applicable law or employment agreements.

In addition, the terms of the annual incentive plan provide that the Compensation Committee and management may curtail awards if there is a “significant event,” which is defined as a single, high-profile event caused by a failure of Exelon that is determined to have been directly or indirectly caused by a human error or poor management attention. Significant events may include a single high-profile outage or another event that may result in negative customer and media impact or a significant adverse governmental or regulatory action. The Compensation Committee may also apply negative discretion to unvested equity incentive awards if a significant event or other occurrence is determined to have a similar impact on the Company. Similarly, the terms of the long-term incentive plan provide that the Compensation Committee may amend or adjust the performance measures or other terms and conditions of outstanding awards in the event of unusual or nonrecurring events affecting the Company or its financial statements or changes in law or accounting principles.

Risk Management Assessment of Compensation Policies and Practices

The Compensation Committee reviews Exelon’s compensation policies and practices as they relate to the Company’s risk management practices and risk-taking incentives. In 2017, the Compensation Committee partnered with Exelon’s Enterprise Risk Management group to apply the enterprise risk management policy and framework to the compensation risk assessment process to assess and validate that the controls in place continued to mitigate incentive compensation risks. Following this assessment, the Committee believes that its compensation policies and practices are not reasonably likely to have a material adverse effect on Exelon. In this regard, the Compensation Committee considered the following compensation program features in place to balance the degree of risk taking:

- the annual incentive plan includes multiple incentive performance measures with a balance of financial and non-financial metrics;
- long-term incentives include multiple vehicles and performance metrics and three-year overlapping performance periods that are aligned with long-term stock ownership requirements;
- incentive metrics, performance goals, and capital allocation require multiple approval levels and oversight;
- total compensation pay mix includes effective and market aligned balance of short- and long-term incentive compensation elements;
- incentive compensation is balanced by formulaic and discretionary funding;
- short- and long-term incentive awards contain award caps or modifiers;
- reasonable change-in-control and severance benefits are within common norms;
- clawback provisions exceed regulatory mandates; and
- consistent and meaningful stock ownership requirements create sustained and consistent ownership stakes.

Tax Consequences

Under Section 162(m) of the Internal Revenue Code (Code) applicable for tax years beginning before December 31, 2017, executive compensation in excess of $1 million paid to a CEO or other person among the three other highest compensated officers (excluding the CFO) 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. Historically, 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.

Because it is not "qualified performance-based compensation" within the meaning of Section 162(m) applicable for tax years beginning before December 31, 2017, 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. Crane's 2017 base salary in excess of $1 million. AIP awards and PShares payable to NEOs are intended to be qualified performance-based compensation under Section 162(m), and to be deductible for federal income tax purposes. Restricted stock and RSUs are not deductible by the Company for federal income tax purposes under the provisions of Section 162(m) to the extent an NEO's compensation that is not "qualified performance-based compensation" is in excess of $1 million.

In order to qualify payments under the AIP and performance share program as performance-based for Section 162(m) of the Code, the Compensation Committee uses a "plan-within-plan" two-step approach to determine the amount of the bonus payment. The first step is to fund the overall bonus pool. The pool is funded if the Company meets the pre-established performance metrics. The second step is accomplished when the Compensation Committee exercises "negative discretion" by making adjustments to the formula award funded by the overall pool. Negative discretion is used to reduce the amount funded by the pool to an amount equal to the target bonus (for AIP) or target equity (for the performance share program) adjusted for final Company performance and individual performance.

Under Section 4999 of the Code, there is an 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. In 2016, the NEOs consented to the removal of the remaining legacy excise tax gross-up provisions for transactions resulting in a change-in-control, with no recompense for said removal.

On December 22, 2017, the Tax Cuts and Jobs Act (Tax Act) was signed into law, and includes significant changes to the executive compensation deduction rules in Section 162(m) of the Code. The changes include:

- expanding the covered employees as described in Section 162(m) to include the CFO, which had previously been excluded from the limitation;
- sustaining classification as a "covered employee" in perpetuity even after death through severance and post-death payments for all applicable "covered employees" identified for tax years beginning after December 31, 2016;
- removing the exception for performance-based compensation thereby making a larger portion of the executives' pay non-deductible for federal tax purposes; and
- expanding Section 162(m) to include corporations that have publicly traded equity and publicly traded debt, foreign private issuers that meet the new definition of a publicly held corporation and possibly large private C or S corporations.

The Tax Act will have expansive impacts to Exelon as our executive compensation is 60% to 65% performance-based, which may not be deductible for tax purposes beginning with the 2018 tax year. Also, Exelon has nine registrants with the SEC that could potentially fall within scope of 162(m). Without further IRS guidance clarifying technical aspects of the Tax Act, Exelon is unable to fully quantify the tax consequences of the legislation. Given the uncertainty, the SEC issued Staff Accounting Bulletin 118 which provides for a measurement period, not to extend beyond one year of the enactment date, for registrants to assess the financial impacts and report in their financial statements.

The Compensation Committee will review current executive compensation programs considering the expansive tax consequences, however the Committee will continue to focus on designing executive compensation programs that motivate executives to drive long-term performance and that align the interest of Exelon's executives with shareholders.

Report of the Compensation and Leadership Development Committee

The Compensation and Leadership Development Committee is accountable for ensuring that the decisions made about executive compensation are in the best long-term interests of our shareholders. We accomplish this objective by having robust executive compensation principles in place and considering feedback received from shareholders to continuously improve and strengthen our executive compensation programs. Input received from investors representing over 45% of Exelon's outstanding shares in 2017 was positive and resulted in no significant changes to our executive compensation program. Shareholders indicated continued satisfaction with the modifications implemented in 2016 that addressed concerns and better aligned the program with the Company's strategy.

The Compensation and Leadership Development Committee has reviewed and discussed with management the Compensation Discussion and Analysis contained on pages 45-61 of this proxy statement. Based on such review and discussion, the Committee recommended to the Board that the Compensation Discussion and Analysis be included in the 2018 Proxy Statement.

THE COMPENSATION AND LEADERSHIP
DEVELOPMENT COMMITTEE

Yves C. de Balmann, *Chair*
Robert J. Lawless
Linda P. Jojo

Table of Contents

Executive Compensation Data

Summary Compensation Table

Year	Salary ($)	Stock Awards ($) (Note 1)	Non-Equity Incentive Plan Compensation ($) (Note 2)	Change in Pension Value and Nonqualified Deferred Compensation Earnings ($) (Note 3)	All Other Compensation ($) (Note 4)	Total ($)
Christopher M. Crane						
President and Chief Executive Officer, Exelon						
2017	$1,261,000	$10,099,755	$1,585,531	$1,524,765	$386,808	$14,857,859
2016	1,255,515	10,099,718	1,639,300	1,836,211	400,958	15,231,702
2015	1,224,808	9,821,055	2,072,777	2,462,551	380,054	15,961,245
Jonathan W. Thayer						
Senior Executive Vice President and Chief Financial Officer, Exelon						
2017	804,339	2,701,654	742,331	144,688	119,146	4,512,158
2016	784,802	2,701,035	1,071,368	225,160	60,504	4,842,869
2015	794,556	2,700,466	947,006	229,066	90,194	4,761,288
William A. Von Hoene Jr.						
Senior Executive Vice President and Chief Strategy Officer, Exelon						
2017	882,696	2,920,829	857,520	202,125	374,057	5,237,227
2016	831,350	3,700,342	1,237,642	216,271	198,770	6,184,375
2015	755,296	2,296,821	835,753	163,284	111,890	4,163,044
Kenneth W. Cornew						
Senior Executive Vice President and Chief Commercial Officer, Exelon; President and Chief Executive Officer, Exelon Generation						
2017	878,865	2,918,832	854,618	235,324	87,667	4,975,306
2016	857,477	2,918,043	1,233,350	231,669	93,848	5,334,387
2015	836,558	2,918,046	1,090,185	191,460	93,485	5,129,734
Denis P. O'Brien						
Senior Executive Vice President, Exelon; Chief Executive Officer, Exelon Utilities						
2017	820,293	2,470,846	757,767	295,787	134,243	4,478,936
2016	800,378	2,470,066	1,093,660	325,832	95,567	4,785,503
2015	780,874	2,469,294	994,688	239,970	86,431	4,571,257

Notes to the Summary Compensation Table

(1) The amounts shown in this column include the aggregate grant date fair value of restricted stock unit and performance share unit awards for the 2017-2019 performance period granted on January 30, 2017. The grant date fair values of the stock awards have been computed in accordance with FASB ASC Topic 718 using the assumptions described in Note 20 of the Combined Notes to Consolidated Financial Statements included in Exelon's 2017 Annual Report on Form 10-K. The performance share unit awards are subject to performance conditions. For the 2017-2019 performance share unit award, the grant date fair value and the value assuming the highest level of performance, including the maximum total shareholder return multiplier, is as follows:

	Performance Share Unit Value	
	At Target	At Maximum
Crane	$6,766,820	$13,533,640
Thayer	1,810,096	3,620,192
Von Hoene Jr.	1,956,949	3,913,898
Cornew	1,955,617	3,911,234
O'Brien	1,655,465	3,310,930

Table of Contents

Executive Compensation Data

(2) The amounts shown in this column for 2017 represent payments made pursuant to the Annual Incentive Plan.
(3) The amounts shown in this column represent the change in the accumulated pension benefit for the NEOs from December 31, 2016 to December 31, 2017. None of the NEOs had above market earnings in a non-qualified deferred compensation account in 2017.
(4) All Other Compensation: The following table describes the incremental cost of other benefits provided in 2017 that are shown in this column.

ALL OTHER COMPENSATION

Name	Perquisites ($) (Note 1)	Reimbursement for Income Taxes ($) (Note 2)	Company Contributions to Savings Plans ($) (Note 3)	Company Paid Term Life Insurance Premiums ($) (Note 4)