



**SHAREHOLDER Q&A**  
**EXELON CORPORATION'S 2022 ANNUAL MEETING OF SHAREHOLDERS**  
April 26, 2022

Shareholders were permitted to submit questions in writing prior to and during the 2022 annual meeting. In accordance with the Rules of Conduct for the meeting, all appropriate questions are presented below as submitted exactly by shareholders and Exelon has not undertaken to edit or correct grammatical, typographical or other errors. Exelon expressly disclaims an obligation to update its responses below.

A recording of the 2022 Annual Meeting of Shareholders will be available for twelve months at the following link: [www.virtualshareholdermeeting.com/EXC2022](http://www.virtualshareholdermeeting.com/EXC2022).

**SPECIAL NOTE: Shareholder proposal submitted by SEIU Master Trust withdrawn following successful negotiations.**

As referenced on page 1 of the 2022 Proxy Statement, a shareholder proposal submitted by SEIU Master Trust was withdrawn following successful negotiations.

Following discussions with the Service Employees International Union Pension Plans Master Trust, disclosures in Exelon's future semi-annual Political Contribution reports will be expanded to include all dues paid to trade associations of \$10,000 or more and will also include the names of trade associations at which Exelon or any of our controlled affiliates/organizations serve on the trade association's board. Exelon is also working to implement new mechanisms to track and disclose in Exelon's annual list of all recipients of corporate grants any company matching contributions stemming from senior executive contributions to 501(c)(3) charitable entities in excess of \$5,000 up to the company's limit of \$10,000.

These enhanced disclosures reflect our shared interest in increasing transparency disclosures.

Cautionary Statement Regarding Forward Looking Information:

This presentation contains certain written and oral forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 that are subject to risks and uncertainties on our business, financial condition and results of operations. Any such forward-looking statements involve risks, assumptions and uncertainties. Words such as “could,” “may,” “expects,” “anticipates,” “will,” “targets,” “goals,” “projects,” “intends,” “plans,” “believes,” “seeks,” “estimates,” “predicts,” and variations on such words, and similar expressions that reflect our current views with respect to future events and operational, economic and financial performance, are intended to identify such forward-looking statements.

The factors that could cause actual results to differ materially from the forward-looking statements made by Exelon Corporation, Commonwealth Edison Company, PECO Energy Company, Baltimore Gas and Electric Company, Pepco Holdings LLC, Potomac Electric Power Company, Delmarva Power & Light Company, and Atlantic City Electric Company (Registrants) include those factors discussed herein, as well as the items discussed in (1) the Registrants' 2021 Annual Report on Form 10-K in (a) Part I, ITEM 1A. Risk Factors, (b) Part II, ITEM 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations, and (c) Part II, ITEM 8. Financial Statements and Supplementary Data: Note 19, Commitments and Contingencies; (2) the Registrants' First Quarter 2022 Quarterly Report on Form 10-Q in (a) Part II, ITEM 1A. Risk Factors, (b) Part I, ITEM 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations, and (c) Part I, ITEM 1. Financial Statements: Note 12, Commitments and Contingencies; and (3) other factors discussed in filings with the SEC by the Registrants.

Investors are cautioned not to place undue reliance on these forward-looking statements, whether written or oral. None of the Registrants undertakes any obligation to publicly release any revision to its forward-looking statements. A reconciliation of non-GAAP measures is available on the investor relations section of the website: <https://investors.exeloncorp.com/>

## SHAREHOLDER QUESTIONS

*In cases where we received multiple questions on the same topic, each question is listed but we've provided one combined response. All questions are presented exactly as received.*

**1. Any dividend increases on the horizon?**

**2. Will there be a dividend increase in the near future and/or a stock split?**

At its January 2022 Analyst Day, Exelon affirmed its intention to maintain an approximate 60% dividend payout ratio of operating earnings going forward, and it expects to grow earnings at a 6-8% annualized growth rate through 2025. It is therefore expected that dividends will increase annually, subject to approval by Exelon's Board of Directors. There are no plans for a stock split at this time.

**3. Why not offer shareholders the opportunity to vote on any stock buy back programs?**

Exelon has no current plans to enter into a stock repurchase program in the foreseeable future. Due to the projected growth in investment in its utilities to meet customer needs, Exelon expects to issue up to \$1 billion of equity to finance these investments through 2025.

**4. Moving your assets to Constellation indicates that you may be preparing for the worse with regards to the on-going bribery scandal at Exelon. What type of response are you expecting with respect to the current stock value because of this incident?**

Exelon elected to separate the two companies because the Board determined the market was not recognizing the full value of the two businesses that Exelon owned. Separating the power generation and competitive energy business from Exelon's utilities allowed each independent company to focus on its core business strategy to better meet evolving customer needs and stakeholder goals. As discussed in our annual shareholder meeting, Exelon's stock performance has been quite strong leading up to and in the period following the separation: Exelon's total shareholder return – from the time we announced our intention to separate on February 24, 2021 to March 1, 2022, which marks one month past the separation itself, and inclusive of the value of the Constellation business that was spun out on February 1, 2022– was 51.3%, significantly outpacing both the Standard and Poor's 500 index at 15.1% and the UTY at 14.3% over the same period.

**5. As Exelon shareholders, we received shares of Constellation Energy (strategic business decision) based on shares of Exelon held, are there plans to do the same with ComEd?**

There are no current plans to separate ComEd from Exelon.

**6. A Canadian shareholder would like to know Will Exelon be submitting documentation for the spin off to be considered an eligible spin off according to Canadian tax law**

On April 20, 2022, the Canadian Revenue Agency (CRA) published a statement that Exelon's separation transaction met the eligibility criteria for the tax deferral election pursuant to Section 86.1 of the Income Tax Act (Canada). The CRA's publication can be found at the link below.

<https://www.canada.ca/en/revenue-agency/services/tax/businesses/topics/eligible-spin-offs.html>

**7. Why did the Board recommend voting against: A shareholder proposal requesting a report on the impact of Exelon plans involving electric vehicles and charging stations with regard to child labor outside the United States?**

The exploitation of child labor in cobalt mining operations that support electric vehicle (EV) battery production is unacceptable. However, Exelon does not manufacture EV batteries and has no control over the supply chain issue associated with mining and rechargeable battery production and decisions made by EV manufacturers.

As discussed in the 2022 Proxy Statement, Exelon has set an aggressive goal to electrify our fleet of vehicles – 30% by 2025 and 50% by 2030. Exelon is also working with public service commissions, public officials, communities, and coalitions to create programs that advance EVs and the development of EV charging stations in our service areas. Although Exelon is expanding the use of EVs in its fleets and is promoting the use of EVs to mitigate climate change, the issues associated with the sourcing of cobalt are far beyond the scope of control of Exelon's supply chain or business plans. The Company believes in the importance of ethical sourcing in its supply chain and is committed to responsible business practices.

The proposal was submitted by Steven Milloy, a lobbyist and advocate for coal and fossil fuel interests, which are not aligned with the intentions of Exelon and other companies in taking actions against climate change and pursuing business opportunities in clean energy.

**8. Why would EXELON be against a shareholder proposal that in the long run is beneficial to the environment? EXELON stands to profit immensely in the future with Electric vehicles and other green" energy legislation that States and Federal Government will ultimately pass? Why is not EXELON out in front on promoting the installation of more Electric Vehicle access points?"**

We are working in all our jurisdictions on how we can expand charging stations. We are also working on car-sharing pilot programs where electric vehicles can be "checked-out". In every service territory, we're working on a plan to increase charging capabilities. We're also a founding member of the Electric Highway Coalition where we're looking to create a standardized procedure across the mid-Atlantic and across the country for creating charging ports for EVs. We're also leaders in electrifying our own fleet within the utilities - 30% by 2025 and 50% by 2030. We're leading the industry in getting that effort done in partnership with our EEI colleagues.

**9. Can Directors Anderson, Cheshire, Gutierrez, Jojo, and Young from the Compensation Committee explain why the median employee makes so little compared to the CEO? The 98:1 CEO to median pay ratio seems unjustifiably steep.**

Based on an analysis by Reuters of the CEO pay ratio, the average ratio for S&P 500 CEOs was 299:1. Exelon's pay ratio of 98:1 is well below that average.

**10. Why did some executives receive more than a 1% increase or 10% and some 0 increase? Are these executives evaluated on their contributions to the profitability of the company over the employees?**

The Compensation Committee sets base salaries for each NEO which are reviewed annually. When evaluating whether to make adjustments, the Compensation Committee considers a number of factors including the outcome of the annual merit review, results of the annual market assessment of NEO and CEO compensation provided by the Committee's independent compensation consultant, the need to retain an experienced team, job promotion, individual performance, scope of responsibility, leadership skills and values, current compensation, internal equity, and legacy matters. In January 2021, the Compensation Committee approved a 1.0% increase in base salary for all NEOs except for Messrs. Butler and Hanson, who received market adjustments of 10.7%, and 3.6%, respectively.

**11. Natural Gas might start being very costly, contingency plans for natural gas costs?**

Natural gas costs were higher this past winter than any time in recent history. Customers were somewhat protected from those increases this winter due to Exelon's short-term hedging programs, but they could be more exposed in future periods. The forecasts for future gas prices suggest that costs will be lower in the future, and commodity prices only make up about 40% of the customer's gas bill. The balance consists of the costs for our distribution service that are much more stable and known. But in the event of continued high natural gas prices, Exelon is doing a number of other things, including: managing the costs that are in our control to help mitigate these commodity price impacts; leveraging our scale and first-class supply organization to control non-labor cost; using technology to find additional efficiencies; and investing in energy efficiency to help our customers reduce their bills and connecting our customers with significant amounts of customer assistance programs that, last year, amounted to over \$450 million. Collectively these actions should help us, and importantly, our customers if natural gas prices remain high.

**12. Will the hydrogen business grow slowly at first, then more rapidly**

Hydrogen has the potential to be a key tool in helping economies decarbonize, especially in hard-to-electrify sectors. The hydrogen economy will probably grow at different speeds in different places (e.g., Europe and Japan are further ahead today than the U.S.) and domestically with federal/state/regional incentives (e.g., proposed PTC, Hub funding, LCFS incentives) resulting in some US regions moving faster than others. It should be noted that there are multiple low-carbon fuel options in addition to hydrogen that are being advocated for: ammonia, methanol, synthetic natural gas, biomethane, etc. As with all technologies Exelon's approach is to study, pilot and scale solutions, and we are utilizing that approach for these low-carbon fuel options, including hydrogen.

**13. What percentage of the Business Model of the Company is ESG? Follow-up question: Is water a replacement energy source for what the company had in the historical past used Carbon Energy?**

As the leading transmission and distribution utility in the U.S., Exelon's commitment to operational and financial excellence must extend to ESG principles. Our strategy is predicated on delivering reliable, clean, and affordable energy to our customers while supporting the communities in which we operate, and so all of our activity and investments support that goal. The majority of our \$29 billion capital plan through 2025 supports fundamental reliability and resiliency needs, but much of the investment has additional benefits in the form of increasing the capacity and flexibility of the grid to handle the demands associated with increased electrification and more distributed, clean generation. For additional information around Exelon's ESG characteristics, please see the latest presentation for investors: <https://investors.exeloncorp.com/static-files/5ee1ebb7-0186-4ee5-ab6f-d3fd56858e44>.

As it pertains to replacement energy sources, Exelon no longer owns generation as a result of the separation of Constellation.

**14. After the separation of the utility division from the merchant generation and retail unit-how will the company approach growth in a time of high-interest rates-did the company lock in the low-interest loans before these potential increases? Is there growth for the company in terms of exploring alternatives to electric and gas as well as private acquisitions?**

As outlined in our Analyst Day presentation in January, there is a significant amount of capital needed to support the transition to a cleaner grid while maintaining the reliability and security our customers expect. These include new technologies to handle increased load from the electrification of new end uses, and additional investment needed to harden against increased weather-related stresses, like storms. Meeting these demands will require \$29 billion of capital needs for our customers over the next 4 years, resulting in a forecasted 8% rate base growth that matches our highest-growing peers. Some of this incremental investment is financed through debt, and we will face higher costs for that debt relative to what we might have expected a few months ago. But our strong, investment grade balance sheet allows for a very competitive cost of debt and a large amount of the growth is financed through the internally generated cash flow provided by our existing assets. We will also be issuing up to \$1 billion of equity to finance our growth over the next four years so we believe we're well-positioned from a financing perspective despite the rising interest rates.

**15. Since high summer temperatures are currently straining our system, how do we plan to meet the extra demand that electric vehicles will make? While this an opportunity, doesn't the cost of new delivery infrastructure diminish that?**

All of our utilities stay on top of long-term asset planning to ensure they're making the right investments to support the grid as technology, load, and external factors place additional demands on it. This includes ensuring that the grid is able to accommodate electrification, as EVs add 25-30% more load for a typical home. This means upgrading voltages and lines and more advanced grid monitoring and operations given the increased variability and unpredictability of load. Finally, we are also looking at how EVs could also be resources to the grid. We are in the early stages of understanding the technical and regulatory considerations to make this cost-effective and possible. For customers purchasing EVs, their ongoing fuel costs will be significantly less than

traditional gasoline-powered cars – approximately 70% on average. Each of our utilities is working with public service commissions, public officials, communities, and coalitions to create programs that advance electric vehicles and vehicle charging in our service areas.

**16. As climate related disclosure moves from voluntary disclosures to demanding regulatory requirements, how does the board or audit committee see the committee's role evolving?**

The Audit and Risk Committee is heavily involved in this subject and actively monitoring the evolution of the SEC's requirements.

**17. Have you broken your ties with Russia?**

We have no procurement connections or other ties to Russia.

**18. Will Exelon pursue more acquisitions?**

We continue to see merits in consolidation in our industry. And we are proud of our track record around M&A in the past - we've done two larger acquisitions in the last decade, which have been very successful for shareholders and our customers, but we also are very excited about the organic growth opportunity ahead of us now that we are a pure-play regulated T&D company. We are confident that we offer plenty of opportunity from an organic growth perspective, and we are focused on that. If an M&A opportunity arises that creates value for all our stakeholders, it would be prudent for us to look at it.

**19. Does management expect growth in our nuclear business as a result of the administration's emphasis on non-fossil fuels? If so how well is Exelon positioned to benefit from growth in nuclear energy production?**

**20. Are we considering investing in new nuclear technology which suggests smaller safer nuclear reactors are possible?**

**21. I am a supporter of nuclear power. Is Exelon planning to increase energy production through nuclear energy?**

Upon separating the power generation and competitive energy business of Constellation in February 2022, Exelon no longer owns generation. As the leading transmission and distribution utility in the U.S., Exelon's focus is on delivering reliable, clean and affordable power to its customers, and it supports all policies and technologies that aid in supporting that goal.

**22. What steps to improve ethics in dealing with the Illinois General Assembly do you propose for the future.**

In 2020, Exelon implemented four new companywide ethics policies that substantially increased oversight of our interactions with public officials, implemented a series of new controls, and enhanced guidance and training. Among other things, the policies require tracking and review of requests, referrals, and recommendations from public officials; strengthen due diligence and supervision of lobbyists and political consultants; and require regular reporting to the Audit and Risk Committee of Exelon’s Board of Directors and to the utility boards of directors regarding interactions with public officials. In addition, in 2020 Exelon created the new role of Executive Vice President for Compliance and Audit to oversee both the Compliance and Ethics and internal audit programs. In 2022, Exelon added Enterprise Risk Management to that reporting structure. This role reports to Exelon’s Chief Executive Officer and to the Chair of the Exelon Board’s Audit and Risk Committee and serves as a member of Exelon’s Executive Committee. This new structure increases independence, ensures central oversight of compliance activities, and facilitates sharing of insights regarding compliance, ethics, audit, and enterprise risk matters across operating companies.

Going forward, we plan to continue to emphasize training on our policies for employees and outside contractors, such as lobbyists and political consultants, who deal with public officials, as well as regular reviews of the effectiveness of our policies governing interactions with public officials. On April 28, 2022, ComEd filed its first annual ethics report, required of all Illinois electric and gas utilities under energy legislation passed by the Illinois General Assembly last year, with the Illinois Commerce Commission. That report provides additional detail regarding ComEd’s compliance program, including its compliance policies relating to interactions with public officials. The report is available through the ICC’s website.

**23. Will the indictment of Michael Madigan have any impact on ComEd?**

The deferred prosecution agreement resolved the government’s criminal investigation into both ComEd and Exelon. We are continuing to meet our obligations under the DPA, with our enhanced compliance governance programs ensuring that we’re operating at the highest ethical levels. The charges brought against Speaker Madigan do not affect the DPA.

**24. The positions of Chairman and CEO should not be held by the same person. I want you to split these positions so that each position is held by a different person**

These positions are currently separate and have been separate since the merger of Exelon and Constellation over ten years ago – Chris Crane is CEO and John Young is the independent board chair.

**25. Why is your entire C-suite male? Are you trying to get women involved and if so, how? When you think you could diversify the executive ranks? The current look of the board isn't good.**

Diversity, Equity, and Inclusion are a core value at Exelon. We are committed to attracting, retaining, and advancing a workforce that represents the communities we serve. Diversity at every level of the organization is important, including our executive officers. Targeted development programs across various race and ethnicities serve to ensure our pipeline for diverse executive officers is ready to lead the organization. Currently, 28% of Exelon's vice presidents and above are ethnically diverse and 41% are women.



With respect to the Board, the Corporate Governance Committee regularly reviews the composition of the Board and while the Committee does not prescribe diversity standards, it considers diversity to be an important consideration when evaluating Board composition and director qualifications. The Board is currently 33% women and 44% ethnically or racially diverse.

**26. [W]ho are new members?**

**27. I would like to a synopsis of the people running for the board of directors goals for the company. For instance what are their views for sustainable energy sources?**

In 2021, the Board added two new directors, Paul Bowers and Secretary Carlos Gutierrez. With over 40 years of experience in the utilities industry and as the former CEO of Georgia Power, Mr. Bowers brings deep utilities experience as well as expertise in long-term strategy and corporate development. Secretary Gutierrez's prior roles as the U.S. Secretary of Commerce, CEO of Kellogg Company and his current role as CEO of technology company, Empath, bring valuable experience in technology, government service and corporate leadership as well as global and domestic economics. Details about the Board and Director nominees are included in the Proxy Statement, including individual Director bios beginning on page 22.

**28. Really need so many board members. What what are their obligations to the company. How much time per week do they actually do something to earn their compensation.**

**29. Do you really need that many directors? Isn't it unwieldy and expensive?**

We currently have nine directors and the Corporate Governance Committee is considering whether to increase this number. We need enough directors to cover the broad skill sets required to support our complex business and provide for effective oversight.