EXELON CORP
Form PRE 14A
March 08, 2010
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UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a)

of the Securities Exchange Act of 1934

(Amendment No.   )

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

Check the appropriate box:

x 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 Pursuant to §240.14a-12

EXELON CORPORATION

(Name of Registrant as Specified In Its Charter)

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

Payment of Filing Fee (Check the appropriate box):

x No fee required.

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

(1) Title of each class of securities to which transaction applies:

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(4) Proposed maximum aggregate value of transaction:

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¨ Fee paid previously with preliminary materials.

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

(1) Amount Previously Paid:

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NOTICE OF THE ANNUAL MEETING

AND 2010 PROXY STATEMENT

March 18, 2010

Dear Shareholder:

We will hold the annual meeting of Exelon Corporation shareholders on Tuesday, April 27, 2010 at 9:30 a.m. Central Daylight Savings Time at Exelon Corporation headquarters, 10 South Dearborn Street, Chicago, Illinois.

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

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

2) The approval of Exelon s 2011 Long-Term Incentive Plan;

3) The ratification of PricewaterhouseCoopers LLP as Exelon s independent accountant for the year 2010; and

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

Shareholders of record as of March 1, 2010 are entitled to vote at the annual meeting.

We are again pleased this year to take advantage of the Securities and Exchange Commission rule that permits us to furnish proxy materials to shareholders over the Internet. On or about March 18, 2010, we will mail to our shareholders a Notice Regarding the Availability of Proxy Materials, which will indicate how to access our proxy materials on the Internet. By furnishing the Notice Regarding Availability of Proxy Materials, we are lowering the costs and reducing the environmental impact of our annual meeting.

Unlike previous years, brokers holding shares beneficially owned by their clients will no longer have the ability to cast votes with respect to the election of directors unless they have received instructions from the beneficial owner of the shares. **If your shares are held by a broker, it is important that you provide instructions to your broker so your vote is counted in the election of directors.**

Bruce G. Wilson

Senior Vice President, Deputy General Counsel and Corporate Secretary

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1. Communication with the Board of Directors

Process for Shareholder Communications with the Board

Shareholders and other interested persons can communicate with the chairman of the corporate governance committee or with the independent directors as a group by writing to them, c/o Bruce G. Wilson, Senior Vice President, Deputy General Counsel and Corporate Secretary, Exelon Corporation, 10 South Dearborn Street, P.O. Box 805398, Chicago, Illinois 60680-5398. The board has instructed the corporate secretary to review communications initially and transmit a summary to the directors and to exclude from transmittal any communications that are commercial advertisements, other forms of solicitation, general shareholder service matters or individual service or billing complaints. Under the board policy, the corporate secretary will forward to the directors any communication raising substantial issues. All communications are available to the directors upon request. Shareholders may also report an ethics concern with the Exelon Ethics Hotline by calling 1-800-23-Ethic (1-800-233-8442). You may also report an ethics concern via the Internet at EthicsOffice@ExelonCorp.com.

Shareholder Proposals

If you want to submit a proposal for possible inclusion in next year s proxy statement, you must submit it in writing to the Corporate Secretary, Exelon Corporation, 10 South Dearborn Street, P.O. Box 805398, Chicago, Illinois 60680-5398. Exelon must receive your proposal on or before November 17, 2010. Exelon will consider only proposals meeting the requirements of the applicable rules of the Securities and Exchange Commission (SEC). The proposal must also disclose fully all ownership interests the proponent has in Exelon and contain a representation as to whether the shareholder has any intention of delivering a proxy statement to the other shareholders of Exelon.

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

Additionally, under our Bylaws, for a shareholder to bring any matter before the 2011 annual meeting that is not included in the 2011 Proxy Statement, the shareholder s written notice must be received by the Corporate Secretary not less than 120 days prior to the first anniversary of the 2010 annual meeting, which will be December 28, 2010.

Director Nominations

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

n **Nominations for 2010.** Under the Exelon Bylaws, the deadline has passed for a shareholder to nominate a candidate (or nominate himself or herself) for election to the board of directors at the 2010 annual meeting.

n **Nominations for 2011.** To nominate a candidate for election as a director or to stand for election at the 2011 annual meeting, a shareholder must either submit a recommendation to the corporate governance committee or provide the proper notice and the other information required by Exelon s Bylaws. The Bylaws currently require the following: (1) notice of the proposed nomination must be received by Exelon no later than Wednesday, November 17, 2010; (2) the notice must include information required under the Bylaws, including: (a) information about the nominating shareholder, (b) information about the candidate that would be required to be included in a proxy statement under the rules of the SEC, (c) a representation as to whether the shareholder intends to deliver a proxy statement to the other shareholders of Exelon, and (d) the signed consent of the candidate to serve as a director of Exelon, if elected. Exelon s Bylaws are amended from time to time. Please review the Bylaws on our website to determine if any changes to the nomination process or requirements have been made.

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Availability of Corporate Documents

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

2. Frequently Asked Questions

Why did I receive these proxy materials?

We are providing these proxy materials in connection with the solicitation by the board of directors of Exelon Corporation (Exelon, the company, we, us, or our), a Pennsylvania corporation, of proxies to be voted at our 2010 annual meeting of shareholders and at any adjournment or postponement.

You are invited to attend the annual meeting of shareholders. It will take place on April 27, 2010, beginning at 9:30 a.m., Central Daylight Savings Time, at Exelon headquarters, 10 South Dearborn Street, Chicago, Illinois.

Can I access the Notice of Annual Meeting and Proxy Statement and the 2009 Financial Report on the Internet?

As permitted by SEC rules, we are making this proxy statement and our annual report available to shareholders electronically via the internet at www.proxyvote.com. On March 18, 2010, we began mailing to our shareholders a notice containing instructions on how to access this proxy statement and our annual report and how to vote online. If you received that notice, you will not receive a printed copy of the proxy materials unless you request it by following the instructions for requesting such materials contained on the notice or set forth in the following paragraph.

If you received a paper copy of this proxy statement by mail and you wish to receive a notice of availability of next year s proxy statement either in paper form or electronically via e-mail, you can elect to receive a paper notice of availability by mail or an e-mail message that will provide a link to these documents on the ProxyVote website. By opting to receive the notice of availability and accessing your proxy materials online, you will save Exelon the cost of producing and mailing documents to you, reduce the amount of mail you receive and help preserve resources.

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

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

Do I need a ticket to attend the annual meeting?

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

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

Annual Meeting Admission Tickets c/o Bruce G. Wilson, Senior Vice President, Deputy General Counsel and Corporate Secretary, Exelon Corporation, 10 South Dearborn Street, P.O. Box 805398 Chicago, Illinois 60680-5398.

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

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

Who is entitled to vote at the annual meeting?

Holders of Exelon common stock at the close of business on March 1, 2010, are entitled to receive notice of the annual meeting and to vote their shares at the meeting. As of that date, there were 660,381,785 shares of common stock outstanding and entitled to vote. Each share of common stock is entitled to one vote on each matter properly brought before the meeting.

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

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

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

How do I vote?

Your vote is important. We encourage you to vote promptly. Internet and telephone voting are available through 11:59 p.m. Central Daylight Savings Time on Monday, April 26, 2010. You may vote in the following ways:

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

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

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

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

May I revoke a proxy?

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

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What is householding and how does it affect me?

Exelon has adopted a procedure approved by the SEC called householding. Under this procedure, shareholders of record who have the same address and last name and do not participate in electronic delivery of proxy materials will receive only one copy of this Notice of Annual Meeting and Proxy Statement and the 2009 Financial Report, unless we are notified that one or more of these shareholders wishes to continue receiving individual copies. This procedure will reduce our printing costs and postage fees.

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

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

Election of Directors; Majority Vote Policy

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

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

Approval of 2011 Long-Term Incentive Plan

The votes cast for must exceed the votes cast against to approve the 2011 Long-Term Incentive Plan.

In addition, New York Stock Exchange (NYSE) rules require that the total votes cast for and against this proposal must represent greater than 50% of all the shares entitled to vote on this proposal. It is therefore important that you vote, or direct the holder of record to vote, on this proposal.

Ratification of PricewaterhouseCoopers as Independent Auditor

The votes cast for must exceed the votes cast against to approve the ratification of PricewaterhouseCoopers LLP as our independent registered public accounting firm.

Could other matters be decided at the annual meeting?

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

Who will count the votes?

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

Where can I find the voting results?

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

Who will pay for the cost of this proxy solicitation?

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

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3. Corporate Governance at Exelon

Exelon is committed to maintaining the highest standards of corporate governance. We believe that strong corporate governance is critical to achieving our performance goals, and to maintaining the trust and confidence of investors, employees, customers, regulatory agencies and other stakeholders. A summary of our Corporate Governance Principles is set forth below. The Corporate Governance Principles are revised from time to time to reflect emerging governance trends and to better address the particular needs of the company as they change over time.

Corporate Governance Principles

Our Corporate Governance Principles, together with the board committee charters, provide the framework for the effective governance of Exelon. The board of directors has adopted our Corporate Governance Principles to address matters including qualifications for directors, standards of independence for directors, election of directors, responsibilities and expectations of directors, and evaluating board, committee and individual director performance. The Principles also address director orientation and training, the evaluation of the chief executive officer and succession planning.

The Board s Function and Structure

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

Lead Director; Chairman of the Board

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

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

- presiding at executive sessions of non-management or independent directors;
- calling meetings of the independent directors;
- serving as an advisor to the Chairman and Chief Executive Officer;
- functioning as the non-exclusive liaison between the non-management directors and the Chairman and CEO;
- adding items to agendas for board meetings;
- assuring the sufficiency of the time for discussion at board meetings;

- leading, in conjunction with the corporate governance and compensation committees, the process for evaluating the performance of the CEO and determining his compensation;
- leading on corporate governance initiatives relevant to board and committee operations;
- in the event of the death or incapacity of the Chairman and the CEO, serving as the acting Chairman of the Board until such time as a Chairman of the Board is selected;
- receiving and responding to mail addressed to the board of directors; and
- having such additional powers and responsibilities as the board of directors may from time to time assign or request.

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

The board has determined that Mr. Rowe should serve in the combined roles of Chairman and CEO because it firmly believes that Exelon has in place effective arrangements and structures to ensure that the company maintains the highest standard of corporate governance and board independence and independent board leadership and continued accountability of the CEO to the board. These arrangements and structures include:

- 15 of the 16 directors on the board are independent and meet the independence requirements under the NYSE listing standards and the additional independence requirements under the company s Corporate Governance Principles.
- The board has elected M. Walter D Alessio as the independent Lead Director. Mr. D Alessio has been a member of our board since 2000 and served as the Presiding Director and the chair of the corporate governance committee and is a member of our compensation committee. Mr. D Alessio s responsibilities as Lead Director complement Mr. Rowe s role as Chairman and CEO while providing independent board leadership and the necessary checks and balances to hold both the board and the Chairman and CEO accountable in their respective roles.
- All of the board s committees, including audit, compensation and corporate governance, as well as the energy delivery, generation, and risk oversight committees, are comprised of and chaired solely by independent directors.
- A significant portion of the business of the Exelon board is reviewed or approved by the board s committees, and the agendas of the board s committees are driven by the independent chairs through their discussions with management.
- The board agendas, in turn, are determined in large part by the committee agendas, and discussions at board meetings are driven to a significant degree by the reports the committee chairs present to the full board.
- Mr. Rowe s performance and compensation are reviewed annually by the full board in executive session under the leadership of the corporate governance and compensation committees.

Information About the Board of Directors and Committees

The board of directors held nine meetings during 2009. The board also attended a two-day strategy retreat with the senior officers of Exelon and subsidiary companies. All directors attended at least 75% of all board and committee meetings that they were eligible to attend, with an average attendance of 98% across all directors for all board and committee meetings. Although Exelon does not have a formal policy requiring attendance at the annual shareholders meeting, all directors generally attend the annual meeting and all of them did so in 2009.

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

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The board of directors has established six standing committees to assist the board in carrying out its duties: the audit committee, the compensation committee, the corporate governance committee, the energy delivery oversight committee, the generation oversight committee and the risk oversight committee. We describe the committees, their membership during 2009 and their principal responsibilities below:

Audit	**Compensation**	**Corporate Governance**	**Energy Delivery**	**Generation Oversight**	**Risk Oversight**
John A. Canning, Jr.	John A. Canning, Jr.	M. Walter D Alessio (Chair)	Nicholas DeBenedictis (Chair)	Nicholas DeBenedictis	Nelson A. Diaz
Bruce DeMars	M. Walter D Alessio	Nicholas DeBenedictis	Bruce DeMars	Bruce DeMars (Chair)	Sue L. Gin (Chair)
Sue L. Gin	Rosemarie B. Greco (Chair)	Bruce DeMars	Nelson A. Diaz	Nelson A. Diaz	Paul L. Joskow
Paul L. Joskow	William C. Richardson	Sue L. Gin	Rosemarie B. Greco	Richard W. Mies (1)	Richard W. Mies (1)
Richard W. Mies (1)	Stephen D. Steinour	Rosemarie B. Greco (2)	Paul L. Joskow	John M. Palms	John M. Palms
John M. Palms (Chair)		John M. Palms	Thomas J. Ridge	Stephen D. Steinour (3)	William C. Richardson
William C. Richardson		William C. Richardson	Don Thompson	Don Thompson (4)	Thomas J. Ridge (5)
Stephen D. Steinour		John W. Rogers, Jr.			John W. Rogers, Jr.

(1) Richard W. Mies was appointed to the generation oversight committee effective February 2, 2009, to the audit committee effective July 27, 2009 and to the risk oversight committee effective January 26, 2010.

(2) Rosemarie B. Greco was appointed to the corporate governance committee effective September 15, 2009.

(3) Stephen D. Steinour resigned from the generation oversight committee effective January 26, 2010.

(4) Don Thompson resigned from the generation oversight committee effective January 26, 2010.

(5) Thomas J. Ridge was appointed to the risk oversight committee effective January 26, 2010.

Board Oversight of Risk

The company operates in a market and regulatory environment that involves significant risks, many of which are beyond its control. The company has an enterprise risk management group consisting of a Chief Risk Officer and a full-time staff of 54 persons. The risk management group draws upon other company personnel for additional support on various matters related to the identification, assessment and management of enterprise risks. The company also has a risk management committee of company officers and other management personnel, who meet regularly to discuss matters related to enterprise risk management generally and particular risks associated with new developments or proposed transactions under consideration. Management of the company regularly meets with the Chief Risk Officer and the risk management committee to identify and evaluate the most significant risks of the businesses and appropriate steps to manage and mitigate those risks. In addition, the Chief Risk Officer and risk management group staff perform an annual assessment of enterprise risks, drawing upon resources throughout the company for an assessment of the likelihood and magnitude of the identified risks. The Chief Risk Officer and senior executives of the company discuss those risks with the risk oversight and audit committees of the Exelon board of directors and the Commonwealth Edison Company (ComEd) and PECO Energy Company (PECO) boards of directors. In addition, the Exelon board s generation oversight and energy delivery oversight committees, respectively, evaluate risks related to the company s generation and energy delivery businesses. The committees of the Exelon board regularly report to the full board on the committees discussions of enterprise risks. In addition, the Exelon board regularly discusses enterprise risks in connection with consideration of emerging trends or developments and in connection with the evaluation of capital investments and other business opportunities.

Board/Committee/Director Evaluation

The board has a three-part annual evaluation process that is coordinated by the corporate governance committee: committee self-evaluations; a full board evaluation; and the evaluation of the individual directors. The committee self-assessments consider whether and how well each committee has performed the responsibilities in its charter, whether the committee members possess the right skills and experience to perform their responsibilities or whether additional education or training is required, whether there are sufficient meetings covering the right topics, whether the meeting materials are effective, and other

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matters. The full board evaluation considers the following, in light of the committee self-assessments: (1) the effectiveness of the board organization and committee structure; (2) the quality of meetings, agendas, presentations and meeting materials; (3) the effectiveness of director preparation and participation in discussions; (4) the effectiveness of director selection, orientation and continuing education processes; (5) the effectiveness of the process for establishing the CEO s performance criteria and evaluating his performance; and (6) the quality of administrative planning and logistical support.

Individual director performance assessments involve a discussion among the members of the corporate governance committee of each director s performance using the performance expectations for directors contained in the Corporate Governance Principles. In addition, the chairman of the corporate governance committee or the chairman of the board provides individual feedback, as necessary. All assessments focus on both strengths and opportunities for improvement.

Director Education

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

Continuing director education is primarily delivered during portions of regular board and committee meetings and focuses on the topics necessary to enable the board to consider effectively issues before them at that time (such as new regulatory or accounting standards). The education often takes the form of white papers, covering timely subjects or topics, which a director can review before the meeting and ask questions about during the meeting. The audit committee devotes a full meeting each year to educating the committee members about new accounting rules and standards, and topics that are necessary to having a good understanding of our accounting practices and financial statements. Both the energy delivery oversight committee and the generation oversight committee use site visits as a regular part of education for their members: (1) the generation oversight committee holds each meeting at a different generating station (nuclear, fossil and hydro) and the agenda always includes a briefing by local plant management, a tour of the facility and lunch with plant personnel; and (2) the energy delivery oversight committee periodically tours substations, transmission and distribution lines, call centers and other facilities. The company pays the cost for any director to attend outside director education seminars on corporate governance or other topics relevant to their service as directors.

Audit Committee

The audit committee is comprised of entirely independent directors and is governed by a board-approved charter stating its responsibilities. The audit committee met twelve times in 2009. Under its charter, the audit committee s principal duties include:

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

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

n Recommending the independent accountant;

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

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

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

Audit Committee Financial Experts

The board of directors has determined that each of the members of the audit committee is an audit committee financial expert for purposes of the SEC s rules.

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The board of directors also has determined that each of the members of the audit committee is independent as defined by the rules of the NYSE and our Corporate Governance Principles.

Report of the Audit Committee

In fulfilling its responsibilities, the audit committee has reviewed and discussed the audited financial statements contained in the 2009 Annual Report on SEC Form 10-K with Exelon Corporation s management and the independent accountant. The Exelon audit committee discussed with the independent accountant the matters required to be discussed by Statement on Auditing Standards No. 61, as amended (AICPA, Professional Standards, Vol. 1. AU section 380), as adopted by the Public Company Accounting Oversight Board in Rule 3200T. In addition, the Exelon audit committee has received the written disclosures and the letter from the independent accountant required by applicable requirements of the Public Company Accounting Oversight Board regarding the independent accountant s communications with the audit committee regarding independence and has discussed with the independent accountant the independent accountant s independence.

In reliance on the reviews and discussions referred to above, the Exelon audit committee recommended to the Exelon board of directors (and the Exelon board of directors has approved) that the audited financial statements be included in Exelon Corporation s Annual Report on Form 10-K for the year ended December 31, 2009, for filing with the SEC.

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

February 5, 2010

The Audit Committee

John M. Palms, Chair	Paul L. Joskow
John A. Canning, Jr.	Richard W. Mies
Bruce DeMars	William C. Richardson
Sue L. Gin	Stephen D. Steinour

Compensation Committee

The compensation committee is comprised entirely of independent directors and is governed by a board-approved charter stating its responsibilities. The compensation committee met five times in 2009.

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

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

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

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

Management, including the executive officers, makes recommendations as to goals for the incentive compensation programs that are aligned with Exelon s business plan. The compensation committee reviews the recommendations and establishes the final goals. The compensation committee strives to ensure that the goals are consistent with the overall strategic goals set by the board of directors (including the individual goals of subsidiaries, as appropriate), that they are sufficiently difficult to meaningfully incent management performance, and, if the targets are met, that the payouts will be

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consistent with the design for the overall compensation program. Executive officers take an active role in evaluating the performance of the executives who report to them, directly or indirectly, and in recommending the amount of compensation their subordinate executives receive. Executive officers review peer group compensation data for each of their subordinates in conjunction with their annual performance reviews to formulate a recommendation for base salary and whether to apply an individual performance multiplier to the subordinate executive s annual incentive payout, and if so, the amount of the multiplier. Executive officers generally do not make recommendations with respect to annual and long-term incentive target percentages or payouts. The CEO reviews all of the recommendations of the executive officers before they are presented to the compensation committee. The human resources function provides to the compensation committee and the independent directors data showing the history of the CEO s compensation and data that analyzes the cost of a range of several alternatives for changes to the CEO s compensation, but neither the executive officers nor the CEO makes any recommendation to the compensation committee or the independent directors with respect to the compensation of the CEO.

The compensation committee has delegated to the CEO the authority to make off-cycle awards to employees who are not subject to the limitations of Section 162(m), are not executive officers for purposes of reporting under Section 16 of the Securities Exchange Act of 1934, and are not executive vice presidents or higher of Exelon, provided that such authority is limited to making grants of up to 1,200,000 options in the aggregate, and 20,000 options per recipient in any year. The compensation committee reviews and ratifies these grants. On rare occasions, stock options are granted to new hires on the date they commence employment.

Compensation Consultant

Pursuant to the compensation committee s charter, the committee is authorized to retain and terminate, without board or management approval, the services of an independent compensation consultant to provide advice and assistance, as the committee deems appropriate. The committee has the sole authority to approve the consultant s fees and other retention terms, and reviews the independence of the consultant and any other services that the consultant or the consultant s firm may provide to the company. The chair of the compensation committee reviews, negotiates and executes an engagement letter with the compensation consultant. The compensation consultant directly reports to the committee. The committee engaged Mr. Richard Meischeid, Managing Principal of Towers Perrin (known since January 2010 as Towers Watson), as its independent compensation consultant for 2009.

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

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

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

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

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

The committee adopted a formal compensation consultant independence policy in July 2009 that codified its past practices. The compensation consultant independence policy is available on the Exelon website at www.exeloncorp.com, under the investor relations tab. The purpose of the policy is to ensure that the advisers or consultants retained by the committee are independent of the company and its management, as determined by the committee using its reasonable business judgment. The committee considers all facts and circumstances it deems relevant, such as the nature of any relationship between a compensation consultant, the compensation consultant s firm, and the company and the nature of any services provided by the compensation consultant s firm to the company that are unrelated to the compensation consultant s work for the committee. Under the policy, a compensation consultant shall not be considered independent if the compensation consultant or the compensation consultant s firm receives more than one percent of its annual gross revenues for services provided to the company. Under the policy, the compensation consultant reports directly to the chair of the compensation committee, and the committee approves the aggregate amount of fees to be paid to the compensation consultant or the compensation consultant s firm. The policy requires that the compensation consultant and any associates providing services to the compensation committee have no direct involvement with any other aspects of the compensation consultant s firm s relationship with Exelon (other than any director compensation services that may be performed for the corporate governance committee), and that no element of the compensation consultant s compensation may be based on any consideration of the revenues for other services that the firm may provide to Exelon.

An office of Towers Perrin in a different city than Mr. Meischeid s office provides Exelon with other services, including: actuarial valuation of pension plans and retiree welfare plans (and related services); pension plan administration services; health and welfare plan administration services; employee communications services; and information technology services. The amount of revenues for such other services is reported to the compensation committee on a quarterly basis. In 2009, the aggregate amount paid to Towers Perrin for compensation consultant services was $120,998, and the amount paid for other services was $4,317,000.

Compensation Committee Interlocks and Insider Participation

During fiscal 2009 and as of the date of this Proxy Statement, none of the members of the compensation committee was or is an officer or employee of the company, and no executive officer of the company served or serves on any compensation committee or board of any company that employed or employs any members of the company s compensation committee or board of directors.

Corporate Governance Committee

The corporate governance committee met seven times in 2009. All members of the committee are independent directors.

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

- Reviewing and making recommendations on corporate, board and committee structure, organization, committee membership, functions, compensation and effectiveness;
- Monitoring corporate governance trends and making recommendations to the board regarding the Corporate Governance Principles;
- Identifying potential director candidates and coordinating the nominating process for directors;
- Coordinating the board s role in establishing performance criteria for the CEO and evaluating the CEO s performance;
- Monitoring succession planning and executive leadership development;
- Overseeing Exelon s strategies and efforts to protect and improve the environment, including climate change, sustainability and the Exelon 2020 plan;

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

- Overseeing Exelon s efforts to promote diversity among its directors, officers, employees and contractors.

The committee may act on behalf of the full board when the board is not in session. The committee utilizes an independent compensation consultant to assist it in evaluating directors compensation, and for this purpose it

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periodically asks the consultant to prepare a study of the compensation of the company s directors compared to the directors of companies in the same peer group used for executive compensation. This study is used as the basis for the corporate governance committee s recommendations to the full board with respect to director compensation. The corporate governance committee may utilize other consultants, such as specialized search firms to identify candidates for director.

Risk Oversight Committee

The risk oversight committee met six times in 2009.

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

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

Energy Delivery Oversight Committee

The energy delivery oversight committee met five times in 2009.

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

- Overseeing the operating utilities (ComEd, PECO and Exelon Transmission Company) performance trends, compared to benchmarks, focusing on issues having cross-utility impact or opportunities for sharing best practices and lessons learned;
- Reviewing issues having significant impact on utility capital budgets and resource adequacy to meet utility service obligations;
- Overseeing the establishment of and compliance with policies and procedures for the management and mitigation of risks associated with the security and integrity of the transmission and distribution assets of ComEd, PECO and Exelon Transmission Company;
- Reviewing significant legislative, regulatory and investment and recovery strategies, focusing on those with potential multi-state or multi-utility impact;

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

Generation Oversight Committee

The generation oversight committee met six times in 2009.

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

- Advising and assisting the full board in fulfilling its responsibilities to oversee the safe and reliable operation of all generating facilities owned or operated by Exelon or its subsidiaries, including those in which Exelon has significant equity or operational interests;
- Reviewing major investments and changes in strategy regarding the generating facilities;
- Reviewing the budget and business plans of Exelon Generation Company and monitoring its operating and financial performance;

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

- Reviewing environmental, health and safety issues related to Exelon Generation Company.

Director Independence

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

1. A director s relationship with another company with which Exelon does business will not be considered a material relationship that would impair the director s independence if the aggregate of payments made by Exelon to that other company, or received by Exelon from that other company, in the most recent fiscal year, is less than the greater of $1 million or 5% of the recipient s consolidated gross revenues in that year. In making this determination, a commercial transaction will not be deemed to affect a director s independence, if and to the extent that: (a) the transaction involves rates or charges that are determined by competitive bidding, set with reference to prevailing market prices set by a well-established commodity market, or fixed in conformity with law or governmental authority; or (b) the provider of goods or services in the transaction is determined by the purchaser to be the only practical source for the purchaser to obtain the goods or services.

2. If a director is a current employee, or a director s immediate family member is an executive officer of a charitable or other tax-exempt organization to which Exelon has made contributions, the contributions will not be considered a material relationship that would impair the director s independence if the aggregate of contributions made by Exelon to that organization in its most recent fiscal year is less than the greater of $1 million or 2% of that organization s consolidated gross receipts in that year. In any other circumstance, a director s relationship with a charity or other tax-exempt organization to which Exelon makes contributions will not be considered a material relationship that would impair the director s independence if the aggregate of all contributions made by Exelon to that organization in its most recent fiscal year is less than the greater of $1 million or 5% of that organization s consolidated gross receipts in that year. Transactions and relationships with charitable and other tax-exempt organizations that exceed these standards will be evaluated by the board to determine whether there is any effect on a director s independence.

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

Each of the directors, with the exception of John Rowe, was determined by our board of directors to be independent under applicable guidelines presented above. Mr. Rowe is not considered an independent director because of his employment as Chairman and Chief Executive Officer of Exelon. The amounts involved in the transactions between Exelon and its entities, on the one hand, and the companies with which a director or an immediate family member is associated, on the other hand, all fell below the thresholds specified by the NYSE rules and the categorical standards specified in the company s corporate governance principles. Because Exelon provides utility services through its subsidiaries ComEd, PECO and Exelon Energy and many of its directors live in areas served by the Exelon subsidiaries, many of the directors are affiliated with businesses and charities that receive utility services from Exelon s subsidiaries. The corporate governance committee does not review transactions pursuant to which Exelon sells gas or electricity to these businesses or charities at tariffed rates. Similarly, because Exelon and its subsidiaries are active in their communities and make substantial charitable contributions, and many of Exelon s directors live in communities served by Exelon and its subsidiaries and are active in those communities, many of Exelon s directors are affiliated with charities that receive contributions from Exelon and its subsidiaries.

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None of the directors or their immediate family members is an executive officer of any charitable organizations to which Exelon or its subsidiaries contribute. All such payments to charitable organizations were immaterial under the applicable independence criteria.

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

M. Walter D Alessio

Mr. D Alessio is the chairman and a director of a company that received $49 million from Exelon for health care coverage for Exelon employees.

Nicholas DeBenedictis

Mr. DeBenedictis serves as the chairman, president and chief executive officer of a public company that received approximately $823,000 from Exelon for water supplies. Exelon made these purchases under tariffed utility rates. Mr. DeBenedictis serves as a director of a company that received $49 million from Exelon for health care coverage for Exelon employees. Mr. DeBenedictis serves as a director of a public company that received approximately $752,000 from Exelon for renewable energy credits.

Bruce DeMars

Admiral DeMars served through 2008 as the director of a public company that has a subsidiary that provides services to Exelon Generation. In 2009, Exelon paid the subsidiary approximately $737,000.

Nelson A. Diaz

Mr. Diaz is Of Counsel to a law firm that provides legal services to Exelon. In 2009, Exelon paid the law firm approximately $137,000. Mr. Diaz does not work on any matters relating to Exelon and derives no financial benefit from any legal services that the law firm provides to Exelon. The board does not consider that Exelon s relationship with the law firm impairs Mr. Diaz independence.

Sue L. Gin

Ms. Gin is the chairman and chief executive officer of a company that is a customer of Exelon Energy. The company paid Exelon Energy approximately $170,000 for natural gas in 2009.

Rosemarie B. Greco

Ms. Greco serves as the director of a public company that is a supplier of fuel oil to Exelon Generation and PECO. In 2009, Exelon paid the company approximately $18 million.

Richard W. Mies

Admiral Mies serves as the director of a public company that has a subsidiary that provides services to Exelon Generation. In 2009, Exelon paid that company approximately $737,000.

Dr. William C. Richardson

Dr. Richardson serves as a director of a public company that provides financial and stock transfer services to Exelon. In 2009, Exelon paid the company approximately $6 million.

Thomas J. Ridge

Governor Ridge is a senior advisor to a major accounting firm that provided non-audit services to Exelon. In 2009, Exelon paid the firm approximately $35 million.

John W. Rogers, Jr.

Mr. Rogers serves as a director of company that provides benefit administration services to Exelon. In 2009, Exelon paid the company approximately $9 million. Mr. Rogers also serves a director of a company that is a customer of Exelon Energy. The company paid Exelon Energy approximately $5,961,000 in 2009.

Stephen D. Steinour

Mr. Steinour is the chairman, president and chief executive officer of a company that is a customer of Exelon Energy. The company paid Exelon Energy approximately $86,000 in 2009.

Don Thompson

Mr. Thompson is the president and chief executive officer of a company that is a customer of Exelon Energy. The company paid Exelon Energy approximately $5,961,000 in 2009.

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Related Person Transactions

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

As required by the policy, the board reviewed all commercial, charitable, civic and other relationships with Exelon in 2009 that were disclosed by directors and executive officers of Exelon, ComEd and PECO, and by executive officers of Exelon Generation that required separate consideration and ratification. The Office of Corporate Governance collected information about each of these transactions, including the related persons and entities involved and the dollar amounts either paid by or received by Exelon. The Office of Corporate Governance also conducted additional due diligence, where required to determine the specific circumstances of the particular transaction, including whether it was competitively bid or whether the consideration paid was based on tariffed rates.

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

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

McDonald s Corporation and its subsidiaries purchase both gas and electricity from Exelon in the ordinary course of business. McDonald s independently-owned and operated franchisees also purchase gas and electricity from Exelon in the ordinary course of business. Purchases from ComEd and PECO are at tariffed rates and therefore do not require disclosure. Gas purchases from Exelon Energy are made based on fixed prices for contract quantities settled at market prices based on an independent, publicly available index (the monthly Natural Gas Index). Electricity purchases made from Exelon Energy are made at the fixed price for power in the ComEd Zone within the PJM Interconnection. In 2009, McDonald s USA procured electricity services from Exelon Energy at market rates in the amount of approximately $4,380,000 and gas services at market rates in the amount of approximately $1,581,000. McDonald s USA will procure electricity and gas from Exelon Energy under the same agreements in 2010. Director Don Thompson is President and Chief Operating Officer of McDonald s Corporation. Director John Rogers is also a director of McDonald s Corporation, of which McDonald s USA is a subsidiary.

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

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Director Nomination Process

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

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

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

- Highest personal and professional ethics, integrity and values;
- An inquiring and independent mind;
- Practical wisdom and mature judgment;
- Broad training and experience at the policy-making level in business, government, education or technology;
- Expertise useful to Exelon and complementary to the background and experience of other Exelon board members;
- Willingness to devote the required amount of time to the duties and responsibilities of board membership;
- A commitment to serve over a period of years to develop knowledge about Exelon; and
- Involvement only in activities or interests that do not create a conflict with responsibilities to Exelon and its shareholders.

Composition of the Board of Directors and Committees

The corporate governance committee believes that the current membership of the board and the committees represents an optimum mix of directors in terms of the range of backgrounds and experience and diversity. The board consists of directors who range in age from 46 to 76, with an average and median age of 64. The tenure of the directors is similarly varied, with seven directors having served since the company s creation in 2000, one since 2002, one since 2004, two since 2005, three since 2007, and one each since 2008 and 2009. Five directors come from the Chicago area and five from the Philadelphia area, the company s two primary markets, while six come from other parts of the country. Two directors are African-Americans, two are women, one is Hispanic, and one is Asian-American.

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

In determining the membership of the committees, the corporate governance committee has sought to have each committee reflect a range of backgrounds and experience and diversity. Every member of the audit committee qualifies as an audit committee financial expert , as defined by SEC rules, and most of the members serve or have served on audit committees of other companies. Three members of the generation oversight committee have nuclear expertise. The chairs of the audit and risk oversight committees sit on each other s committees, and there is significant overlap in the membership of the committees reflecting the overlap in responsibilities. Similarly, the chairs of the corporate governance and compensation committees sit on each other s committees, which is helpful in the company s process for evaluating the CEO s performance and setting his compensation. Almost all of the members of the corporate governance committee serve or have served on the corporate governance committees of other corporations. The chair of the compensation committee has experience in human relations, and several of the members have served on the compensation committees of other corporations. The energy delivery oversight committee includes members with

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experience in utility operations, environmental matters, the economics of energy, law, and governmental affairs, facilitating the committee s oversight of the heavily-regulated energy delivery businesses. The risk oversight committee includes members with experience in the economics of energy, nuclear operations, and banking and investment management, reflecting experience in dealing with the range of risks that the company faces.

Biographical information about each of the directors follows.

Proposal 1: Election of Directors

Our board is composed of 16 members. In 2007, we amended the Articles of Incorporation to declassify the board of directors over a three-year period. As a result, this year all directors are elected annually to serve for one-year terms.

Upon the recommendation of the corporate governance committee, the board nominated the following 16 candidates for election as directors, each to serve a one-year term. Each of the following nominees has agreed to be named in this proxy statement and to serve as a director, if elected. If any director is unable to stand for election, the board may reduce the number of directors or designate a substitute. In that case, shares represented by proxies may be voted for a substitute director. Exelon does not expect that any director nominee will be unable to serve.

The board of directors recommends a vote FOR

each of the director nominees below.

John A. Canning, Jr.

Director since 2008

Age 65

Member-Audit Committee

Member-Compensation Committee

Mr. Canning is the Chairman and co-founder of Madison Dearborn Partners, LLC (MDP), which specializes in management buyout and special equity investing. MDP has raised investment funds with more than $18 billion in limited partner commitments from over 350 endowments, pension funds and other sophisticated investors. MDP has made significant investments in the energy and power industry. Prior to co-founding MDP, Mr. Canning spent 24 years with First Chicago Corporation, where he managed the bank s venture investments. Altogether he has 29 years of experience in private equity investing, including reviewing financial statements and audit results and making investment and acquisition decisions. Mr. Canning is a former director and Chairman of the Federal Reserve Bank of Chicago, giving him insight into economic trends important to the business of Exelon. He is also a Commissioner of the Irish Pension Reserve Fund. Mr. Canning has also served on the board of directors of Jefferson Smurfit Group plc and TransUnion Corp. He served on the audit committee at TransUnion as well as the audit committees of several charitable organizations, including the Irish Reserve Pension Fund. In addition to his business experience, he also has a law degree. Mr. Canning is a recognized leader in the Chicago business community with knowledge of the economy of the Midwestern United States and the northern Illinois communities that Exelon serves. Mr. Canning s business experience and service on the boards of other companies and organizations enable him to contribute to the work of the Exelon board. Mr. Canning s experience in banking and in managing investments, and his experience on the audit committees of other organizations, make him a valued member of the audit and compensation committees.

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M. Walter D Alessio

Director since 2000

Age 76

Lead Director

Chair-Corporate Governance Committee

Member-Compensation Committee

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

Nicholas DeBenedictis

Director since 2002

Age 64

Chair-Energy Delivery Oversight Committee

Member-Corporate Governance Committee

Member-Generation Oversight Committee

Mr. DeBenedictis is the Chairman (since 1993), President and Chief Executive Officer (since 1992) of Aqua America Inc., a water utility with operations in 14 states. Aqua America is the second largest U.S.-based, publicly-traded water and wastewater company in the country, and as its CEO Mr. DeBenedictis has experience in dealing with many of the same development, land use and utility regulatory issues that affect Exelon and its subsidiaries. Mr. DeBenedictis also has extensive experience in environmental regulation and economic development, having served in two cabinet positions in the Pennsylvania government, as Secretary of the Pennsylvania Department of Environmental Resources and as Director of the Office of Economic Development. He also spent eight years with the U.S. Environmental Protection Agency and was President of the Greater Philadelphia Chamber of Commerce for three years. Mr. DeBenedictis has also served as a director of P.H. Glatfelter, Inc. (global supplier of specialty papers and engineered products) since 1995, where he serves on the audit, compensation, and nominating and corporate governance committees. Mr. DeBenedictis served as a director of Met-Pro Corporation from 1997 until his resignation in February 2010, (global provider of solutions and products for product recovery, pollution control, and fluid handling applications). While a director of Met-Pro, he served as presiding independent director, chair of the corporate governance and nominating

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

Bruce DeMars

Director since 2000

Age 74

Chair-Generation Oversight Committee

Member-Audit Committee

Member-Corporate Governance Committee

Member-Energy Delivery Oversight Committee

Admiral DeMars is a Retired Admiral, United States Navy. In 1988, Admiral DeMars became the Director of the Naval Nuclear Propulsion Program, a joint Department of the Navy/Department of Energy program responsible for the design, construction, maintenance, operation and final disposal of nuclear reactor plants for the U.S. Navy until his retirement from the Navy in October 1996. Admiral DeMars has served as a director of Oceanworks International, Inc. since 2002. Admiral DeMars previously served as a director of McDermott International, an engineering and construction company focused on energy infrastructure (1997-2008) where he served on the audit committee (2002-2008). Admiral DeMars served as the chairman of the board of Duratek, Inc., a company that specialized in the disposal of radioactive waste (2004-2006). Admiral DeMars long experience with the Navy and the boards of other companies enables him to bring technical and business experience to the Exelon board. With his experience with nuclear power, Admiral DeMars has made contributions to oversight of the operation of Exelon s nuclear plants and is qualified to lead the board s generation oversight committee. His experience with management and operating processes relevant to the generation business are relevant to his service as a member of the energy delivery oversight committee. His experience with Navy programs and his work on other public company boards and board committees enhance his contribution to the Exelon audit committee and enable him to add his perspectives to the discussions of the Exelon corporate governance committee. In recognition of his expertise in corporate governance, he was asked to be a presenter at the Director Institute at Emory University in 2006, 2007, 2008 and 2009.

Nelson A. Diaz

Director since 2004

Age 62

Member-Energy Delivery Oversight Committee

Member-Generation Oversight Committee

Member-Risk Oversight Committee

Judge Diaz has been Of Counsel to Cozen O Connor, a Philadelphia-based national law firm, since May 2007. He was previously a partner of Blank Rome LLP (a law firm), from March 2004 through May 2007, and from February 1997 through December 2001. He served as the City Solicitor for the City of Philadelphia from December 2001 through January 2004, and Judge of the Court of Common Pleas, First Judicial District of Pennsylvania (1981-1993), where he served as Administrative Judge responsible for supervising judges and staff and managing the budget.

He also served as General Counsel, United States Department of Housing and Urban Affairs (1993-1997). He also serves as a director of PECO and formerly served as Chairman of the board of trustees of Paradigm Multi Strategy Fund I, LLC. Judge Diaz is a Trustee of Temple University. His undergraduate education was in accounting, and he has participated in a number of seminars and conferences on corporate governance. Judge Diaz s legal and governmental experience at the federal level and in a city and state where a significant portion of Exelon s business is conducted has enabled him to contribute to the board and its committees on matters related to federal, state and local regulation and public policy. In addition, Judge Diaz s Puerto Rican heritage adds diversity to the Exelon board. He serves on the boards of the National Association for Hispanic Elderly, the U.S. Hispanic Leadership Institute and the United States Hispanic Advocacy Association. He is active in Philadelphia government and community affairs and neighborhood development and has made contributions to Exelon s outreach to diverse groups within Philadelphia and neighboring communities. Judge Diaz serves on the Exelon board s energy delivery, generation, and risk oversight committees, where his experience in legal matters and government regulation is best utilized in overseeing Exelon s business operations and the legal and regulatory risks that Exelon faces.

Sue L. Gin

Director since 2000

Age 68

Chair-Risk Oversight Committee

Member-Audit Committee

Member-Corporate Governance Committee

Ms. Gin is an entrepreneur who is the founder, owner, Chairman and CEO of Flying Food Group, LLC, an airline catering and fresh meal production company serving international airlines and specialty retailers. She has served as its Chairman and CEO since 1983. She is also the owner and founder of New Management, Ltd., a real estate sales, leasing, management and development firm, and has served as its President since 1977. Ms. Gin has served as a director of Centerplate, Inc. (hospitality company) (2004-2009), serving as chair of the corporate governance committee, and also served as a director of Briazz, Inc. (restaurants and catering) (2003-2004). She is also a director of ComEd, an Exelon subsidiary, and is a member of the ComEd audit committee. As a leader in the Chicago business community and as the chief executive of a privately-held Chicago-based business, Ms. Gin is familiar with the Chicago economy and the needs of Chicago businesses served by ComEd. As a female member of the Asian-American community, Ms. Gin also brings diversity to the board and contributes to Exelon s diversity initiatives and community outreach.

Rosemarie B. Greco

Director since 2000

Age 63

Chair-Compensation Committee

Member-Corporate Governance Committee (effective September 15, 2009)

Member-Energy Delivery Oversight Committee

Ms. Greco serves as a Senior Advisor to the Governor of Pennsylvania-Health Care Reform. She served as the director of the Governor s Office of Health Care Reform for the Commonwealth of Pennsylvania from January 2003 through December 2008. She is also the founding principal of GRECOVentures Ltd., a private management consulting firm. She was formerly President, CEO and director of First Fidelity Bank, N.A., and Senior Executive Vice President and director of First Fidelity Bancorporation and formerly President of CoreStates Financial Corporation and director, President and CEO of CoreStates Bank, N.A. She has served since 1998 as a director of Sunoco, Inc. (energy), where she serves on the audit, compensation and governance

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committees, and since 1997 as a trustee of Pennsylvania Real Estate Investment Trust, where she serves as chair of the executive compensation and human resources committee. She has also served since 1999 as a trustee of SEI Investment Management Corp., a subsidiary of SEI Investments, Co., and serves as chair of its governance committee. She also serves as a director of PECO. While serving in the banking industry she served for a time as head of a human resources department, experience that has been valuable to her service as chair of Exelon s compensation committee. Her experience in the banking industry in Philadelphia has given her insight into the needs of the banks clients, who are also customers of PECO. Ms. Greco s role as a female executive has brought diversity to Exelon s board, and she has contributed to Exelon s diversity initiatives. Her experience as a CEO with responsibility for overseeing the quality of operations is a useful background for her work on the energy delivery oversight committee, with its focus on operational issues at ComEd and PECO. Ms. Greco s experiences as a CEO, a management consultant, and a member of a number of corporate boards and governance committees contribute to her effectiveness as a member of the corporate governance committee. In addition, her service as chair of the compensation committee while also serving as a member of the corporate governance committee is designed to facilitate communications between the committees with respect to performance evaluations and succession planning for the executives in conjunction with executive compensation decisions.

Paul L. Joskow, Ph. D.

Director since 2007

Age 62

Member-Audit Committee

Member-Energy Delivery Oversight Committee

Member-Risk Oversight Committee

Professor Joskow has been the President of the Alfred P. Sloan Foundation since January 1, 2008. The Sloan Foundation is a philanthropic institution that supports research and education in science, technology and economic performance. He is on leave from his position as the Elizabeth and James Killian Professor of Economics and Management at the Massachusetts Institute of Technology (MIT). Professor Joskow joined the MIT faculty in 1972 and served as head of the MIT Department of Economics (1994-1998) and Director of the MIT Center for Energy and Environmental Policy Research (1999-2007). At MIT he was engaged in teaching and research in the areas of industrial organization, energy and environmental economics, competition policy, and government regulation of industry for over 35 years. Much of his research and consulting activity has focused on the electric power industry, electricity pricing, fuel supply, demand, generating technology, and regulation. He is a Fellow of the American Academy of Arts and Sciences and the Econometric Society. He has served on the U.S. Environmental Protection Agency s (EPA) Acid Rain Advisory Committee, on the Environmental Economics Committee of EPA s Science Advisory Board, and on the National Commission on Energy Policy. He is a Trustee of the Putnam Mutual Funds. In addition to his teaching, research, publishing and consulting activities, he has experience in the energy business, serving as a director of New England Electric System, a public utility holding company (1987-2000), until it was acquired by National Grid. He then served as a director of National Grid plc, an international electric and gas utility holding company, and one of the largest investor-owned utilities in the world (2000-2007). Since 2004 he has been a director of TransCanada Corporation, which is an energy infrastructure company with gas pipelines, electric power operations, and natural gas storage facilities. He currently serves on the audit and governance committees of TransCanada. He previously served on the audit committee of National Grid (2000-2005) and was chair of its finance committee until 2007. He also served on the audit committee of New England Electric System and as the chair of the audit committee of the Putnam Mutual Funds (2002-2005). With his experience in the energy industry and economics, Mr. Joskow makes a contribution to the Exelon board discussions of economics, energy markets, energy policy, industry trends, and risk and the work of the audit, risk oversight, and energy delivery oversight committees in these fields.

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Richard W. Mies

Director since 2009

Age 65

Member-Audit Committee (effective July 27, 2009)

Member-Generation Oversight Committee

Member-Risk Oversight Committee (effective January 2010)

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

John M. Palms, Ph. D.

Director since 2000

Age 74

Chair-Audit Committee

Member-Corporate Governance Committee

Member-Generation Oversight Committee

Member-Risk Oversight Committee

Dr. Palms has had a distinguished career in academia and business and is a leading expert on nuclear power operations. He is Distinguished President Emeritus and Distinguished University Professor Emeritus of the University of South Carolina. He served as the President of the University of South Carolina (1991-June 2002), overseeing major budgets and approving significant financial and other transactions. He was Distinguished University Professor at the University of South Carolina (2002-2007). He is the former President of Georgia State University and the former Vice President for Academic Affairs and the Charles Howard Chandler Professor of Radiological and Environmental Physics at Emory University. He was recognized for his nuclear energy and operations expertise by serving for five years as a member of the National Nuclear Accreditation Board and the Advisory Council for the Institute of Nuclear Power Operations and its National Academy of Nuclear Training. He also served on the Three Mile Island Public Health Fund Committee to design a Public Acceptable Environmental Monitoring Program. In 2003 he became the non-executive chairman of the board of directors of Assurant Inc., a provider of specialty insurance and related services with risk management

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expertise, strong distribution partnerships and complex administrative skills, where he has been a director since 1990 and serves on the nominating and corporate governance and audit committees, and he has also served since 2002 as a director of Computer Task Group, Inc., a provider of information technology solutions and services, where he serves on the executive, nominating and corporate governance, and compensation committees and formerly served on the audit committee, and he has served since 2006 as a director of The Geo Group, a world leader in the privatized development and management of correction and retention facilities. In addition, Dr. Palms is the Chairman of the board of trustees of the Institute for Defense Analyses, a non-profit, federally-funded research and development organization that advises the U.S. Secretary of Defense and the U.S. Congress. Dr. Palms makes a contribution to the Exelon board through his extensive knowledge of nuclear power and his experience on the boards and board committees of other public companies. His knowledge and experience with nuclear power makes Dr. Palms a valuable member of the generation oversight and risk oversight committees. His service as chair of the audit committee and a member of the risk oversight committee reinforces the role of the audit committee in overseeing risk matters and ensures full communication between the two committees, given the close relationship between audit and risk issues. Dr. Palms experience in the management of large business, academic and other organizations enables him to offer useful perspectives to Exelon s corporate governance committee.

William C. Richardson, Ph. D.

Director since 2005

Age 69

Member-Audit Committee

Member-Compensation Committee

Member-Corporate Governance Committee

Member-Risk Oversight Committee

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

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Thomas J. Ridge

Director since 2005

Age 64

Member-Energy Delivery Oversight Committee

Member-Risk Oversight Committee (effective January 2010)

Governor Ridge is President of Ridge Global LLC, a consulting firm. He is also a strategic limited partner in Doheny Global Group, a U.S.-based international developer of energy facilities. He served as Secretary of the United States Department of Homeland Security from January 2003 through January 2005, and Assistant to the President for Homeland Security (an Executive Office created by President George W. Bush) from October 2001 through December 2002. He served as Governor of the Commonwealth of Pennsylvania (1994-October 2001) and in the U.S. House of Representatives (1982-1994). He is also a director of The Hershey Company (chocolate and sugar confectionery) since 2007, serving on the finance and risk management and governance committees, and Vonage Holdings Corp. (software technology for voice and messaging services) since 2005, serving on the nominating and governance and compensation committees, and Brightpoint, Inc. since 2009, serving on the strategy committee. Mr. Ridge previously served as a director of Home Depot Corporation (home improvement specialty retailer) (2005-2007). He also serves as a director of PECO. Governor Ridge s governmental service at the federal level and in Pennsylvania is valued by the board. His Department of Homeland Security experience provides valuable insight into issues relating to the security of Exelon s generation and transmission and distribution facilities. His service as a director of other companies brings additional perspective to the Exelon board. Exelon s energy delivery and risk oversight committees benefit greatly from Governor Ridge s insights from his experience in state government and his expertise on matters relating to the security of critical infrastructure.

John W. Rogers, Jr.

Director since 2000

Age 51

Member-Corporate Governance Committee

Member-Risk Oversight Committee

Mr. Rogers is the founder, Chairman and CEO of Ariel Investments, LLC, an institutional money management firm with $4.8 billion in assets under management, and he serves as trustee of the Ariel Investment Trust. He has served as a director of Aon Corporation (risk management services, insurance and reinsurance brokerage and human capital and management consulting services) since 1993, where he has served on the finance committee and as chair of the audit committee, and McDonald s Corporation (global foodservice retailer) since 2003, where he has served on the compensation and corporate responsibility committees. He is also a director of ComEd and served as a member of the ComEd audit committee. Previously he served as a director of GATX corporation (rail, marine and industrial equipment leasing) (1998-2004), where he served on the audit committee, and on the board of Bank One Corporation (bank) (1998-2004), where he served on the audit and risk management and public responsibility committees, and

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

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John W. Rowe

Director since 2000

Age 64

Mr. Rowe has served as a Director and as Chief Executive or Co-Chief Executive Officer of Exelon since its formation in October 2000. He has served as Chairman and Chief Executive Officer since April 2002. At various times since 2000, he has also held the title of President of Exelon. He previously served as Chairman, President and Chief Executive Officer of Unicom Corporation and ComEd. He has also served as a director of Sunoco, Inc. (energy) since 2003, where he serves on the compensation committee and chairs the corporate responsibility committee, and The Northern Trust Corporation (banking) since 2002, where he serves on the corporate governance and executive committees and as chair of the business strategy committee. He serves as Chairman and director of PECO, an Exelon subsidiary, and as a director of ComEd, another Exelon subsidiary. Previously, Mr. Rowe served as a director of UnumProvident Corporation upon the merger of Unum Corporation into Provident Companies, Inc. in 1999 until 2005, serving on the audit, executive and finance committees (he had previously served on Unum Corporation Board (1988-1999)); Fleet Boston Financial Corporation (bank) when BankBoston was acquired by Fleet Boston (1999-2002) serving on the community investment and public policy committees; and Wisconsin Central Transportation Corporation when it was acquired by Canadian National Railway in 1998 until 2001, serving on the audit committee. Mr. Rowe has an aggregate of over 25 years experience as the CEO of Exelon and other utilities.

Stephen D. Steinour

Director since 2007

Age 51

Member-Audit Committee

Member-Compensation Committee

Member-Generation Oversight Committee (through January 2010)

In January 2009, Mr. Steinour was elected the Chairman, President and Chief Executive Officer of Huntington Bancshares Incorporated, a $52 billion regional bank holding company. He was the Chairman and Managing Partner of CrossHarbor Capital Partners, a private equity firm (2008- January 2009). He was previously President and CEO of Citizens Financial Group, Inc., a multi-state commercial bank holding company (2006-2008). He served as Vice Chairman and Chief Executive Officer of Citizens Mid-States regional banking (2005-2006). He served as Vice Chairman and Chief Executive Officer of Citizens Mid-Atlantic Region (2001-2005). At the beginning of his career, Mr. Steinour was an analyst for the U.S. Treasury Department and subsequently worked for the Federal Deposit Insurance Corporation. Mr. Steinour was appointed to the Board of Trustees of the Liberty Property Trust (an office and industrial property real estate investment trust) on February 11, 2010, and he serves on its audit committee. Mr. Steinour is a member of council of The Pennsylvania Society, a non-profit, charitable organization which celebrates service to the Commonwealth of Pennsylvania. Mr. Steinour serves as a trustee of the National Constitution Center and the Eisenhower Fellowships and is a member of the Columbus Partnership. Mr. Steinour also was a member, and served on the policy and legal affairs committees, of the Pennsylvania Business Roundtable, an association of CEOs in large Pennsylvania companies representing significant employment and economic activity in the Commonwealth. He also has served on the board of and as the chairman of the Greater Philadelphia Chamber of Commerce. His experience at Citizens Bank gave him knowledge of the markets that Exelon Generation and PECO serve. His experience as a banker, with strong credit and risk management experience and knowledge of credit and capital markets, and his experience as Chairman and CEO of Huntington Bank enhances Mr. Steinour s value to the Exelon board and to the audit and compensation committees.

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Don Thompson

Director since 2007

Age 46

Member-Energy Delivery Oversight Committee

Member-Generation Oversight Committee (through January 2010)

Mr. Thompson is President and Chief Operating Officer of McDonald s Corporation, a global foodservice retailer. Mr. Thompson previously served as President of McDonald s US operations from August 2006 through January 2010, Executive Vice President and Chief Operations Officer for McDonald s USA from January 2005 through August 2006, as Executive Vice President, Restaurant Solutions Group from May 2004 through January 2005, and President, West Division, from October 2001 through May 2004. Mr. Thompson currently serves on the board of the Johnnetta B. Cole Global Diversity and Inclusion Institute, a partnership of academic institutions, corporations and civic and community organizations to advance the goals of diversity and inclusion in the workplace through education, training and research. Mr. Thompson also serves on the Boards of Trustees of Northwestern Memorial Hospital and Purdue University. Mr. Thompson is also a former board member of the San Diego Ronald McDonald House Charities and has served as a Trustee of the Goodman Theater in Chicago. Mr. Thompson has a degree in electrical engineering and at McDonald s one of the things he has focused on is developing systems and procedures to ensure consistency in the quality of service. Mr. Thompson s experience as a senior corporate executive and his training as an engineer and focus on quality and consistency of service enhance his contribution to the Exelon board and add value to his services on the energy delivery oversight committee. In addition, Mr. Thompson s role in the African-American community brings additional diversity of thought to the Exelon board and contributes to Exelon s diversity initiatives and community outreach.

Director Retirement Policy

For several years, the board has had a retirement policy under which a director must retire at the end of the calendar year in which he or she reaches the age of 72. The corporate governance committee and the board have re-evaluated the company s retirement policy and matters related to director succession. The board has found that directors can normally continue to provide a valuable service to the company for several years beyond age 72. In addition, the board has noted that under the retirement policy there have been repeated instances where a number of director retirements would fall in the same year. For these reasons, the board has been generally flexible in the application of the retirement policy and has waived or suspended the policy when the purposes of the policy are outweighed by factors such as a desire for director continuity, the desire to retain the leadership or experience of a particular director, a need to identify equally qualified successors, a desire to avoid multiple retirements in one year, or other factors that mitigate against mandatory retirement. The board also recognized that, beginning with the annual meeting in 2010, shareholders would be entitled to vote for the election of the entire board of directors. Accordingly, during 2010 the board amended the director retirement policy to provide that a director must retire at the end of the calendar year in which he or she reaches the age of 75. In addition, the board has suspended the retirement policy for Dr. Palms until the end of 2011 and Mr. D Alessio until the end of 2012. These changes will help address future situations in which multiple directors would otherwise be required to retire in the same year, and suspension of the retirement policy for Dr. Palms and Mr. D Alessio will ensure that the company continues to benefit from their unique experience and leadership on the board and its committees and will facilitate a smooth transition until successors are identified and serve on the board long enough to develop appropriate experience and expand their leadership roles.

Compensation of Non-Employee Directors

For their service as directors of the corporation, Exelon s non-employee directors receive primarily cash and equity compensation. As an employee director, Mr. Rowe receives no additional compensation for service as a director. The Exelon board has a policy of targeting their compensation to the median board compensation of the same peer group of companies used to benchmark executive compensation.

Fees Earned or Paid in Cash

Non-employee directors receive cash retainers for their service on the board, as chairs of committees, and as members of the audit and generation oversight committees. They also receive cash payments for attending meetings.

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All non-employee directors receive an annual retainer of $50,000. Committee chairs receive an additional $10,000 per year. Members of the audit committee and generation oversight committee, including the committee chairs, receive an additional $5,000 per year for their participation on these committees.

Directors receive $2,000 for each meeting of the board or board committee that they attend, whether in person or by means of teleconferencing or video conferencing equipment. Directors also receive a $2,000 meeting fee for attending the annual shareholders meeting and the annual strategy retreat.

Stock Awards

To align directors interests with shareholders, Exelon pays a significant portion of director compensation in the form of deferred stock units. The deferred stock units are not paid out to the directors until they retire from the board, or upon reaching age 72.

The amount of deferred stock units granted to directors each year is $100,000. Deferred stock units are granted and 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 the same dividends available to all holders of Exelon common stock, which are reinvested in the account as additional units.

Deferred Compensation

Directors may elect to defer any portion of their cash compensation in a non-qualified multi-fund deferred compensation plan. Each director has an unfunded account where the dollar balance can be invested in one or more of several mutual funds, including one fund composed entirely of Exelon common stock. Fund balances (including those amounts invested in the Exelon common stock fund) will be settled in cash and may be distributed in a lump sum or in annual installment payments upon a director s reaching age 65, age 72 or upon retirement from the board. These funds are identical to those that are available to executive officers and are generally identical to those available to company employees who participate in the Exelon Employee Savings Plan. Directors and executive officers have one additional fund not available to employees that, through its composition, provides returns that can be in excess of 120% of the federal long-term rate that is used by the IRS to determine above market returns. However, during 2009, none of the directors had investments in this fund.

Other Compensation

Non-employee directors receive perquisites relating to the cost of a director s spouse s travel, meals, lodging and related activities when the spouses are invited to attend company or industry related events where it is customary and expected that directors attend with their spouses. The cost of such travel, meals and other activities is imputed to the director as additional taxable income. However, in most cases there is no incremental cost to Exelon of providing transportation and lodging for a director s spouse when he or she accompanies the director, and the only additional costs to Exelon are those for meals and activities and to reimburse the director for the taxes on the imputed income. In 2009, the incremental cost to the company to provide these perquisites was less than $10,000 per director and the aggregate amount for all non-employee directors as a group, a total of 15 directors, was $14,604. The aggregate amount paid to all non-employee directors as a group (15 directors) for reimbursement of taxes on imputed income was $10,949. Exelon has a matching gift program available to employees and directors that matches their contributions to educational institutions up to $5,000 per year for directors and officers and up to $2,000 per year for other employees.

Expense Reimbursement

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

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Compensation of Non-Employee Directors in 2009

The following table lists directors   committee memberships during 2009 and the cash fees and stock awards paid to directors in 2009.

	Committee Membership	Fees Earned or Paid in Cash		Stock Awards	Change in Pension Value and Nonqualified Compensation Earnings	Total
		Annual Board & Committee Retainers	Board & Committee Meeting Fees		Note 2	
John A. Canning, Jr.	A, C	$ 55,000	$ 54,000	$ 100,000		$ 209,000
M. Walter D Alessio	C, G (ch)	60,000	48,000	100,000		208,000
Nicholas DeBenedictis	G, E (ch), P	65,000	58,000	100,000		223,000
Bruce DeMars	A, G, E, P (ch)	70,000	80,000	100,000		250,000
Nelson A. Diaz	E, P, R	55,000	56,000	100,000		211,000
Sue L. Gin	A, G, R (ch)	65,000	68,000	100,000		233,000
Rosemarie B. Greco	C (ch), E, G	60,000	54,000	100,000		214,000
Paul L. Joskow	A, E, R	55,000	60,000	100,000		215,000
Richard W. Mies (Note 1)	A, P	52,258	36,000	91,389		179,647
John M. Palms (Note 3)	A (ch), G, P, R	70,000	82,000	100,000		252,000
William C. Richardson (Note 3)	A, C, G, R	55,000	80,000	100,000		235,000
Thomas J. Ridge	E	50,000	32,000	100,000		182,000
John W. Rogers, Jr.	G, R	50,000	46,000	100,000		196,000
Stephen D. Steinour	A, C, P	60,000	60,000	100,000		220,000
Donald Thompson	E, P	55,000	42,000	100,000		197,000
Total All Directors		$ 877,258	$ 856,000	$ 1,491,389		$ 3,224,647

Committee Membership Key

Audit = A, Chairman = Ch, Compensation = C, Corporate Governance = G, Energy Delivery Oversight = E, Generation Oversight = P, Risk Oversight = R

Notes:

(1) Admiral Mies was appointed to the board on February 2, 2009 and all retainers were pro-rated from this date.

(2) Values in this column represent that portion of the directors   accrued earnings in their non-qualified deferred compensation account that were considered as above market. See the description above under the heading Deferred Compensation. For 2009, none of the directors recognized any such earnings.

(3) In addition to the amounts shown in the table, Drs. Palms and Richardson, who also serve as directors of the Exelon Foundation, received $6,000 and $8,000, respectively, from the Foundation for attending meetings of the Foundation   s board. Exelon contributes to the Foundation to pay for the Foundation   s operating expenses.

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The following table lists the amounts of deferred Exelon stock units held by directors as of December 31, 2009. The units are valued at the closing price of Exelon common stock on December 31, 2009, which was $48.87. Legacy plans include those stock units earned from Exelon s predecessor companies, PECO and Unicom Corporation. For Adm. DeMars and Mr. Rogers, the legacy deferred stock units reflect accrued benefits from the Unicom Directors Retirement Plan (which was terminated in 1997) and the Unicom 1996 Directors Fee Plan (which was terminated in 2000), respectively.

	Year First Elected to the Board	Deferred Stock Units From Legacy Plans	Deferred Stock Units From Exelon Plan	Total Deferred Stock Units	Fair Market Value as of 12/31/09
		#	#	#	$
John A. Canning	2008		2,862	2,862	$ 139,866
M. Walter D Alessio	1983		11,245	11,245	549,543
Nicholas DeBenedictis	2002		8,926	8,926	436,214
Bruce DeMars	1996	1,332	3,548	4,880	238,486
Nelson A. Diaz	2004		8,803	8,803	430,203
Sue L. Gin	1993		3,548	3,548	173,391
Rosemarie B. Greco	1998		13,016	13,016	636,092
Paul L. Joskow	2007		4,048	4,048	197,826
Richard W. Mies	2009		1,913	1,913	93,488
John M. Palms	1990		8,926	8,926	436,214
William C. Richardson	2005		7,051	7,051	344,582
Thomas J. Ridge	2005		6,802	6,802	332,414
John W. Rogers, Jr.	1999	3,590	16,239	19,829	969,043
Stephen D. Steinour	2007		4,317	4,317	210,972
Donald Thompson	2007		4,317	4,317	210,972
Total All Directors		4,922	105,561	110,483	$ 5,399,306

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4. Ownership of Exelon Stock

Stock Ownership Requirements for Directors and Officers

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

Officers of Exelon (and its subsidiaries) are required to own certain amounts of Exelon common stock, depending on their seniority, by the later of five years after their employment or promotion to their current position. The objective is to encourage officers to think and act like owners. The ownership guidelines are expressed as both a fixed number of shares and a multiple of annualized base salary to avoid arbitrary changes to the ownership requirements that could arise from ordinary course volatility in the market price for Exelon s shares. The minimum stock ownership targets by level are the lesser of the fixed number of shares or the multiple of annualized base salary. The number of shares was determined by taking the following multiples of the officer s base salary as of the latest of September 30, 2009 or the date of hire or promotion: (1) Chairman and CEO, five times base salary; (2) Exelon s president and executive vice presidents, three times base salary; (3) senior vice presidents, two times base salary; and (4) vice presidents and other executives, one times base salary. Ownership is measured by valuing an executive s holdings using the 60-day average price of Exelon common stock as of the appropriate date. Shares held outright, earned non-vested performance shares, and deferred shares count toward the ownership guidelines; unvested restricted stock and stock options do not count for this purpose. As of December 31, 2009, the named executive officers (NEOs) held the following amounts of stock relative to the applicable guidelines:

Name	Ownership Multiple	Ownership Guideline in Shares	Share or Share Equivalents Owned	Ownership As a Percent of Guideline
John W. Rowe	5X	107,920	427,067	396%
Matthew F. Hilzinger	2X	10,000	27,655	277%
Christopher M. Crane	3X	21,868	91,866	420%
Ian P. McLean	3X	22,165	88,628	400%
Elizabeth A. Moler	3X	21,667	50,297	232%

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Beneficial Ownership Table

The following table shows the ownership of Exelon common stock as of December 31, 2009 or by each director, each NEO in the Summary Compensation Table, and for all directors and executive officers as a group.

	[A] Beneficially Owned Shares	[B] Shares Held in Company Plans Note 1	[C] Vested Stock Options and Options that Vest Within 60 days	[D]=[A]+[B]+[C] Total Shares Held	[E] Share Equivalents to be Settled in Cash or Stock Note 2	[F]=[D]+[E] Total Share Interest
Directors						
John A. Canning, Jr.	5,000	2,862		7,862	876	8,738
M. Walter D Alessio	12,366	11,245		23,611		23,611
Nicholas DeBenedictis		8,926		8,926		8,926
Bruce DeMars	10,671	4,880		15,551		15,551
Nelson A. Diaz	1,500	8,803		10,303	2,508	12,811
Sue L. Gin	45,973	3,548		49,521	4,657	54,178
Rosemarie B. Greco	2,000	13,016		15,016	9,655	24,671
Paul L. Joskow	2,000	4,048		6,048	4,779	10,827
Richard W. Mies (3)		1,913		1,913		1,913
John M. Palms		8,926		8,926		8,926
William C. Richardson	1,347	7,051		8,398		8,398
Thomas J. Ridge		6,786		6,786	3,942	10,728
John W. Rogers, Jr.	11,374	19,829		31,203	10,894	42,097
Stephen D. Steinour	4,295	4,317		8,612	5,231	13,843
Donald Thompson		4,317		4,317	3,755	8,072
Named Officers						
John W. Rowe	301,915	6,456	437,250	745,621	118,696	864,317
Matthew F. Hilzinger	11,380	5,569	46,100	63,049	10,706	73,755
Christopher M. Crane	31,967	30,000	106,500	168,467	29,899	198,366
Ian P. McLean	43,649	15,363	425,438	484,450	29,616	514,066
Elizabeth A. Moler	26,433		105,675	132,108	23,864	155,972
Total						
Directors & Executive Officers as a group, 25 people. (See Note 4)	488,908	130,121	1,358,214	1,977,243	281,408	2,258,651

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

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

(3)

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

(4) Beneficial ownership, shown in Column [A], of directors and executive officers as a group represents less than 1% of the outstanding shares of Exelon common stock. Total includes share holdings from all directors and NEOs as well as those executive officers listed in Item 1, Executive Officers of the Registrants in Exelon s 2009 Form 10-K, who are not NEOs for purposes of compensation disclosure.

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Other Significant Owners of Exelon Stock

Shown in the table below are those owners who are known to Exelon to hold more than 5% of the outstanding common stock. This information is based on the most recent Schedule 13G filed by each owner with the SEC.

Name and address of beneficial owner	Amount and nature of beneficial ownership	Percent of class
Capital World Investors 333 South Hope Street Los Angeles, California 90071	49,158,600	7.5%
Capital Research Global Investors 333 South Hope Street Los Angeles, California 90071	34,951,820	5.3%

Capital World Investors and Capital Research Global Investors are each divisions of Capital Research and Management Company. Capital World Investors disclosed in its Schedule 13G that it disclaims beneficial ownership of all shares and it has sole voting power over 3,467,700 shares and sole dispositive power over all shares. Capital Research Global Investors disclosed in its Schedule 13G that it disclaims beneficial ownership of all shares and it has sole voting power over 20,541,220 shares and sole dispositive power over all shares.

Stock Performance Chart

The performance graph below illustrates a five-year comparison of cumulative total returns based on an initial investment of $100 in Exelon Corporation common stock, as compared with the S&P 500 Stock Index and the S&P Utility Index for the period December 31, 2004 through December 31, 2009.

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

	Value of Investment at December 31,					
	2004	2005	2006	2007	2008	2009
Exelon Corporation	$ 100.00	$ 124.43	$ 148.97	$ 201.20	$ 141.09	$ 129.42
S&P 500	$ 100.00	$ 104.90	$ 121.43	$ 128.09	$ 80.77	$ 102.08
S&P Utilities	$ 100.00	$ 116.71	$ 141.18	$ 168.47	$ 119.73	$ 133.88

Source: Bloomberg

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5. Compensation Discussion and Analysis

Executive Summary

Effect of Financial Performance on Incentive Compensation

Exelon s executive compensation programs are designed to motivate and reward senior management to achieve Exelon s vision of being the best group of electric generation and electric and gas delivery companies in the United States, providing superior value for Exelon s customers, employees, investors and the communities Exelon serves. Exelon s results for 2009 as compared to 2007 and 2008 demonstrate that Exelon s incentive compensation is consistent with Exelon s performance. Exelon s annual incentive program (AIP) is based to a significant extent on adjusted (non-GAAP) operating earnings per share, and its performance share award program is based on the relative total shareholder return for Exelon as compared to the Dow Jones Utility Index (60%) and the Standard & Poor s 500 Index (40%). Exelon had strong results in 2007 and 2008, when Exelon s adjusted (non-GAAP) operating earnings per share were $4.32 and $4.20, respectively. Total shareholder return for the 2005-2007 performance period was at the 68.7th percentile of the Dow Jones Utility Index and the 89th percentile of the Standard & Poor s 500 Index, while for the 2006-2008 performance period it was at the 75th percentile of the Dow Jones Utility Index and the 85.6th percentile of the Standard & Poor s 500 Index. This performance resulted in high incentive compensation payouts for 2007 and 2008. However, as a result of decreasing electricity sales, lower power prices, unfavorable weather, and increased pension and post-retirement benefits costs, partially offset by cost savings initiatives, Exelon s results in 2009 declined. Exelon s 2009 adjusted (non-GAAP) operating earnings per share were $4.12 and its total shareholder return for the 2007-2009 performance period was at the 37.5th percentile of the Dow Jones Utility Index and the 49.5th percentile of the Standard & Poor s 500 Index. Exelon s incentive compensation programs worked as designed to pay for performance, resulting in significantly lower incentive compensation payouts for 2009 as compared to the two prior years. Because earnings were below 150% of target in 2008 and below target in 2009, the shareholder protection features in the annual incentive plan took effect and limited the annual incentive payouts on operating company/business unit key performance indicator goals. The following table shows the correlation between levels of financial performance and incentive compensation in 2007, 2008 and 2009:

Year	Adjusted (non-GAAP) Earnings Per Share	% of Target For Earnings Goals in Annual Incentive Plan (AIP) (a)	Limit on % of Payout for Other Goals in AIP based on Earnings	Total Shareholder Return %ile As Compared to Dow Jones Utility Index	% of Target	Total Shareholder Return %ile as compared to S&P 500 Index	% of Target	Performance Share Unit Payout as % of Target (60% DJUI performance 40% S&P 500 performance)
2007	$ 4.32	156.67%*	200%	68.7%	174.85%	89.0%	200.0%	184.9%
2008	4.20	116.67	150	75.0	200.00	85.6	200.0	200.0
2009	4.12	97.00	100	37.5	75.00	49.5	99.1	84.6

* Percentage for payout of AIP was reduced by 2.5% to 152.7% because of performance on a customer satisfaction measure.

Value of Compensation Actually Paid to Named Executive Officers

The valuation methods specified by the SEC rules for equity compensation reported in the Summary Compensation Table overstate the value of equity compensation in Exelon s situation, where 2009 grant date fair value for performance share units for the 2007-2009 performance period is based in part on historical data for the previous two plan years, which resulted in a high valuation due to strong performance in the 2005-2007 and 2006-2008 performance periods (when Exelon s performance share program paid out at 184.9% of target and 200% of target, respectively, resulting in a valuation at 161% of target for the 2007-2009 performance period). The actual value of the 2007-2009 performance shares granted in January 2009 and awarded in January 2010 is significantly lower, reflecting both the actual performance at the award date and the decline in the stock price between the grant date and the award date. Similarly, the target number of performance shares for the 2006-2008 performance period was based on the January 2008 stock price of approximately $73, while the shares awarded in January 2009 were worth approximately $57. As a result, while Exelon s total shareholder return performance was at 200% of target, as described below, the value of the shares paid out was only about 153% of the target value. In addition, valuation of stock options in the Summary Compensation Table is overstated to the extent that the strike price of stock options is higher than the current price of Exelon s stock. None of

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the stock options granted since January 2006 is in the money; the 2006 strike price was $58.55; 2007, $59.96; 2008, $73.29; and 2009, $56.51, while the price of Exelon s common stock on January 25, 2010 was $46.09. The following table presents the compensation actually paid to Exelon s NEOs. Values for non-equity compensation are the same as in the Summary Compensation Table. Equity compensation is valued using the actual number of performance shares awarded at the end of the performance period multiplied by the stock price on the award date and no value for stock options that are not in the money, instead of grant date fair values.

Compensation Actually Paid to NEOs

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

Name and Principal Position	Year	Salary ($)	Bonus ($)	Stock Awards Valued at Award Date ($)	Value of In the Money Stock Options at 1/25/2010 ($)	Non-Equity Incentive Plan Compensation ($)	Change in Pension Value and Nonqualified Deferred Compen-sation Earnings ($)	All Other Compen-sation ($)	Total ($)
(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)
Rowe	2009	$ 1,468,077		$ 2,717,743	$	$ 1,573,825	$ 173,566	$ 416,947	$ 6,350,158
	2008	1,474,423		5,877,040		1,835,166	830,272	400,192	10,417,093
	2007	1,361,154		8,808,359		1,680,249	504,385	418,026	12,772,173
Hilzinger	2009	442,769	13,079	261,238		261,579	85,891	31,725	1,096,281
	2008	408,627		942,300		318,750	57,492	143,916	1,871,085
Crane	2009	821,154		882,024		680,213	719,399	76,140	3,178,930
	2008	694,230		2,613,292		750,000	642,938	272,727	4,973,187
	2007	558,000		3,160,541		577,536	442,503	158,029	4,896,609
McLean	2009	640,346		651,160		437,276	122,086	87,738	1,938,606
	2008	561,538		2,155,848		510,416	95,727	216,544	3,540,073
	2007	482,500		2,100,491		403,276	53,160	96,874	3,136,301
Moler	2009	482,692		792,401		282,270	40,181	76,253	1,673,797
	2008	484,615		1,175,408		329,000	333,981	195,611	2,518,615

Reductions in Compensation for 2010

Because of the earnings challenges Exelon faces in 2010, the compensation committee and the Exelon board of directors have taken the following actions to reduce compensation in 2010 and achieve approximately $150 million in savings:

- Freezing salaries for executives;
- Recalibrating the annual incentive program payout scale to reduce the threshold payout from 50% to 25% and reduce the target payout from 100% to 50%, while leaving distinguished payout at 200% (this is expected to result in approximately $100 million of the savings);
- Enhancing shareholder protection features in the annual incentive plan by limiting key performance indicator payouts to no more than 10% above the earnings payout percentage;
- Reducing the target values for long-term incentives by about 33%; and

- Reducing the company fixed match on 401(k) contributions from 5% to 3% of base salary, with the potential for a formula-based profit sharing contribution of up to an additional 3% of base salary.

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As an example of the results of these actions, Mr. Rowe s 2010 long term equity incentive compensation has been reduced relative to 2009. Mr. Rowe received the following stock option grants and performance share grants and awards for 2009 and 2010:

Stock Options

	Shares Granted	Value	Based on:
2009	155,000 @ strike price of $56.51	$ 2,236,650	Grant DateFair Value
2010	138,000 @ strike price of $46.09	1,115,040	Estimated Grant Date Fair Value
Change in Grant Value from 2009 to 2010 =		$ (1,121,610)	

Performance Shares

	Shares Granted	Value	Based on:
2009	69,700 (upon Grant)	$ 6,341,383	Grant Date Fair Value
	58,966 (upon Award)	2,717,743	Actual Value on Award Date
2010	54,000 (upon Grant)	1,070,210	Estimated Grant Date Fair Value
Change in Grant Value from 2009 to 2010 =		$ (5,271,173)	

Reduced Value of Accumulated Wealth from Incentive Compensation Programs

Exelon s executive compensation program links the wealth that the NEOs accumulate from their Exelon compensation to the company s future financial performance by paying a substantial portion of incentive compensation in the form of Exelon equity. As a result of this policy, in addition to the reductions in their compensation that have resulted from Exelon s lower financial performance, Exelon s NEOs have experienced significant reductions in their accumulated wealth because the value of Exelon s equity has declined since the price of Exelon s common stock peaked at $91.64 on July 10, 2008. The following table shows the value of Mr. Rowe s holdings of Exelon equity at December 31 2007, 2008 and 2009; the other NEOs have experienced proportional reductions in the value of their Exelon equity:

Name	Date: December 31,	Number of Vested Shares of Exelon Common Stock	Value of Vested Shares of Exelon Common Stock	Number of Vested and Unvested Stock Options	Value of Vested and Unvested Stock Options	Number of Unvested Performance Share Awards and Unvested Restricted Stock Awards	Value of Unvested Portion of Performance Share Awards and Unvested Restricted Stock Awards	Total Value
		Note 1		Note 2				
Rowe	2009	311,368	$ 15,216,554	648,000	$ 1,378,580	115,429	$ 5,641,015	$ 22,236,149
	2008	309,985	17,238,266	493,000	2,922,040	127,338	7,081,266	27,241,572
	2007	337,514	27,554,643	379,000	12,134,910	116,753	9,529,266	49,218,819

(1) Vested shares held include shares held directly and through the Employee Stock Purchase Plan, the 401(k) plan, and share equivalents held in the deferred compensation plan. During 2008, Mr. Rowe s holdings increased by 51,317 shares as the result of options exercised through Rule 10b5-1 Sales Plans entered into in August 2006 and September 2007, offset by his donation of 80,000 shares to a charitable trust in November 2008 pursuant to another Rule 10b5-1 Sales Plan entered into in May 2008.

(2) During 2008, Mr. Rowe exercised 550,000 options pursuant to Rule 10b5-1 Sales Plans as described in the note above. These options have been omitted from the 2007 balance that is shown.

Elimination of Future Excise Tax Gross-ups on Termination Payments

In 2009 there were no significant changes to the design of Exelon s executive compensation program, except that in April 2009 the compensation committee adopted a policy that future employment or severance agreements that provide for benefits for NEOs on account of termination will not include an excise tax gross-up. The policy is more fully described below under Other Benefits Change In Control and Severance Benefits. On October 27, 2009, the board of directors approved the Third Amended and Restated Employment Agreement with Mr. Rowe. In the agreement, Mr. Rowe s previous excise tax gross-up benefit was eliminated consistent with the policy. The agreement is more fully described below under Potential Payments upon Termination or Change in Control Employment Agreement with Mr. Rowe.

Objectives of the Compensation Program

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

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

The compensation committee has adopted a pay-for-performance philosophy, which places an emphasis on pay-at-risk. Exelon s compensation program is designed to reward superior performance, that is, meeting or exceeding financial and operational goals set by the compensation committee. When excellent performance is achieved, pay will increase. Failure to achieve the target goals established by the compensation committee will result in lower pay. There are pay-for-performance features in both cash and equity-based compensation. The NEOs listed in the Summary Compensation Table participate in an annual incentive plan that provides cash compensation based on the achievement of performance goals established each year by the compensation committee. A substantial portion of each NEO s equity-based compensation is in the form of performance share units that are paid to the extent that longer-range performance goals set by the compensation committee are met, with the balance delivered in stock options that have value only to the extent that Exelon s stock price increases following the option grant date. As a result of the performance-based features of his cash and equity-based compensation, 82% of Mr. Rowe s 2009 target total direct compensation (base salary plus annual and long-term incentive compensation) was at-risk. Similarly, of the other NEOs 2009 target total direct compensation, approximately 63% to 75% was at-risk.

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

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

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

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

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

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

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Each year the compensation committee commissions its consultant to prepare a study to benchmark total direct compensation against a peer group of companies. The study includes an assessment of competitive compensation levels at high-performing energy services companies and other large, capital asset-intensive companies in general industry, since the company competes for executive talent with companies in both groups. All competitive data was aged to January 2009 using a 3.70% annual update factor. The study indicated that a steady state was appropriate, with an average of 4% increases to base salaries and relatively unchanged targets for annual and long-term incentives, and that no changes were needed for the long-term incentive mix and design. The consultant considered Exelon s organizational changes to determine how Exelon s positions compared with positions at its peers by establishing a benchmark match for each Exelon executive in the competitive market, where available, and reviewed each element of compensation as well as total direct compensation.

The peer group criteria include having revenue similar to Exelon s $19 billion, market capitalization generally greater than $5 billion, and a balance of industry segments. The members of the peer group are reviewed each year to determine whether their inclusion continues to be appropriate. Generally the peer group is comprised of 24 companies: 12 general industry companies and 12 energy services companies. The companies were selected by the compensation committee from the Towers Perrin Energy Services Industry Executive Compensation Database and their Executive Compensation Database. The peer group was the same in 2009 as it was in 2008, except that for 2009 Energy Future Holdings, which is no longer publicly traded, was replaced by FPL Group because it met the criteria with revenues similar to Exelon s and is another energy services company. The peer group includes the following companies:

	FY 2008 Revenue ($ Million)	FY 2008 Total Assets ($ Million)	October 2009 Market Cap ($ Million)
General Industry Companies			
3M	$ 25,269	$ 25,547	$ 52,084
Abbott Laboratories	29,528	42,419	78,177
Caterpillar Inc.	51,324	67,782	34,287
General Mills Inc.	14,691	17,875	21,510
Hess Corporation	41,165	28,589	17,903
Honeywell International	36,556	35,490	27,386
International Paper	24,829	26,913	9,649
Johnson Controls Inc.	38,062	24,987	14,243
PepsiCo Inc.	43,251	35,994	94,397
PPG Industries, Inc.	15,849	14,698	9,423
Union Pacific Corp.	17,970	39,722	27,820
Weyerhaeuser Company	8,018	16,735	7,681
Energy Services Companies			
American Electric Power	$ 14,440	$ 45,155	$ 14,427
Centerpoint Energy	11,322	19,676	4,918
Dominion Resources, Inc.	16,290	42,053	20,360
Duke Energy Corp.	13,207	53,077	20,613
Edison International	14,112	44,615	10,367
Entergy Corp.	13,094	36,617	14,492
FirstEnergy Corp.	13,580	33,521	13,193
FPL Group	16,410	44,821	20,203
PG&E Corp.	14,628	40,860	15,165
Public Service Enterprise Group	13,807	29,049	15,078
Southern Co.	17,127	48,347	24,829
Xcel Energy, Inc.	11,203	24,958	8,605
Exelon	**$ 18,859**	**$ 47,817**	**$ 30,947**

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The compensation committee generally applies the same policies with respect to the compensation of each of the individual NEOs. The compensation committee carefully considers the roles and responsibilities of each of the NEOs relative to the peer group, as well as the individual s performance and contribution to the performance of the business in establishing the compensation opportunity for each NEO. The differences in the amounts of compensation awarded to the NEOs reflect primarily two factors, the differences in the compensation paid to officers in comparable positions in the peer group and differences in the individual responsibility and experience of the Exelon officers. Time in position affects where individuals are relative to market percentiles, with cash compensation generally at the median and incentive compensation slightly above the median. The nuclear organization s pay is generally closer to the 75th percentile given the size and quality of Exelon s nuclear fleet, and certain positions are at the 75th percentile because of unusual expertise in regulatory or nuclear matters. The delivery company presidents were evaluated as a blend of top energy delivery executives and freestanding CEOs, given the amount of independence they have. Mr. Rowe s target compensation was based on the same factors as the other NEOs, but his compensation reflected a greater degree of policy and decision-making authority and a higher level of responsibility with respect to strategic direction and financial and operating results of Exelon. His target compensation was assessed relative to other CEOs in the peer group. Mr. Rowe s compensation also reflects the fact that Exelon has the largest market capitalization in the industry and that Exelon has the largest nuclear fleet in the industry. It also reflects that Mr. Rowe is the senior CEO in the industry.

The Role of Individual Performance in Setting Compensation

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

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

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

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

Elements of Compensation

This section is an overview of our compensation program for NEOs. It describes the various elements and discusses matters relating to those items, including why the compensation committee chooses to include items in the compensation program. The next section describes how 2009 compensation was determined and awarded to the NEOs.

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

Cash compensation is comprised of base salary and annual incentives. Equity compensation is delivered through long-term incentives. Together, these elements are designed to balance short-term and longer-range business objectives and to align NEOs financial rewards with shareholders interests. For all NEOs, approximately 37% to 59% of NEOs total target direct compensation is delivered in the form of cash, and equity compensation accounts for approximately 41% to 63% of NEO total target direct compensation. The range in the mix of cash and equity compensation is consistent with competitive compensation practices among companies in the peer group. The compensation committee believes that this mix of cash and equity compensation strikes the right balance of incentives to pursue specific short and long-term performance goals that drive shareholder value.

Base Salary

Exelon s compensation program for NEOs is designed so that approximately 18% to 37% of NEO total direct compensation is in the form of base salary, consistent with practices at the companies in the peer group.

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Annual Incentives

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

Long-term Incentives

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

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

Stock option repricing is prohibited by policy or the terms of the company s long-term incentive plans. Accordingly, no options have been repriced. Stock option awards are generally granted annually at the regularly scheduled January compensation committee meeting when the committee reviews results for the preceding year and establishes the compensation program for the coming year. Only two off-cycle grants of stock options were made in 2009, in each case to an officer beginning employment during the year.

To strengthen the alignment of executives interests with those of shareholders, officers of the company are required to own certain amounts of Exelon common stock by the later of five years after their employment or promotion to their current position.

Exelon has adopted a policy requiring executive officers who wish to sell Exelon common stock to do so only through Rule 10b5-1 stock trading plans, and permitting other officers to enter into such plans. This requirement is designed to enable officers to diversify a portion of their holdings in excess of the applicable stock ownership requirements in an orderly manner as part of their retirement and tax planning activities. The use of Section 10b5-1 stock trading plans serves to reduce the risk that investors will view routine portfolio diversification stock sales by executive officers as a signal of negative expectations with respect to the future value of Exelon s stock. In addition, the use of Rule 10b5-1 stock trading plans reduces the potential for accusations of trading on the basis of material, non-public information that could damage the reputation of the company. Many of the NEOs have such plans, and their exercises during 2009 are reflected in the Option Exercises and Stock Vested table below. Exelon s stock trading policy does not permit short sales or hedging.

Other Benefits

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

Change In Control and Severance Benefits

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

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

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

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

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

Retirement Benefit Plans

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

Exelon previously granted additional years of credited service under the SERP to a few executives in order to recruit or retain them. As of January 1, 2004, Exelon ceased the practice of granting additional years of credited service to executives under the non-qualified pension plans that supplement the Exelon Corporation Retirement Program for any period in which services are not actually performed, except that up to two years of service credits may be provided under

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

Perquisites

Exelon provides limited perquisites intended to serve specific business needs for the benefit of Exelon; however, it is understood that some may be used for personal reasons as well. When perquisites are utilized for personal reasons, the cost or value is imputed to the officer as income and the officer is responsible for all applicable taxes; however, in certain cases, the personal benefit is closely associated with the business purpose in which case the company may reimburse the officer for the taxes due on the imputed income. In 2005, the compensation consultant reviewed Exelon s perquisites program. Although specific data for Exelon s peer group was not available, the compensation consultant based its analysis on survey data for large energy and general industry companies. The compensation consultant found that Exelon s perquisite program was competitive. The compensation committee reviewed the costs of the perquisite program and determined the costs to be appropriate for a company of Exelon s size.

Anticipating an emerging trend among the peer group to curtail perquisite programs in the future, on January 22, 2007 the compensation committee approved the phase-out of many executive perquisites, effective January 1, 2008. The eliminated perquisites included: leased vehicles (existing leases allowed to expire), financial and estate planning, tax preparation and health and dining/airline club memberships.

How the Amount of 2009 Compensation was Determined

This section describes how 2009 compensation was determined and awarded to the NEOs.

The independent directors of the Exelon board, on the recommendations of the Exelon corporate governance committee, conducted a thorough review of Mr. Rowe s performance in 2009. The review considered performance requirements in the areas of finance and operations, strategic planning and implementation, succession planning and organizational goals, communications and external relations, board relations, leadership, and shareholder relations. Mr. Rowe prepared a detailed self-assessment reporting to the board on his performance during the year with respect to each of the performance requirements. The Exelon board considered the financial highlights of the year and a strategy scorecard that assessed performance against the company s vision and goals. The factors considered included:

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

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

The Exelon board considered, in particular, strong operational results. Outage frequency and duration improved at the energy delivery companies, with ComEd s outage results being its best ever, and the average capacity factor of the nuclear generating plants was also high, with 2009 being the seventh consecutive year with capacity factor above 93%. While operating earnings declined as a result of the continued economic turmoil, lower demand, poor power prices, unfavorable weather, and higher pension and post-retirement benefit costs, the cost management initiative was clearly successful. The board also considered 2009 progress in advancing longer-term goals, including efforts to promote pragmatic strategies for addressing climate change, progress in the Exelon 2020 strategy, including outperforming on

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the carbon dioxide reduction commitment and being on track on all other 2020 initiatives, the launching of a less expensive and lower risk strategy to expand nuclear generation through uprating Exelon s existing nuclear plants, the initiation of two transmission initiatives, establishing Exelon Transmission Company and working to address transmission constraints that suppress prices for the output of the nuclear plants in the Midwest, and progress on smart grid initiatives at ComEd and PECO. The board also considered progress in talent development, diversity, and the corporate culture.

How Base Salary Was Determined

At its January 26, 2009 meeting, the compensation committee reviewed base salary data for the NEOs listed in the Summary Compensation Table as compared to compensation data at the 50th and 75th percentile of the peer group. Based on this review and their individual performance reviews, including the review of Mr. Rowe s performance by the corporate governance committee and the independent directors, the NEOs received base salary increases effective as of March 1, 2009 that ranged from 3% to 5%. These increases were consistent with the average 4% increase that the consultant reported was competitive.

The amounts of base pay, percentages of increase, and effective dates of base salary increases are set forth in the following table.

Name	Base Salary	Percent Increase	Effective Date
Rowe	$ 1,475,000	3.1%	3/1/2009
Hilzinger	446,000	4.9	3/1/2009
Crane	825,000	3.1	3/1/2009
McLean	644,000	3.0	3/1/2009
Moler	485,000	3.2	3/1/2009

How 2009 Annual Incentives Were Determined

For 2009, the annual incentive payments to Mr. Rowe and each of nine other senior executives were funded by a notional incentive pool established by the Exelon compensation committee under the Annual Incentive Plan for Senior Executives, a shareholder-approved plan, which is intended to comply with Section 162(m). The incentive pool was funded with 1.5% of Exelon s 2009 operating income, the same percentage used in 2008 and 2007, but was not fully distributed to participants because the committee decided on substantially lesser awards.

Annual incentive payments for 2009 to Messrs. Rowe, Crane and McLean and Ms. Moler were made from the portion of the incentive pool available to fund awards for each of them based on the company s operating earnings per share, adjusted for non-operating charges and other unusual or non-recurring items.

For executives with general corporate responsibilities, the goal was adjusted (non-GAAP) operating earnings per share so that they would focus their efforts on overall corporate performance. The earnings per share goal ranges were set to be like the forecast earnings ranges, with the annual incentive plan target the same as the financial plan target. In accordance with the design of the annual incentive program, the compensation committee reviewed 2009 earnings and decided not to include the effects of significant one-time charges or credits that are not normally associated with ongoing operations and mark-to-market adjustments from economic hedging activities in adjusting earnings for purposes of making awards under the annual incentive plan. The adjusted earnings are consistent with the adjusted (non-GAAP) operating earnings that Exelon reports in its quarterly earnings releases. For 2009, the adjustments included:

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

- unrealized gains and losses on mark-to-market adjustments;

- a reduction in estimated decommissioning costs;
- incremental costs associated with the proposed NRG transaction;
- certain non-cash income tax benefits;
- severance costs;

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- n costs of a debt tender and refinancing; and
- n charges associated with the impairment or retirement of certain generating assets.

2009 annual incentive payments for other NEOs with specific business unit responsibilities were based upon a combination of adjusted (non-GAAP) operating earnings per share (so that they would focus on overall corporate performance) and business unit financial and/or operating measures, depending on the nature of their responsibilities (so they would focus on the performance of their business unit). Under the terms of the plan, the business unit financial measures are adjusted from GAAP measures.

Goals and Weights for 2009

The following table summarizes the goals and weights applicable to the NEOs for 2009:

Name	Adjusted Operating Earnings Per	Adjusted BSC Total
Rowe	100%	
Hilzinger	75	25
Crane	100	
McLean	100	
Moler	100	

Performance Scale and Results for 2009 Goals

The following table describes the performance scale and results for the 2009 goals:

2009 Goals	Threshold	Target	Distinguished	2009 Results	Payout as a Percentage of Target
Adjusted (non-GAAP) Operating Earnings Per Share (EPS)	$ 3.65	$ 4.15	$ 4.45	$ 4.12	97.00%
Adjusted BSC Total Cost ($M)	$ 668.7	$ 636.9	$ 617.8	$ 576.4	200.00%

The 2009 annual incentive program included the following shareholder protection features (SPF):

- n if target earnings per share are not achieved, then operating company/business unit key performance indicator payments are limited to actual performance, not to exceed 100% of the target payout;
- n if earnings per share are greater than or equal to target, but less than 150% of target, then the operating company/business unit key performance indicator payments are limited to 150% of target payout; and

- if earnings per share are greater than or equal to 150% of target, operating company/business unit key performance indicators are based on actual performance.

As a result of 2009 earnings being at 97% of target, the operating company/business unit key performance indicators were limited to actual performance, not to exceed 100% of target. The effect of these SPF reductions is shown in the table below. In making annual incentive awards, the compensation committee has the discretion to reduce or not pay awards even if the targets are met.

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

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

	Payout as a % of Target (pre-SPF)	Payout $ (pre-SPF)	SPF Reduction $	Payout as a % of Target (post-SPF & pre-IPM)	Payout $ (post-SPF & pre-IPM)	IPM %	Payout $ (post-SPF & post-IPM)
Rowe	97.0%	$ 1,573,825	$	97.0%	$ 1,573,825	100%	1,573,825
Hilzinger	122.8	328,479	(66,900)	97.8	261,579	105	274,658
Crane	97.0	680,213		97.0	680,213	100	680,213
McLean	97.0	437,276		97.0	437,276	100	437,276
Moler	97.0	282,270		97.0	282,270	100	282,270

How Long-Term Incentives Were Determined

The compensation committee reviewed the amount of long-term compensation paid in the peer group for positions comparable to the positions held by the NEOs and then applied a ratio of stock options to performance shares in order to determine the target long-term equity incentives for each NEO, using Black-Scholes valuation for stock options and a 90 day weighted-average price for the preceding quarter to value performance shares. Stock option grants for 2009 were all at the targeted amounts. The actual amounts of performance shares awarded to the NEOs depended on the extent to which the performance measures were achieved.

Stock Option Awards

The company granted non-qualified stock options to the Exelon Corporation senior officers, including the NEOs, on January 26, 2009. The stock option grants for 2009 were all at the targeted amounts. These options were awarded at an exercise price of $56.51, which was the closing price on the January 26, 2009 grant date. The number of the option awards granted in 2009 was larger than in 2008, reflecting the decrease in the price of Exelon s stock on the grant date in 2009 as compared to the price on the grant date in 2008.

Exelon Performance Share Unit Awards

The 2009 Long-Term Performance Share Unit Award Program was based on two measures, Exelon s three-year Total Shareholder Return (TSR), compounded monthly, as compared to the TSR for the companies listed in the Dow Jones Utility Index (60% of the award), and Exelon s three-year TSR, as compared to the companies in the Standard and Poor s 500 Index (40% of the award). This structure was consistent with the structure used in the 2008 program.

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

Exelon fell below target performance levels with respect to both TSR measures. For the performance period of January 1, 2007 through December 31, 2009, Exelon s relative ranking of TSR as compared to the Dow Jones Utility Index was at the 37.5th percentile ranking or 75% of target payout. For the same time period, the company s relative ranking of TSR in the S&P 500 Index was at the 49.5th percentile ranking or 99.1% of target payout. Overall performance against both measures combined resulted in a payout to participants for 2009 that represented 84.6% of each participant s target opportunity.

The amount of each NEO s target opportunity was based on the portion of the long-term incentive value for each NEO attributable to performance share units (75%) and the weighted average Exelon stock price for the fourth quarter of 2008.

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Based on the formula, 2009 Performance Share Unit Awards for NEOs were as set forth in the following table. The first third of the awarded performance shares vests upon the award date, with the remaining thirds vesting on the date of the compensation committee s January meeting in the next two years.

	Shares	Value *	Form of Payment **
Rowe	58,966	$ 2,717,743	100% Cash
Hilzinger	5,668	261,238	50% Cash /50% Stock
Crane	19,137	882,024	100% Cash
McLean	14,128	651,160	100% Cash
Moler	11,675	538,101	100% Cash

* Based on the Exelon closing stock price of $46.09 on January 25, 2010.

** Form of payment based on stock ownership level. Stock payment means amounts paid in shares of Exelon common stock.

Performance-Based Restricted Stock Awards

In July 2004, the compensation committee and the Exelon board of directors approved a restricted stock opportunity for Ms. Elizabeth Moler of up to 10,000 shares, with up to 5,000 to be awarded in 2007 and up to 5,000 to be awarded in 2009, based on the qualitative assessment by the Chairman and CEO of her performance with respect to regulatory objectives and the compensation committee s and the board of directors approval. The compensation committee and the board of directors considered these opportunities in July 2009. In recognition of Ms. Moler s efforts to defend competitive markets and advocate for climate change legislation, defend the Illinois procurement process, and leading the effort to obtain regulatory approval for the proposed NRG transaction, the compensation committee recommended and the Exelon board of directors approved a grant of 5,000 shares.

Tax Consequences

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

Because it is not qualified performance-based compensation within the meaning of Section 162(m), base salary is not eligible for a federal income tax deduction to the extent that it exceeds $1 million. Accordingly, Exelon is unable to deduct that portion of Mr. Rowe s base salary in excess of $1 million. Annual incentive awards and performance share units payable to NEOs are intended to be qualified performance-based compensation under Section 162(m), and are therefore deductible for federal income tax purposes. Restricted stock and restricted stock units are not deductible by the company for federal income tax purposes under the provisions of Section 162(m) if NEOs compensation that is not qualified performance-based compensation is in excess of $1 million.

Under Section 4999 of the Internal Revenue Code, there is a steep 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. This provision can have an arbitrary effect, due to the uneven effect of such items as relocation reimbursements and stock option exercises. In addition, the excise tax is imposed if compensation is only $1 greater than the threshold. Accordingly, Exelon had a policy of providing excise tax gross-ups, and avoiding gross-ups by reducing payments to under the threshold if the amount otherwise payable to an executive is not more than 110% of the threshold. In December 2007 the compensation committee reviewed this policy and concluded that it was reasonable. As discussed above, in April 2009 the compensation committee again reviewed this policy and adopted a new policy that no future employment or severance agreement that provides for benefits for NEOs on account of termination will include an excise tax gross-up.

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Conclusion

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

Compensation Committee Report

The Compensation Committee has reviewed and discussed the Compensation Discussion and Analysis required by Item 402(b) of Regulation S-K with management and, based on such review and discussion, the Compensation Committee recommended to the Board that the Compensation Discussion and Analysis be included in the 2009 Annual Report on Form 10-K and the 2010 Proxy Statement.

February 4, 2010

The Compensation Committee

Rosemarie B. Greco, Chair	William C. Richardson
John A. Canning, Jr.	Stephen D. Steinour
M. Walter D Alessio	

6. Executive Compensation Data

The tables below summarize the total compensation paid or earned by each of the NEOs of Exelon for the year ended December 31, 2009.

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

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

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

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

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predetermined period of time or, in some instances, after certain performance requirements are met. In some cases, the award may vest ratably over a period; in other cases, it vests in full at one or more pre-determined dates. Amounts of restricted shares held by each NEO, if any, are shown in the footnotes to the Outstanding Equity Table.

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

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

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Summary Compensation Table

Name and Principal Position	Year	Salary ($)	Bonus ($) Note 6	Stock Awards ($) Note 7	Option Awards ($) Note 8	Non-Equity Incentive Plan Compensation ($)	Change in Pension Value and Nonqualified Deferred Compen-sation Earnings ($) Note 9	All Other Compen-sation ($) Note 10	Total ($)
(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)
Rowe (1)	2009	$ 1,468,077		$ 6,341,383	$ 2,236,650	$ 1,573,825	$ 173,566	$ 416,947	$ 12,210,448
	2008	1,474,423		6,402,614	2,093,040	1,835,166	830,272	400,192	13,035,707
	2007	1,361,154		5,674,614	1,957,500	1,680,249	504,385	418,026	11,595,928
Hilzinger (2)	2009	442,769	13,079	609,573	215,007	261,579	85,891	31,725	1,659,623
	2008	408,627		992,836	201,960	318,750	57,492	143,916	2,123,581
Crane (3)	2009	821,154		2,049,674	707,070	680,213	719,399	76,140	5,053,650
	2008	694,230		2,748,159	514,080	750,000	642,938	272,727	5,622,134
	2007	558,000		2,413,227	456,750	577,536	442,503	158,029	4,606,045
McLean (4)	2009	640,346		1,519,384	536,796	437,276	122,086	87,738	3,343,626
	2008	561,538		2,281,177	514,080	510,416	95,727	216,544	4,179,482
	2007	482,500		1,353,177	456,750	403,276	53,160	96,874	2,845,737
Moler (5)	2009	482,692		1,509,839	443,001	282,270	40,181	76,253	2,834,236
	2008	484,615		1,280,523	403,920	329,000	333,981	195,611	3,027,650

Notes to the Summary Compensation Table

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

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

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

(4) Ian P. McLean, Executive Vice President, Exelon; Chief Executive Officer, Exelon Transmission Company.

(5) Elizabeth A. Moler, Executive Vice President, Government Affairs and Public Policy, Exelon.

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

(7) The amounts shown in this column include the aggregate grant date fair value of stock awards granted on January 26, 2009 with respect to the three year performance period ending December 31, 2009. The grant date fair value of the stock award have been computed in accordance with FASB ASC Topic 718 using the assumptions described in Note 16 of the Combined Notes to Consolidated Financial Statements in Exelon s 2009 Form 10-K. For the 2009 grants for Messrs. Rowe, Hilzinger, Crane and McLean and Ms. Moler, the grant date fair value of their awards assuming that the highest level of performance conditions would be achieved was $7,877,494, $757,234, $2,550,304, $1,877,434 and $1,559,676, respectively. Amounts shown for 2008 and 2007 which were previously reported under prior rules

concerning valuation have been restated.

(8) The amounts shown in this column include the aggregate grant date fair value of stock option awards granted on January 26, 2009. The grant date fair value of the stock options awards have been computed in accordance with FASB ASC Topic 718 using the assumptions described in Note 16 of the Combined Notes to Consolidated Financial Statements. Amounts shown for 2008 and 2007 which were previously reported under prior rules concerning valuation have been restated.

(9) The amounts shown in the column represent the change in the accumulated pension benefit from December 31, 2008 to December 31, 2009. For certain NEOs the amount may include the value of above market earnings upon their investment in a particular fund within their non-qualified deferred compensation account. For 2009, no NEOs had above market earnings; in 2008, Messrs. Crane and McLean recognized $48 and $160 of above market earnings respectively. In 2007, these same NEOs recognized $39,150 and $1,222, respectively.

(10) The amounts shown in this column include the items summarized in the following tables.

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All Other Compensation

The following table shows details of All Other Compensation reflected in column I of the Summary Compensation Table.

Name	Perquisites $	Reimburse-ment for Income Taxes $	Payments or Accruals for Termination or Change in Control (CIC) $	Company Contributions to Savings Plans $	Company Paid Term Life Insurance Premiums $	Dividends or Earnings not included in Grants $	Total $
	Note 1	Note 2	Note 3	Note 4	Note 5		
(a)	**(b)**	**(c)**	**(d)**	**(e)**	**(f)**		