



AUDIT AND RISK COMMITTEE CHARTER

MEMBERSHIP

The Audit and Risk Committee (the "Committee") of the board of directors (the "Board") of Exelon Corporation ("Exelon" or the "Company") shall be composed of three or more independent directors (as defined in the Company's Corporate Governance Principles, including the additional independence requirements for membership on the Audit and Risk Committee set forth therein). The Board appoints Committee members and the Committee Chair and may make changes upon the recommendation of the Corporate Governance Committee at any time.

MEETINGS AND RESOURCES

The Committee meets four times each year or more frequently as the Committee Chair deems appropriate. Regular meetings are scheduled in accordance with the annual schedule approved by the Board. The Secretary or an Assistant Secretary shall record minutes of Committee meetings. A majority of the members of the Committee shall constitute a quorum for the transaction of business and approval by a majority of the members present at a meeting shall constitute approval by the Committee. The Committee may also act by unanimous written consent without a meeting. The Board Chair; Chief Executive Officer; Chief Financial Officer; Corporate Controller;

Committee to the extent such matters are considered and incorporated into Company reports filed with the Securities and Exchange Commission ("SEC").

ROLE

While the Committee has the responsibilities set forth in this Charter, the Committee's role is one of oversight. Management is responsible for the preparation of the consolidated financial statements in accordance with applicable law and regulations and the Company's independent auditor is responsible for auditing those financial statements. Management is also responsible for the financial reporting process, internal audit function, enterprise risk management, ethics and compliance program, and legal and regulatory compliance. Committee members shall be entitled to rely, to the fullest extent permitted by law, on the integrity of those persons and organizations within and outside the Company from whom information is provided, and the accuracy of the financial and other information provided to the Committee by such persons or organizations.

RESPONSIBILITIES

A. Appointment, Compensation, Retention, Independence, and Oversight of Independent Auditor

The Committee shall:

1. Have sole authority to appoint, retain, terminate or replace the independent auditor, subject to shareholder ratification. The Committee shall be directly responsible for the compensation and oversight of the work of the independent auditor (including resolving disagreements between management and the independent auditor regarding financial reporting) for the purpose of preparing or issuing an audit report or performing other audit, review or attest services. The independent auditor shall report directly to the Committee. The Committee shall preapprove all auditing services and permitted non-audit services, including the fees and terms thereof, to be performed for the Company and its subsidiaries by its independent auditor. The Committee may delegate authority to one or more members to grant preapproval of audit and permitted non-audit services, provided that decisions to grant preapprovals pursuant to the delegation shall be reported to the Committee at its next scheduled meeting.
2. Consider, in consultation with the independent auditor and management, the planned scope of

4. Review a report from the independent auditor at least annually regarding: (a) the independent auditor's internal quality-control procedures; and (b) any material issues raised by the most recent internal quality-control review, or peer review, or by the public company accounting oversight board, or by any inquiry or investigation by governmental or professional authorities within the preceding five years respecting one or more independent audits carried out by the firm, and any steps taken to deal with such issues.
5. Consider and review with the independent auditor and management: (a) the adequacy of the Company's internal controls over financial reporting; (b) emerging accounting standards and issues affecting the Company; and (c) any significant and related findings and recommendations of the independent auditor, together with management's response. The Committee shall discuss with the independent auditor the auditor's judgments about the quality, not just the adequacy, of the Company's accounting principles as applied in its financial statements. This discussion, usually with management present, will include such matters as consistency, clarity and completeness of the disclosures, as well as items having a significant impact on the representational faithfulness, verifiability, neutrality and consistency of the accounting information. The Committee shall also discuss with the independent auditor and management significant financial reporting issues and judgments made in connection with the preparation of the Company's financial reports, including any significant changes in the Company's selection or application of accounting principles.
6. Meet to review and discuss with the independent auditor and management the Company's annual audited financial statements and quarterly financial statements and related footnotes, including the Company's disclosures under "Management's Discussion and Analysis of Financial Condition and Results of Operations" and recommend to the Board whether the audited financial statements and related footnotes be included in the Company's annual report on Form 10-K.
7. Direct the independent auditor to conduct an interim review of quarterly financial statements

3. Oversee the Company's compliance with applicable laws and regulations and related risk assessments, review significant compliance incidents, and reports relating to interactions with public officials, and confirm that there are no unjustified restrictions or limitations on the compliance function.
4. Establish procedures for the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters, and the confidential, anonymous submission by employees of concerns regarding questionable accounting or auditing matters.

E. Legal and Regulatory Compliance Requirements

1. Periodically review with the Company's Chief Legal Officer any legal matters that could have a significant impact on financial statements and any material inquiries or reports received from regulatory or governmental agencies except as such matters have been reviewed with the Board of Directors.
2. Oversee the Company's policies and procedures for compliance with applicable laws and regulations.

F. Annual Assessment of Performance and Charter Review

1. Annually review the adequacy of its Charter.
2. Annually evaluate the performance of the Committee in the fulfillment of its functions and the performance of its responsibilities.

G. Reporting

1. Regularly report all action taken by the Audit and Risk Committee and any material issues that arise with respect to the quality or integrity of the Company's financial statements, the Company's compliance with legal or regulatory requirements, compliance with the Company's Code of Business Conduct, the performance or independence of the Company's independent auditor, or the performance of the internal audit function.
2. Prepare and approve the Committee's report required to be included in the Company's annual proxy statement, pursuant to and in accordance with the applicable rules and regulations of the SEC.