EXELON CORP
Form DEF 14A
March 19, 2009
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UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a)

of the Securities Exchange Act of 1934

(Amendment No.)

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

Check the appropriate box:

¨ Preliminary Proxy Statement

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

x Definitive Proxy Statement

¨ Definitive Additional Materials

¨ Soliciting Material Pursuant to §240.14a-12

EXELON CORPORATION

(Name of Registrant as Specified In Its Charter)

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

Payment of Filing Fee (Check the appropriate box):

x No fee required.

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

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¨ Fee paid previously with preliminary materials.

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NOTICE OF THE ANNUAL MEETING

AND 2009 PROXY STATEMENT

March 19, 2009

Dear Shareholder:

We will hold the annual meeting of Exelon Corporation shareholders on Tuesday, April 28, 2009 at 9:30 A.M. Eastern Daylight Savings Time at the PECO Energy Company Headquarters, 2301 Market Street, Philadelphia, Pennsylvania.

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

- The election of ten directors: John A. Canning, Jr., M. Walter D Alessio, Bruce DeMars, Nelson A. Diaz, Rosemarie B. Greco, Paul L. Joskow, John M. Palms, John W. Rogers, Jr., John W. Rowe and Stephen D. Steinour; each to serve a term of one year;
- The renewal of the Exelon Corporation Annual Incentive Plan for Senior Executives, effective January 1, 2009;
- The ratification of PricewaterhouseCoopers LLP as Exelon s independent accountant for the year 2009;
- One shareholder proposal, if properly presented at the meeting; and
- Any other business that properly comes before the meeting.

Shareholders of record as of March 2, 2009 are entitled to vote at the annual meeting.

We are pleased this year to take advantage of a Securities and Exchange Commission rule that permits us to furnish proxy materials to shareholders over the Internet. On or about March 19, 2009, 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 this Notice, we are lowering the costs and reducing the environmental impact of our annual meeting.

Thank you for your continued interest and support of Exelon Corporation.

Katherine K. Combs

Senior Vice President, Corporate Governance, Corporate Secretary

and Deputy General Counsel

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1. Frequently Asked Questions

Why am I receiving these proxy materials?

You are receiving these proxy materials in connection with the solicitation by the Exelon board of directors of proxies to be voted at the 2009 annual meeting of shareholders. Exelon has appointed William A. Von Hoene, Jr. and Katherine K. Combs, or either of them with power of substitution, to vote all proxies properly executed and submitted by shareholders who are entitled to vote at the annual meeting, or any adjournment of the meeting.

What is Notice and Access?

Notice and Access refers to the method, recently adopted by the Securities and Exchange Commission (SEC), by which shareholders will receive in the mail a Notice Regarding the Availability of Proxy Materials (the Notice) containing instructions on how to view the proxy materials on the Internet instead of receiving the full paper set of materials. The Notice will contain instructions on how to request a paper copy of the materials if the shareholder does not have access to the Internet or would prefer to have a paper copy. If a paper copy is requested, shareholders should expect to receive it within several days. Exelon is using Notice and Access for the first time in order to lower costs and reduce the environmental impact of our annual meeting.

The Notice will direct shareholders to the website, www.proxyvote.com, where they will log in using their unique control number. On this website, shareholders will be able to view Exelon s proxy statement, summary annual report and financial information; the documents have been formatted for easy readability and are completely searchable. Shareholders may cast their votes in a secure manner on the same website.

What is the record date and what does it mean?

The record date is the date used to determine which shareholders are entitled to vote at the annual meeting. At the close of business on March 2, 2009, there were 658,623,268 shares of Exelon common stock issued and outstanding and eligible to vote at the annual meeting.

If you hold shares that are registered directly in your name with Exelon s transfer agent, BNY Mellon Shareowner Services, or if you are an Exelon employee who holds shares purchased through the Employee Stock Purchase Plan, you are considered a Holder of Record, and Exelon has sent to you the Notice.

If you are an Exelon employee who holds shares through the Employee Savings Plan (the 401(k)) Exelon has sent to you the full paper set of materials.

If you hold Exelon shares through a bank, brokerage or other nominee account, you are considered the beneficial owner of shares held in street name. Your bank, broker or other nominee has sent to you the Notice, unless you had previously elected with your bank, broker or other nominee to receive a full paper set of materials, along with a vote instruction form (VIF). Whether you received the Notice or the full paper set of materials, you have the right to direct your bank, broker or other nominee how to vote your shares by submitting your voting instructions through the Internet at www.proxyvote.com or by completing and mailing the VIF.

Who pays for the proxy solicitation related to the Annual Meeting?

Exelon does. We have retained Georgeson Shareholder Communications, Inc. to help us send out the proxy materials and ask for proxies. Georgeson s fee for these services is $15,000, plus reimbursement of out-of-pocket expenses. We can ask for proxies through the mail, by telephone or the Internet. We may use directors, officers and regular employees of Exelon to ask for proxies. These people do not receive additional compensation for performing this service. We will also reimburse brokerage houses and other custodians, nominees and fiduciaries for their reasonable out-of-pocket expenses for forwarding solicitation material to the beneficial owners of Exelon common stock.

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How do I vote?

Your vote is important. We encourage you to vote promptly. Internet and telephone voting are available through 11:59 p.m. Eastern Daylight Savings Time on Monday, April 27, 2009. You may vote in the following ways:

- **By Internet.** 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 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. You may incur telephone and Internet access charges if you vote by the Internet.

- **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 hold shares in street name, please complete and mail the VIF.

- **At the Annual Meeting.** Attend the annual meeting in person and use a ballot provided at the meeting to cast your vote.

Revocation of Proxies. You can revoke your proxy at any time before your shares are voted if you (1) submit a written revocation to the Corporate Secretary, (2) submit a later-dated proxy (or VIF, if you hold shares in street name), (3) provide subsequent telephone or Internet voting instructions, or (4) vote in person at the annual meeting.

What is the quorum?

As of March 2, 2009, there were 658,623,268 shares of Exelon common stock outstanding and entitled to vote. We will have a quorum and will be able to conduct business at the annual meeting if a majority of these outstanding shares are present at the annual meeting, either in person or by proxy. Abstention and broker non-votes on any proposal to be acted upon by shareholders will be treated as present at the annual meeting for purposes of quorum.

What vote is needed for the proposals to be adopted?

- **Proposals:** More than one-half of the shares present either in person or by proxy and entitled to vote at the annual meeting must vote for a proposal in order for it to be adopted.

- **Directors:** To be elected in a contested election, a director nominee is elected by a plurality of the votes cast. Under the bylaws, in an uncontested election, each director nominee must submit to the board before the annual meeting a letter of resignation which is conditioned on not receiving the required majority of the total number of votes cast (either for or against the nominee) at the 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.

Will any business other than discussed in this proxy statement be considered or acted upon at this

annual meeting?

No. Exelon s bylaws required the submission to the company by November 19, 2008 of advance notice of all director nominations and shareholder proposals to be considered at the 2009 annual meeting, regardless of whether the proponent seeks inclusion of their nomination or proposal in this proxy, or intends to solicit their own proxies. Since Exelon did not receive notice of any other matters (except that which is included in this proxy statement), no other nominations or proposals shall be considered at the 2009 annual meeting. A copy of our bylaws is available on Exelon s website at www.exeloncorp.com, under the investor relations tab.

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How can I submit a proposal for consideration at the 2010 annual meeting?

In order to be considered for the 2010 annual meeting, shareholder proposals must be submitted before Thursday, November 19, 2009, in writing to our principal executive office in care of Ms. Katherine K. Combs, Senior Vice President, Corporate Governance, Corporate Secretary and Deputy General Counsel, Exelon Corporation, 10 South Dearborn Street, P.O. Box 805398, Chicago, Illinois 60680-5398. To be effective, the notice must 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. The proposal must also meet the other requirements of the rules of the SEC relating to shareholder proposals.

How can I recommend or nominate someone to be a director of Exelon?

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, Chairman of the Corporate Governance Committee, c/o Katherine K. Combs, Senior Vice President, Corporate Governance, Corporate Secretary and Deputy General Counsel, Exelon Corporation, 10 South Dearborn Street, P.O. Box 805398, Chicago, Illinois 60680-5398. The corporate governance committee will consider all recommended candidates and self-nominees when making its recommendation to the full board of directors to nominate a slate of directors for election.

- **Nominations for 2009.** 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 2009 annual meeting.
- **Nominations for 2010.** To nominate a candidate for election as a director or to stand for election at the 2010 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: (1) notice of the proposed nomination must be received by Exelon no later than Thursday, November 19, 2009; (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.

Who will count and certify the votes?

Representatives from Broadridge Investor Communication Solutions and Exelon s Office of Corporate Governance will count the votes and certify the election results. The results will be available on the investor relations page of our website by May 5, 2009, and will also be published in Exelon s second quarter SEC report on Form 10-Q.

How can I attend the annual meeting?

Admittance to the annual meeting is limited to shareholders who are eligible to vote or their authorized representatives. If you are a Holder of Record and wish to attend the annual meeting, you must present both state-issued photo identification and any of the following in order to gain admission into the meeting:

- the Notice instruction card;
- the bottom half of your proxy card; or
- if you received your proxy materials through the Internet, you may print the e-mail with your control number.

If your shares are held in the name of a bank, broker or other nominee, and you wish to attend the annual meeting, you must bring state-issued photo identification along with proof of ownership, such as an account statement that clearly shows that you held Exelon common stock on the record date or a legal proxy obtained from your bank, broker or other nominee. Alternatively, you may obtain a ticket by sending your request and a copy of proof of your ownership to: Annual Meeting Admission Tickets c/o Katherine K. Combs, Senior Vice President, Corporate Governance, Corporate Secretary and Deputy General Counsel, Exelon Corporation, 10 South Dearborn Street, P.O. Box 805398, Chicago, Illinois 60680-5398.

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

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Can I view or receive the proxy materials electronically?

Yes, simply log into www.proxyvote.com and follow the instructions to consent to the electronic delivery of materials. If you are a street name shareholder, please check the information provided by your bank, broker or other nominee concerning the availability of this service.

How can I avoid duplicate mailings?

If you received more than one set of materials, you may request householding by calling the Exelon Shareowner Services Helpline at 1-800-626-8729 and speaking to a customer service representative. Householding allows Exelon to send a single annual report and proxy statement to two or more shareholders who share the same address, subject to certain conditions.

If your household received only one copy and you wish to receive another, or if you wish to remove your account from the householding program, please call the Exelon Shareowner Services Helpline at 1-800-626-8729 and speak to a customer service representative or submit your request in writing to Exelon Corporation c/o BNY Mellon Shareowner Services P.O. Box 358016, Pittsburgh, PA 15252-8016.

2. Corporate Governance at Exelon

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.

The Exelon board and those of its predecessor companies have monitored governance trends and implemented best practices for many years. As a result, Exelon already had in place many of the governance structures and processes that were required as governance reforms following the enactment of the Sarbanes-Oxley Act of 2002. Foremost among these were the Exelon Corporate Governance Principles. These principles are revised from time to time to reflect emerging governance trends and to better address the particular needs of the corporation as they change over time.

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, 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 Katherine K. Combs, Senior Vice President, Corporate Governance, Deputy General Counsel and Corporate Secretary, Exelon Corporation, P.O. Box 805398, Chicago, Illinois 60680-5398.

Board/Committee/Director Evaluation

The board has a three-part annual evaluation process that is coordinated by the corporate governance committees: committee self-evaluations; a full board evaluation; and the evaluation of the individual directors in the class whose term is expiring at the next annual meeting. 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, and whether the meeting materials are effective. 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 Chief Executive Officer s (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.

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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.

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 Ms. Katherine K. Combs, Senior Vice President, Corporate Governance, Corporate Secretary and Deputy General Counsel, 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.

Information About the Board of Directors and Committees

The board of directors met 13 times during 2008. 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 over 93% 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 2008.

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The board has six standing committees: audit, compensation, corporate governance, risk oversight, energy delivery oversight and generation oversight. The committees and their membership during 2008 are presented below.

All of the directors, except Mr. Rowe, are determined to be independent under the listing standards of the NYSE and Exelon s Corporate Governance Principles.

Director	**Audit**	**Compensation**	**Corporate Governance**	**Energy Delivery**	**Generation Oversight**	**Risk Oversight**
John A. Canning, Jr.	Member (1)	Member (1)				
M. Walter D Alessio	Member (2)	Member	Chair			
Nicholas DeBenedictis			Member	Chair (3)	Member	
Bruce DeMars	Member		Member	Member	Chair	
Nelson A. Diaz				Member	Member	Member
Sue L. Gin	Member		Member			Chair
Rosemarie B. Greco		Chair (4)		Member		
Paul L. Joskow	Member			Member		Member
Richard W. Mies					Member (5)	
John M. Palms	Chair		Member		Member	Member
William C. Richardson	Member	Member	Member (6)			Member
Thomas J. Ridge				Member		
John W. Rogers, Jr.			Member			Member
John W. Rowe (7)						
Stephen D. Steinour	Member	Member			Member	
Don Thompson				Member	Member	

1. Mr. Canning was appointed to the audit and compensation committees, effective September 23, 2008.

2. After serving on the audit committee for four years, Mr. D Alessio stepped down, effective September 23, 2008, when Mr. Canning was appointed to the committee.

3. Mr. DeBenedictis was appointed chair of the energy delivery oversight committee, effective April 29, 2008, replacing Ms. Greco who was chair until that time.

4. Ms. Greco was appointed chair of the compensation committee, effective April 29, 2008. On the same date, she stepped down as chair of the energy delivery oversight committee but remains a member of the energy delivery oversight committee.

5. Admiral Mies was appointed to the generation oversight committee, effective February 2, 2009.

6. Mr. Richardson was appointed to the corporate governance committee, effective April 29, 2008.

7. 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.

Board Committee Charters

Each board committee operates pursuant to a written charter approved by the board of directors. Copies of the committee charters are available on Exelon s website at www.exeloncorp.com on the Investor Relations page under the link Corporate Governance Board Committees.

Audit Committee

The audit committee held 11 meetings during 2008. The board has determined that all members of the audit committee are independent, as that term is defined in Section 10A of the Securities Exchange Act of 1934, as amended, the related SEC rules, the New York Stock Exchange (NYSE) listing standards and our Corporate Governance Principles. As required by the rules of the NYSE, the board of directors has determined that all members of the audit committee are financially literate and have accounting or related financial management expertise, as the board in its business judgment interprets those qualifications. In addition, the board of directors has determined that all members of the committee are audit committee financial experts, as defined by SEC regulations.

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

- Reviewing financial reporting, accounting practices and internal control functions;
- 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;
- Recommending the independent accountant;
- Approving the scope of the annual audits by the independent accountant and internal auditors; and
- 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.

Report of the Audit Committee

In fulfilling its responsibilities, the audit committee has reviewed and discussed the audited financial statements contained in the 2008 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, 2008, for filing with the SEC.

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

February 6, 2009

The Audit Committee

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

Compensation Committee

The compensation committee met five times during 2008. All members of the committee are independent directors.

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.

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

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

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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, as its independent compensation consultant for 2008.

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

- Prepares market data for each senior executive position, including evaluating Exelon s compensation strategy and reviewing and confirming the peer group used to prepare the market data;
- Provides the committee with an independent assessment of management recommendations for changes in the compensation structure;
- Works with management to ensure that the company s executive compensation programs are designed and administered consistent with the committee s requirements; and
- Provides ad hoc support to the committee, including discussing executive compensation and related corporate governance trends.

Exelon s human resources staff and senior management use the data provided by the compensation consultant to prepare documents for use by the compensation committee in preparing their recommendations to the full board of directors or, in the case of the CEO, the independent directors, on compensation for the senior executives.

In addition to its general responsibilities, the compensation consultant attends the compensation committee s meetings, if requested. The committee, or Exelon s management on behalf of the committee, may also ask the compensation consultant to perform other executive and non-executive compensation-related projects. The committee has established a process for determining whether any significant additional services will be needed and whether a separate engagement for such services is necessary.

In 2008, the compensation consultant also worked with Exelon s corporate governance committee to provide market data regarding director compensation at the same peer group of companies as is used for benchmarking executive compensation.

In order to ensure the independence of the compensation consultant, the committee requires that Mr. Meischeid and his associates providing services to the compensation committee have no direct involvement with any other aspects of Towers Perrin s relationship with Exelon (other than the director compensation services performed for the corporate governance committee), and that no element of their compensation be based on any consideration of the revenues for other services that Towers Perrin may provide to Exelon. A different office of Towers Perrin provides Exelon certain actuarial and other services relating to pension and post-retirement plans and other benefits, including related financial calculations for SEC disclosures, human resources technology support, and occasional special studies. The amount of revenues for such other services is regularly reported to the compensation committee.

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

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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 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. One off-cycle grant of stock options was made in 2008 to a recently-promoted officer who should have received a grant in January 2008 when the annual stock option grants were made. In addition, the CEO has been delegated authority from the compensation committee to adjust base salaries for retention purposes or unique circumstances for officers who are not executive vice presidents or higher.

Corporate Governance Committee

The corporate governance committee met five times in 2008. All members of the committee are independent directors.

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;
- Coordinating the annual evaluations of the performance of each committee and the board as a whole;
- Evaluating the performance of individual directors as the term of each class expires and the members are considered for re-election;
- Overseeing the directors orientation and continuing education program;
- 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 policies and practices to protect and improve the environment, including climate change, sustainability and Exelon s 2020 Strategy;
- 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.

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 both directors currently serving on the board whose term is expiring and candidates recommended by shareholders and others. The committee may also utilize specialized search firms to identify and assess potential candidates. The committee periodically assesses the board s needs for skills and experience in light of current and future needs. 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.

Risk Oversight Committee

The risk oversight committee met four times in 2008.

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 2008.

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

- Overseeing the operating utilities (ComEd and PECO) 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;

- Reviewing significant legislative, regulatory and investment and recovery strategies, focusing on those with potential multi-state or multi-utility impact;

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

- Reviewing significant environmental, health and safety policies or practices related to the operating utilities.

Generation Oversight Committee

The generation oversight committee met four times in 2008.

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; and

- Reviewing the budget and business plans of Exelon Generation Company and monitoring its operating and financial performance.

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 both Class II and Class III directors are standing for election to one-year terms; prior to declassification, each class served staggered three-year terms, with only one class standing for election each year. Beginning in 2010, all directors will be elected annually to serve for one-year terms.

Upon the recommendation of the corporate governance committee, the board nominated the following 10 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.

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The board of directors recommends a vote FOR

each of the director nominees below.

Class II and III Directors to be Elected for a Term of One Year

John A. Canning, Jr.

Director since 2008

Age 64

Member-Audit Committee

Member-Compensation Committee

Mr. Canning is the Chairman and co-founder of Madison Dearborn Partners, LLC, a private equity investment firm. Prior to co-founding Madison Dearborn Partners, Mr. Canning spent 24 years with First Chicago Corporation. He has 28 years of experience in private equity investing. Mr. Canning is a director and the Chairman of the Federal Reserve Bank of Chicago. He is also a Commissioner of the Irish Pension Reserve Fund.

M. Walter D Alessio

Director since 2000

Age 75

Presiding Director

Chair-Corporate Governance Committee

Member-Compensation Committee

Mr. D Alessio serves as presiding director, who leads the discussion when the non-management directors meet in executive session. With the chair of the compensation committee, he also leads the discussion during the executive session to evaluate the chief executive officer and determine his compensation. 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. (from 1982 through July 2003). He is the Chairman of the board of Brandywine Real Estate Investment Trust, Chairman of the board of Independence Blue Cross, a director of the Federal Home Loan Bank Board of Pittsburgh and a director of the Pennsylvania Real Estate Investment Trust. He also serves on the Board of PECO Energy

Company, an Exelon subsidiary (PECO).

Bruce DeMars

Director since 2000

Age 73

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. From 1988 until his retirement from the Navy in October 1996, Admiral DeMars was 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. Admiral DeMars is also a director of Oceanworks International, Inc.

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Nelson A. Diaz

Director since 2004

Age 61

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 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, from 1981 to 1993. He also served as General Counsel, United States Department of Housing and Urban Affairs, from 1993 to 1997. He also serves as a director of PECO.

Rosemarie B. Greco

Director since 2000

Age 62

Chair-Compensation Committee

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 of CoreStates Financial Corporation and former Director, President and CEO of CoreStates Bank, N.A. She is a director of Sunoco, Inc. and Pennsylvania Real Estate Investment Trust. She is also a trustee of SEI Investment Management Corp., a subsidiary of SEI Investments, Co. She also serves as a director of PECO.

Paul L. Joskow, Ph. D.

Director since 2007

Age 61

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. He is also the Elizabeth and James Killian Professor of Economics and Management at the Massachusetts Institute of Technology (MIT). He was Director of the MIT Center for Energy and Environmental Policy Research from 1999 to 2007. Professor Joskow joined the MIT faculty in 1972 and was head of the MIT Department of Economics from 1994 to 1998. 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 director of TransCanada Corporation and a Trustee of the Putnam Mutual Funds. Professor Joskow is also a trustee of Yale University.

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John M. Palms, Ph. D.

Director since 2000

Age 73

Chair-Audit Committee

Member-Corporate Governance Committee

Member-Generation Oversight Committee

Member-Risk Oversight Committee

Dr. Palms is a 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 from 1991 through June 2002 and as Distinguished University Professor from 2002 through 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 Radiation and Environmental Physics at Emory University. He is the Chairman of the board of directors of Assurant Inc., and also serves on the boards of Computer Task Group, Inc. and the Geo Group. In addition, Dr. Palms is the Chairman of the board of trustees of the Institute for Defense Analyses, and was formerly a member of the National Nuclear Accreditation Board and the Advisory Council for the Institute of Nuclear Power Operations.

John W. Rogers, Jr.

Director since 2000

Age 50

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 and serves as trustee of the Ariel Investment Trust. He is a director of Aon Corporation and McDonald s Corporation. He is also a director of Commonwealth Edison Company, an Exelon subsidiary (ComEd).

John W. Rowe

Director since 2000

Age 63

Mr. Rowe has served as a Director and as Chief Executive or Co-Chief Executive Officer of Exelon since its formation in October of 2000. He has served as Chairman and Chief Executive Officer since April of 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 Commonwealth Edison Company. He also serves as a director of Sunoco, Inc. and The Northern Trust Corporation. He serves as Chairman and director of PECO.

Stephen D. Steinour

Director since 2007

Age 50

Member-Audit Committee

Member-Compensation Committee

Member-Generation Oversight Committee

In January 2009, Mr. Steinour was elected the Chairman, President and Chief Executive Officer of Huntington Bancshares Incorporated, a regional bank holding company. He was the Chairman and Managing Partner of Cross Harbor Capital Partners, a private equity firm, from 2008 through January 2009. He was previously President and CEO of Citizens Financial Group, Inc., a multi-state commercial bank holding company, a position that he held from 2006 through 2008. From 2005 through 2006, he served as Vice Chairman and Chief Executive Officer of Citizens Mid-States regional banking. He served as Vice Chairman and Chief Executive Officer of Citizens Mid-Atlantic Region from 2001 to 2005.

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Continuing Class I Directors With Terms Expiring in 2010

Nicholas DeBenedictis

Director since 2002

Age 63

Chair-Energy Delivery Oversight Committee

Member-Corporate Governance Committee

Member-Generation Oversight Committee

Mr. DeBenedictis is the Chairman (since 1993) and Chief Executive Officer (since 1992) of Aqua America Inc., a water utility with operations in 13 states. Aqua America is the second largest U.S.-based, publicly-traded water and wastewater company in the country. Mr. DeBenedictis has also 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 also serves as a director of Met-Pro Corporation, and P.H. Glatfelter, Inc.

Sue L. Gin

Director since 2000

Age 67

Chair-Risk Oversight Committee

Member- Audit Committee

Member-Corporate Governance Committee

Ms. Gin 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 Chief Executive Officer 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 is a director of Centerplate, Inc. She is also a director of ComEd.

Richard W. Mies

Director since 2009

Age 64

Member-Generation Oversight Committee

Admiral Mies 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 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 is also a director of McDermott International, Inc. and Mutual of Omaha. He is also a member of the Board of Governors of Los Alamos and Lawrence Livermore National Security LLC s.

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William C. Richardson, Ph. D.

Director since 2005

Age 68

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 from 1995 through his retirement in July 2005. He was the President of Johns Hopkins University from 1990 through 1995, and Executive Vice President and Provost of Pennsylvania State University from 1984 through 1990. He is also a director of The Bank of New York Mellon Corporation and a member of the Institute of Medicine, National Academy of Sciences.

Thomas J. Ridge

Director since 2005

Age 63

Member-Energy Delivery Oversight Committee

Governor Ridge is President of Ridge Global LLC, a consulting firm. He is also a strategic limited partner in Doheny Global Group, a U.S.-based international developer of energy facilities. He served as Secretary of the United States Department of Homeland Security from January 2003 through January 2005, and Assistant to the President for Homeland Security (an Executive Office created by President George W. Bush) from October 2001 through December 2002. He served as Governor of the Commonwealth of Pennsylvania from 1994 through October 2001. He is also a director of The Hershey Company and Vonage Holdings Corp. He also serves as a director of PECO.

Don Thompson

Director since 2007

Age 45

Member-Energy Delivery Oversight Committee

Member-Generation Oversight Committee

Mr. Thompson is President of McDonald s USA, a restaurant business. Previously, he served as Executive Vice President and Chief Operating Officer, McDonald s USA, and as the Executive Vice President for McDonald s restaurant solutions group and the President of McDonald s West Division.

The Board has a mandatory retirement policy, under which directors retire at the end of the calendar year in which he or she reaches the age of 72. The board suspended the policy after the termination of the PSEG merger agreement in 2006. It had been anticipated that several senior directors would have retired and been succeeded by new directors coming from the PSEG board. When that did not happen, the board wished to retain the senior directors until appropriate successors could be recruited. Accordingly, the board has suspended the mandatory retirement policy for Messrs. DeMars and Palms until the end of the calendar year in which they turn 75, and for Mr. D Alessio until the end of the calendar year in which he turns 76.

If any director is unable to stand for election, the board may reduce the number of directors in that class or designate a substitute. In that case, shares represented by proxies may be voted for a substitute director in that class. Exelon does not expect that any director nominee will be unable to serve.

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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 its 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: (1) the transaction involves rates or charges that are determined by competitive bidding, set with reference to prevailing prices set by a well-established commodity market, or fixed in conformity with law or governmental authority; or (2) 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 and its affiliates, including other boards on which they may serve, and their charitable, civic, cultural and professional affiliations. We also gather information on significant relationships that their immediate family members may have with Exelon and its affiliates. All relationships are evaluated for materiality. Data on all relationships 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 full board reviews the same data considered by the corporate governance committee in making the final determination of independence.

Each of the directors named below was affirmatively determined by our board of directors to be independent under applicable guidelines presented above. The information below describes certain director relationships or arrangements that were considered by the board in determining whether the named director was independent, as defined under the NYSE rules and the categorical standards specified in the company s corporate governance principles. In all cases, the amounts involved in the transactions between Exelon and its affiliates, on the one hand, and the companies with which a director or an immediate family member is associated, on the other hand, fell below the thresholds specified by the NYSE rules and the categorical standards specified in Exelon s Corporate Governance Principles.

Because Exelon provides utility services through its subsidiaries (ComEd, PECO and Exelon Energy) and many of its directors live in and are civic leaders 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. Similarly, because Exelon and its subsidiaries make substantial charitable contributions in the communities they serve, many of Exelon s directors are affiliated with charities that receive contributions from Exelon and its subsidiaries. The board has found that these relationships do not impair the directors independence since the amounts are immaterial and no other factors are present.

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John A. Canning, Jr.

Mr. Canning serves as the Chairman of the board and a director of a bank that receives funds for Exelon employee savings bonds. Mr. Canning also serves as the director of a company that provides services to Exelon. Mr. Canning serves on the boards of seven charitable or tax-exempt organizations that receive support from Exelon and ComEd. All payments were immaterial under the applicable independence criteria.

M. Walter D Alessio

Mr. D Alessio is an executive officer of two companies whose common parent company is a customer of ComEd. Mr. D Alessio also serves as a director of three companies, all of which are customers of PECO and one of which provides services to certain Exelon entities. In addition, Mr. D Alessio serves on the advisory board of a bank that is a PECO customer and provides some financial services to Exelon. Mr. D Alessio also serves on the boards of five charitable organizations that receive contributions from Exelon and PECO. All payments were immaterial under the relevant independence criteria.

Nicholas DeBenedictis

Mr. DeBenedictis is an executive officer of a water public utility that is a customer of PECO and ComEd and that provides services to certain PECO facilities. Mr. DeBenedictis also serves as a director of two public companies that are customers of PECO and ComEd; one provides services to Exelon. Mr. DeBenedictis also serves as a director of a company that is a customer of PECO and provides services to PECO. In addition, Mr. DeBenedictis serves on the advisory board of a bank that is a PECO customer and provides some financial services to Exelon. Mr. DeBenedictis also serves on the boards of six charitable or tax-exempt organizations that received contributions from Exelon and PECO. All payments were immaterial under the applicable independence criteria.

Bruce DeMars

Admiral DeMars served through May 2008 as a director of a company that has a subsidiary that provides services to Exelon Generation. Admiral DeMars is the Chairman of a tax-exempt organization that has received support from Exelon, and a member, but not an officer or director, of a tax-exempt organization that has received support from Exelon in previous years. All payments were immaterial under the applicable independence criteria.

Nelson A. Diaz

Mr. Diaz is Of Counsel to a law firm that provides legal services to Exelon. Mr. Diaz does not work on any matters relating to Exelon and the board does not consider that Exelon s relationship with the law firm impairs Mr. Diaz s independence. In addition, Mr. Diaz serves on the advisory board of a bank that is a PECO customer and has provided some financial services to Exelon. Mr. Diaz also serves on the boards of four charitable or tax-exempt organizations that received contributions from Exelon and PECO. Mr. Diaz s wife serves on the boards of two charitable organizations that received contributions from Exelon and PECO. All payments were immaterial under the applicable independence criteria.

Sue L. Gin

Ms. Gin is the owner of three companies that are customers of ComEd and one is also a customer of Exelon Energy. Ms. Gin owns eight individual residential properties that are customers of ComEd. Ms. Gin also serves on the boards of nine charitable organizations that received contributions from Exelon and ComEd. All payments were immaterial under the applicable independence criteria.

Rosemarie B. Greco

Until the end of 2008, Ms. Greco served as executive director of the Governor s Office of Health Care Reform of the Commonwealth of Pennsylvania. Although Exelon makes tax and other required payments to the Commonwealth of Pennsylvania and the Commonwealth is a PECO customer, none of those payments were made directly to or from the office of which Ms. Greco served as Executive Director. Ms. Greco also serves as a director of three companies that are PECO customers, one of which is also a supplier to Exelon Generation and PECO. In addition, Ms. Greco serves on the board of seven charitable organizations that received contributions from Exelon and PECO. All payments were immaterial under the applicable independence criteria.

Dr. Paul L. Joskow

Professor Joskow s brother is an officer of a subsidiary of a public company that performed services for Exelon in amounts below the threshold for materiality.

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Dr. John M. Palms

Dr. Palms is a Distinguished President Emeritus and Distinguished University Professor Emeritus of the University of South Carolina, to which Exelon has made contributions in previous years. He also served on the board of a charitable organization that has received support from Exelon. All payments were immaterial under the applicable independence criteria.

Dr. William C. Richardson

Dr. Richardson is a director of a public company that provides services to Exelon entities. Dr. Richardson served until August 2008 as a director of a public company that was a customer of and provided services to Exelon. Dr. Richardson also serves on the board of two tax-exempt or charitable organizations that received support from Exelon and ComEd. All payments were immaterial under the applicable independence criteria.

Thomas J. Ridge

Governor Ridge is a senior advisor to a major accounting firm that occasionally provided non-audit services to Exelon. He also serves on the board of a private company that provides services to Exelon. He also serves on the board of a charitable organization that received support from Exelon. All payments were immaterial under the applicable independence criteria.

John W. Rogers, Jr.

Mr. Rogers is an executive officer of a company that is a customer of ComEd. He also serves as a director of two companies that are ComEd customers; one is also a customer of PECO and Exelon Energy, and one also provides administrative services to Exelon. Mr. Rogers serves on the boards of twelve charitable or tax-exempt organizations that received contributions from Exelon and ComEd. Mr. Rogers wife serves on the board of two charitable organizations that received support from Exelon and ComEd. All payments were immaterial under the applicable independence criteria.

Stephen D. Steinour

Mr. Steinour is on the board of two charitable or tax-exempt organizations that received support from Exelon and PECO. All payments were immaterial under the applicable independence criteria.

Don Thompson

Mr. Thompson is an executive officer of a corporation that is a customer of ComEd, PECO and Exelon Energy. Mr. Thompson and his wife are also on the board of a charitable organization that received support from Exelon and ComEd. All payments were immaterial under the applicable independence criteria. Mr. Thompson s wife serves on the boards of two other charitable organizations that received immaterial support from Exelon and ComEd.

Related Person Transaction Policy

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-tariff 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 Contribution Guidelines are deemed approved or ratified under the Related Persons Transaction policy and do not require separate consideration and ratification.

Related Person Transactions in 2008

As required by the policy, the board reviewed all commercial, charitable, civic and other relationships with Exelon in 2008 that were disclosed by directors and executive officers of Exelon, ComEd and PECO, and by executive officers of Exelon Generation. 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.

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The corporate governance committee and the board reviewed detailed relationship charts showing the relationships, dollar amounts and other aspects of the transactions, as well as an 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 related person transaction, 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.

All but one of the related person transactions did not require disclosure in this proxy statement because: (1) the related person served only as a director of the affiliated company and therefore did not have a material interest in the transaction; (2) the purchases were from utilities at tariffed rates; (3) the transaction was competitively bid; or (4) the transaction involved the services of a transfer agent or trustee.

There was one transaction subject to disclosure during 2008. 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 made from ComEd and PECO are at tariffed rates and therefore do not require disclosure. Gas purchases made from Exelon Energy are made 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 as determined by the PJM Interconnection. In 2008, McDonald s USA procured electricity services from Exelon Energy at market rates in the amount of approximately $3,772,000 and gas services at market rates in the amount of approximately $1,926,000. McDonald s USA will procure electricity and gas from Exelon Energy under the same agreements in 2009. Director Don Thompson is also President of McDonald s USA. 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 based on an independent, publicly available indices. There was no indication that either of Exelon s directors were involved in the negotiations of the contracts or had any direct or indirect material interest in the transaction or influence over them. As compared to Exelon s and McDonald s overall sales, the transactions are immaterial, individually and in the aggregate.

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. Admiral Mies is not included in the compensation charts or stock ownership tables because his appointment as a director was effective February 2, 2009.

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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.

In July 2008, the Exelon board voted to increase director compensation to bring it in line with the median compensation of the peer group, which was the same group of companies used to benchmark executive compensation. All directors receive an annual retainer of $50,000 (an increase from the previous value of $45,000). Committee chairs receive an additional $10,000 per year (an increase from the previous value of $7,500). Members of the audit committee and generation oversight committee, including the committee chairs, continue to 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 (an increase from the previous value of $1,500). Directors also receive a $2,000 meeting fee for attending the annual shareholders meeting and the annual strategy retreat.

Stock Awards

To align director s 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, leaving these amounts at risk during the director s entire tenure on the board.

In July 2008, the board voted to increase the amount of deferred stock units granted to directors each year from $85,000 to $100,000. Deferred stock units are granted and credited to a notional account maintained on the books of the corporation at the end of each calendar quarter based upon the closing price of Exelon common stock on the day the quarterly dividend is paid. Deferred stock units earn the same dividends available to all holders of Exelon common stock, which are reinvested in the account as additional units.

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 2008, none of the directors had investments in this fund.

Deferred Stock Unit and Deferred Compensation Payout

In June 2007, the board amended both the deferred stock unit plan and the deferred compensation plan to allow directors to elect distributions upon reaching age 72, in addition to age 65, or retirement from the board. The amendment also provided directors an opportunity to elect to take a one-time lump sum distribution from each plan in January 2008. The change was primarily designed to permit directors who had been kept on the board past their normal retirement age after the termination of the PSEG merger agreement to receive distributions at the same time as they would have had they retired as planned.

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The following table shows the payouts made from each plan in January 2008 pursuant to elections made by the directors in June 2007. Directors could also elect to receive their stock units in shares of Exelon common stock or have them converted to cash. For purposes of the distribution, stock units were valued at $81.64, the closing price on December 31, 2007 and for those directors with balances in the deferred compensation plan, each individual fund in which they were invested was valued at its December 31, 2007 closing price.

	Number of Deferred Stock Units Converted at Payout	Value of Deferred Stock Unit Received at Payout	Value of Deferred Compensation Received at Payout
M. Walter D Alessio	28,625	$ 2,336,973	$
Nicholas DeBenedictis	3,631	296,447	
Bruce DeMars	11,800	963,374	
Sue L. Gin (1)	11,800	963,374	378,653
Rosemarie B. Greco	8,804	718,722	
John M. Palms	25,039	2,044,220	1,024,035

1. Ms. Gin elected to receive her stock units as shares of Exelon common stock.

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 2008, the incremental cost to the company to provide these perquisites was less than $10,000 per director and the aggregate amount for all directors as a group, a total of 14 directors, was $24,438. The aggregate amount paid to all directors as a group (14 directors) for reimbursement of taxes on imputed income was $22,664. Exelon has a matching gift program available to employees and directors that matches their contributions to educational institutions up to $2,000 per year for employees and $5,000 per year for directors.

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 director s orientation or continuing education programs, facility visits or other business related activities for the benefit of Exelon). Under the policy, Exelon will arrange for its corporate aircraft to transport groups of directors, or when necessary, individual directors, to meetings in order to maximize the time available for meetings and discussion.

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Compensation of Non-Employee Directors

	Committee Membership	Fees Earned or Paid in Cash: Annual Board & Committee Retainers	Fees Earned or Paid in Cash: Board & Committee Meeting Fees	Stock Awards	Change in Pension Value and Nonqualified Compensation Earnings	Total
John A. Canning, Jr. (1)	Au, Co	$ 22,147	$ 26,000	$ 41,576		$ 89,723
M. Walter D Alessio	CG (ch), Co	59,891	59,000	92,500		211,391
Nicholas DeBenedictis	CG, EDO (ch), GO	58,798	52,500	92,500		203,798
Bruce DeMars	Au, CG, EDO, GO (ch)	66,250	68,000	92,500		226,750
Nelson A. Diaz	EDO, GO, RO	52,500	51,000	92,500		196,000
Sue L. Gin	Au, CG, RO (ch)	61,250	61,000	92,500		214,750
Rosemarie B. Greco	Co (ch), EDO	58,146	45,500	92,500		196,146
Paul L. Joskow	Au, EDO, RO	52,500	63,000	92,500		208,000
John M. Palms	Au (ch), CG, GO, RO	66,250	70,000	92,500		228,750
William C. Richardson	Au, Co, CG, RO	52,500	69,000	92,500		214,000
Thomas J. Ridge	EDO	47,500	27,000	92,500		167,000
John W. Rogers, Jr.	CG, RO	47,500	42,000	92,500		182,000
Stephen D. Steinour	Au, Co, GO	57,500	58,500	92,500		208,500
Don Thompson	EDO, GO	52,500	43,500	92,500		188,500
Total All Directors		755,232	736,000	1,244,076		2,735,308

Committee Membership Key:

Audit = Au, Chairman = Ch, Compensation = Co, Corporate Governance = CG, Energy Delivery Oversight = EDO, Generation Oversight = GO, Risk Oversight = RO

Notes

1. Mr. Canning was appointed to the board, effective August 1, 2008.

As of December 31, 2008, the directors held the following amounts of deferred Exelon stock units. The units are valued at the closing price of Exelon common stock on December 31, 2008, which was $55.61. Legacy plans include those stock units earned from Exelon s predecessor companies, PECO Energy Company and Unicom Corporation. For Adm. DeMars and Mr. Rogers, the legacy deferred stock units reflect accrued benefits from the Unicom Directors Retirement Plan (which was terminated in 1997) and the Unicom 1996 Directors Fee Plan (which was terminated in 2000), respectively.

	Year First Elected to the Board	Deferred Stock Units From Legacy Plans	Deferred Stock Units From Exelon Plan	Total Deferred Stock Units	Fair Market Value as of 12/31/2008
		#	#	#	$
John A. Canning (1)	2008		708	708	$ 39,372
M. Walter D Alessio	1983		8,734	8,734	485,698
Nicholas DeBenedictis	2002		6,514	6,514	362,244
Bruce DeMars	1996	1,275	1,366	2,641	146,866
Nelson A. Diaz	2004		6,396	6,396	355,682
Sue L. Gin	1993		1,366	1,366	75,963
Rosemarie B. Greco	1998		10,430	10,430	580,012
Paul L. Joskow	2007		1,844	1,844	102,545

John M. Palms	1990		6,514	6,514	362,244
William C. Richardson	2005		4,719	4,719	262,424
Thomas J. Ridge	2005		4,465	4,465	248,299
John W. Rogers, Jr.	1999	3,436	13,515	16,951	942,645
Stephen D. Steinour	2007		2,101	2,101	116,837
Don Thompson	2007		2,101	2,101	116,837
Total All Directors		4,711	70,773	75,484	$ 4,197,668

1. Mr. Canning was appointed to the Board effective August 1, 2008.

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3. 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 share equivalents 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, 2008 or the date of hire or promotion: (1) Chairman and CEO, five times base salary; (2) executive vice presidents, three times base salary; (3) presidents and 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. In 2007 the compensation committee terminated the stock ownership requirements for ComEd officers (including Mr. Clark) in light of the continuing efforts to recognize ComEd s independence and the compensation committee s recommendation that ComEd officers participate in a separate cash-based long-term incentive program instead of receiving Exelon performance shares. As of December 31, 2008, 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	101,089	437,323	433%
Matthew F. Hilzinger	2X	10,000	26,162	262%
Christopher M. Crane	3X	21,868	97,461	446%
Ian P. McLean	3X	22,165	93,992	424%
Frank Clark				

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Beneficial Ownership Table

The following table shows the ownership of Exelon common stock as of December 31, 2008 or by each director, each NEO in the Summary Compensation Table, and for all directors and executive officers as a group.

	Beneficially Owned Shares	Shares Held in Company Plans Note (1)	Vested Stock Options and Options that Vest Within 60 days	Total Shares Held	Share Equivalents to be Settled in Cash or Stock Note (2)	Total Share Interest
	[A]	[B]	[C]	[D]=[A]+[B]+[C]	[E]	[F]=[D]+[E]
Directors						
John A. Canning, Jr.	5,000	708		5,708	839	6,547
M. Walter D Alessio	11,847	8,734		20,581		20,581
Nicholas DeBenedictis		6,514		6,514		6,514
Bruce DeMars	11,498	1,366		12,864		12,864
Nelson A. Diaz	1,500	6,396		7,896	1,868	9,764
Sue L. Gin	44,043	1,366		45,409	1,829	47,238
Rosemarie B. Greco	2,000	10,430		12,430	9,243	21,673
Paul L. Joskow	2,000	1,844		3,844	2,300	6,144
John M. Palms		6,514		6,514		6,514
William C. Richardson	1,291	4,719		6,010		6,010
Thomas J. Ridge		4,465		4,465	2,147	6,612
John W. Rogers, Jr.	11,374	16,951		28,325	8,533	36,858
Stephen D. Steinour (3)		2,101		2,101	2,618	4,719
Don Thompson (3)		2,101		2,101	1,664	3,765
Named Officers						
John W. Rowe	301,915	6,169	332,500	640,584	129,239	769,823
Matthew F. Hilzinger	2,801	23,139	34,375	60,315	222	60,537
John F. Young (4)						
Christopher M. Crane	18,657	50,000	71,000	139,657	28,804	168,461
Ian P. McLean	46,972	15,010	414,038	476,020	32,010	508,030
Frank Clark	26,451	5,000	58,500	89,951	9,996	99,947
Total						
Directors & Executive Officers as a group, 25 people (5)	589,762	254,572	1,261,913	2,106,247	323,056	2,429,303

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

2. The shares listed above under Share Equivalents to be Settled in Cash, Column [E], include unvested performance shares that may be settled in cash or stock depending on where the named officer stands with respect to 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.

Messrs. Steinour and Thompson were elected to the board in April 2007 and have until April 2012 to achieve their stock ownership requirement of 5,000 shares.

4. Mr. Young resigned effective January 29, 2008.

5. Beneficial ownership, shown in Column [A], of each director and officer, and of the 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, 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	32,994,000	5%
Capital Research Global Investors 333 South Hope Street Los Angeles, California 90071	39,237,320	6%

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 734,000 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 25,451,720 shares and sole dispositive power over all shares.

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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 2003 through 2008.

The performance chart assumes $100 invested on December 31, 2003 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,					
	LEGEND	**2003**	**2004**	**2005**	**2006**	**2007**	**2008**
Exelon Corporation		$ 100.00	$ 137.35	$ 170.89	$ 204.60	$ 276.34	$ 193.78
S&P 500		$ 100.00	$ 110.84	$ 116.27	$ 134.60	$ 141.98	$ 89.53
S&P Utilities		$ 100.00	$ 124.24	$ 144.88	$ 175.26	$ 209.14	$ 148.64

Source: Bloomberg

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4. Compensation Discussion and Analysis

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 goal of being the best group of electric generation and electric and gas delivery companies in the country, thereby building value for shareholders. 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 2008 target total direct compensation (base salary plus annual and long-term incentive compensation) was at-risk. Similarly, of the other NEOs 2008 target total direct compensation, approximately 51% to 73% was at-risk.

Recoupment Policy

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. The NEOs have been affected by the decline in the market value of Exelon s stock price in 2008 in three ways. First, the stock options awarded in 2008, 2007 and 2006 are not in the money. Second, 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 $56. 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. Third, the value of the accumulated equity that the NEOs retained from prior compensation declined.

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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.

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 2008 using a 3.75% 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, 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 2008 as it was in 2007 and 2006, except that for 2008 Bell South, which was acquired by AT&T in late 2006, was replaced by Hess Corporation because it met the criteria with revenues similar to Exelon s and is a domestic, asset-intensive company similar in size to Exelon. The peer group includes the following companies:

General Industry Companies	Energy Services Companies
3M	American Electric Power
Abbott Laboratories	Centerpoint Energy
Caterpillar Inc.	Dominion Resources, Inc.
General Mills Inc.	Duke Energy Corp.
Hess Corporation	Edison International
Honeywell International	Entergy Corp.
International Paper	FirstEnergy
Johnson Controls Inc.	PG&E Corp.
PepsiCo Inc.	Public Service Enterprise Group Inc.
PPG Industries, Inc.	Southern Co.
Union Pacific Corp.	TXU Corp.*
Weyerhaeuser Company	Xcel Energy, Inc.

* Included prior to privatization in 2008.

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 NEO relative to the peer group, as well as the individual s performance and contribution to the performance of the business in

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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 ensure that Exelon s compensation is competitive is a critical component of compensation decisions, individual performance is factored into the setting of compensation in three ways:

- First, base salary adjustments are based on an assessment of the individual s performance in the preceding year as well as a comparison with market data for comparable positions in the peer group.
- Second, annual incentive targets are based on the individual s role in the enterprise the most senior officers with responsibilities that span specific business units or functions have a target based on earnings per share for the company as a whole, while individuals with specific functional or business unit responsibilities have a significant portion of their targets based on the performance of that functional or business unit.
- Third, consideration is given as to whether an individual performance multiplier would be appropriately applied to the individual s annual incentive plan award, based on the individual s performance. The individual performance multiplier can result in a decision not to make an award or to decrease the amount of the award or to increase the amount of the award by up to 10% so long as the adjusted award does not exceed the maximum amount that could be paid to the executive based on achievement of the objective performance criteria applicable under the plan.

Elements of Compensation

This section is an overview of our compensation program for NEOs. It describes the various elements and discusses matters relating to those items, including why the compensation committee chooses to include items in the compensation program. The next section describes how 2008 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. Approximately 37% to 67% of NEOs total target direct compensation is delivered in the form of cash. Equity compensation accounts for approximately 33% 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.

1. Base Salary

Exelon s compensation program for NEOs is designed so that approximately 18% to 49% of NEO total direct compensation is in the form of base salary, consistent with practices at the companies in the peer group.

2. 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. The amount of the annual incentive target opportunity is expressed as a percentage of the officer s or employee s base salary. 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.

3. Long-term Incentives

Long-term incentives are made available to executives and key management employees who affect the long-term success of Exelon. 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.

In 2007, consistent with the continuing efforts to recognize ComEd s independence, the compensation committee recommended, and the ComEd board adopted, a separate long-term incentive program for ComEd s executives for the period 2007 2009. The goals under the ComEd long-term incentive program are the achievement of ComEd financial, operational, and regulatory/legislative goals. Payments under this plan are made in cash, and are awarded annually by the ComEd board based on the assessment of performance during the year. Other features of the program are similar to the Exelon performance share award program, including the payout of awards ranging from 0-200% of target and vesting over three years.

Stock Options

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 Black-Scholes valuation formula. Options vest in equal annual installments over a four-year period and have a term of ten years. Time vesting adds a retention element to our stock option program. 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 one off-cycle grant of stock options was made in 2008. 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.

Performance Share Units

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

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date of the first compensation committee meeting after the completion of the fiscal year). 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. The vesting schedule is designed to add a retention factor to the program. 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. This payment structure serves to deliver the long-term compensation in cash where the executive has substantially greater than the required stock ownership and provides the executive with liquidity and the opportunity for diversification.

Restricted Stock & Restricted Stock Units

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.

Executive Stock Ownership And Trading Requirements

To strengthen the alignment of executives interests with those of shareholders, officers of the company are required to own certain amounts of Exelon common stock by the later of five years after their employment or promotion to their current position. However, in 2007 the compensation committee terminated the stock ownership requirements for ComEd officers in light of the continuing efforts to recognize ComEd s independence and the compensation committee s recommendation that ComEd officers participate in a separate cash-based long-term incentive program instead of receiving Exelon performance shares.

Exelon has adopted a policy requiring officers, executive vice presidents and above, who wish to sell Exelon common stock to do so only through Rule 10b5-1 stock trading plans, and permitting other officers to enter into such plans. This requirement is designed to enable officers to diversify a portion of their holdings in excess of the applicable stock ownership requirements in an orderly manner as part of their retirement and tax planning activities. The use of Section 10b5-1 stock trading plans serves to reduce the risk that investors will view routine portfolio diversification stock sales by executive officers as a signal of negative expectations with respect to the future value of Exelon s stock. In addition, the use of Rule 10b5-1 stock trading plans reduces the potential for accusations of trading on the basis of material, non-public information that could damage the reputation of the company. Many of the NEOs have such plans, and their exercises during 2008 are reflected in the Option Exercises and Stock Vested table below. Exelon s stock trading policy does not permit short sales or hedging.

4. 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.

Deferred Compensation Programs

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

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

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

The Stock Deferral Plan is a non-qualified plan that permitted executives to defer performance share units prior to 2007.

In response to declining plan enrollment and the administrative complexity of compliance with Section 409A of the Code, the compensation committee approved amendments to the Deferred Compensation and Stock Deferral Plans at its December 4, 2006 meeting. The amendments cease future compensation deferrals for the Stock Deferral Plan and Deferred Compensation Plan other than the excess Employee Savings Plan contribution deferrals. For more information about the amendments, please see Nonqualified Deferred Compensation.

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.

Exelon s Change in Control and Severance Benefits policies were initially adopted in January 2001 and harmonized the policies of Exelon s predecessor companies. In adopting the policies, the compensation committee considered the advice of a consultant who advised that the levels were consistent with competitive practice and reasonable. The Exelon benefits include multiples of change in control benefits ranging from two times base salary and annual bonus for corporate and subsidiary vice presidents to 2.99 times base salary and annual bonus for the executive committee and select senior vice presidents other than the CEO. In 2003, the compensation committee reviewed the terms of the Senior Management Severance Plan and revised it to reduce the situations when an executive could terminate and claim severance benefits for good reason, clarified the definition of cause, and reduced non-change in control benefits for executives with less than two years of service. In December 2004, the compensation committee s consultant presented a report on competitive practice on executive severance. The competitive practices described in the report were generally comparable to the benefits provided under Exelon s severance policies. In discussing the compensation consultant s December 2007 annual report to the committee on compensation trends, the consultant commented that Exelon s change in control and severance policies were conservative, citing the use of double triggers, and that they remained competitive.

In 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;

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- 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 from 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.

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 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

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preparation and health and dining/airline club memberships. The phase-out approach included a one-time transition payment in January 2008. The amounts of the transition payments are reflected in the column headed All Other Compensation in the Summary Compensation Table and are detailed in the table headed Perquisites that follows that table. Mr. Rowe did not receive a transition payment. Exelon continues to provide executive physicals, parking in downtown Chicago, supplemental long-term disability insurance and executive life insurance for those with existing policies. Exelon provides Mr. Rowe with 60 hours of personal travel per year on the corporate aircraft and car and driver services because of the time commitments his position requires.

How the Amount of 2008 Compensation Was Determined

This section describes how 2008 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 2008. 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:

1) goals with respect to protecting the current value of Exelon, 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:

2) 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, outage frequency at the energy delivery companies, the high average capacity factor of the nuclear generating plants, above target results in operating earnings, notwithstanding the current economic turmoil, and improvements in safety and environmental performance, as well as challenges such as the decline in the value of the pension and nuclear decommissioning funds and increased bad debt expenses. The board also considered 2008 progress in advancing longer-term goals, including the formulation of Exelon s low-carbon strategy and diversity and inclusion strategy, leadership in addressing regulatory issues, and progress toward building value through disciplined financial management.

How Base Salary Was Determined

At its January 28, 2008 meeting, the compensation committee considered organizational changes recommended by the corporate governance committee, subject to approval by the board of directors, which was obtained on January 29, 2008. These changes included promoting Mr. McLean to Executive Vice President, Finance and Markets and Mr. Hilzinger to Senior Vice President and Chief Financial Officer, both effective as of January 29, 2008. The compensation committee reviewed base salary data for the other 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, most of the NEOs received base salary increases effective as of March 1, 2008 that were in line with the average 4% increase that the consultant reported was competitive. Because Messrs. Crane and Clark received significant base salary increases in September 2007, they did not receive base salary increases effective March 1, 2008.

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In July 2008, the compensation committee recommended, and the board of directors approved, base salary increases for certain NEOs in the nuclear and finance areas as well as the CEOs of ComEd and PECO. These increases were based on the compensation committee s determination that the compensation for these officers was not competitive, as evidenced by specific examples of Exelon Nuclear officers who were being recruited by other nuclear generating and engineering companies and by the resignation of several senior financial officers who left Exelon to pursue opportunities at other companies, as well as the leadership being demonstrated by the ComEd and PECO CEOs in the face of significant challenges. These base salary adjustments were effective as of August 1, 2008. In addition, Mr. Crane received a further increase in pay effective as of September 23, 2008, in connection with his promotion to President and Chief Operating Officer of Exelon and President of Generation. 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	$ 1,430,000	4.0%	3/1/2008
Hilzinger	380,000	15.9%	1/29/2008
Hilzinger	425,000	11.8%	8/1/2008
Crane	700,000	16.7%	8/1/2008
Crane	800,000	14.3%	9/23/2008
McLean	570,000	21.3%	1/29/2008
McLean	625,000	9.6%	8/1/2008
Clark	550,000	7.8%	8/1/2008

How 2008 Annual Incentives Were Determined

For 2008, 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 2008 operating income, the same percentage used in 2007 and 2006, but was not fully distributed to participants because the committee decided on substantially lesser awards.

Annual incentive payments for 2008 to Messrs. Rowe and McLean 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 one-time, unusual and 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 slightly higher than the financial plan target. This goal was thought to be a stretch, but attainable. In accordance with the design of the annual incentive program, the compensation committee reviewed 2008 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 2008, 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; and
- the positive effect of adjustments relating to sales of businesses.

2008 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

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measures are adjusted from GAAP measures. For ComEd executive officers, adjusted (non-GAAP) operating earnings of Exelon were not a goal, consistent with the continuing efforts to recognize ComEd s independence as described above. ComEd s goals included other financial and operational goals. The ComEd net income goals were reduced from 50% in 2007 to 25% for 2008 and their reliability, safety and customer satisfaction goals were increased from 25% in 2007 to 50% in 2008 so that their goals would be more similar to the goals for other ComEd employees. The following table summarizes the goals and weights applicable to the NEOs for 2008:

Name	Adjusted Operating Earnings Per Share	Adjusted Generation Net Income	Adjusted Business Services Company (BSC) Total Cost	Adjusted ComEd Net Income	Adjusted ComEd Total Cost	ComEd Reliability, Safety & Customer Satisfaction Measures
Rowe	100%	0%	0%	0%	0%	0%
Clark	0%	0%	0%	25%	25%	50%
Hilzinger	75%	0%	25%	0%	0%	0%
Crane	75%	25%	0%	0%	0%	0%
McLean	100%	0%	0%	0%	0%	0%

The following table describes the performance scale and result for the 2008 goals:

2008 Goals	Threshold	Target	Distinguished	2008 Results	Payout as a Percentage of Target
Adjusted (non-GAAP) Operating Earnings Per Share (EPS)	3.65	4.15	4.45	4.20	116.67%
Adjusted Generation Net Income ($M)	2,006	2,156	2,256	2,291.9	200.00%
Adjusted BSC Total Cost ($M)	638.1	607.7	589.5	580.83	200.00%
Adjusted ComEd Net Income ($M)	220	237	260	241.82	121.53%
Adjusted ComEd Total Cost ($M)	1,681	1,601	1,552	1,602.38	98.83%
ComEd Reliability Measure CAIDI (minutes per outage)	114	95	87	116	0.00%
ComEd Reliability Measure SAIFI (outages per customer)	1.35	1.21	1.17	1.13	200.00%
ComEd Safety Measure OSHA Recordable Rate	1.54	1.21	1.15	1.10	200.00%
ComEd Customer Satisfaction (weighted combined score of residential, small commercial & industrial and large commercial & industrial customers)	75	77	79	79.20	200.00%

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

The 2008 annual incentive program included the following shareholder protection features (SPF):

- 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.

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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.

- 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 2008 earnings being at 116.67% of target, the operating company/business unit key performance indicators were limited to actual performance, not to exceed 150% of target. The effect of these SPF reductions is shown in the table below.

With respect to the NEOs in the table below, individual performance multipliers (IPM) were approved and recommended by the compensation committee based upon assessments of NEO performance and input from the CEO. Under the

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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.

The compensation committee also took into account the result in the ComEd rate case, which was viewed as favorable even though ComEd did not receive as much of a rate increase as it had requested. Accordingly, the compensation committee provided relief to Mr. Clark on the operating net income goal for the asset write-off resulting from the rate case. 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 adjustments discussed above, the compensation committee recommended and the Exelon or the ComEd board of directors, as the case may be (or in the case of Mr. Rowe, the independent directors) approved the following awards for the NEOs:

	Payout as a % of Target (pre-SPF)	Payout $ (pre-SPF)	SPF Reduction $	Payout as a % of Target (post-SPF & pre-IPM)	Payout $ (post-SPF & pre-IPM)	IPM %	Payout $ (post-SPF & post-IPM)
Rowe	116.7%	$ 1,835,166	$ 0	116.7%	$ 1,835,166	100%	$ 1,835,166
Hilzinger	137.5	350,625	(31,875)	125.0	318,750	100	318,750
Crane	137.5	825,000	(75,000)	125.0	750,000	100	750,000
McLean	116.7	510,416	0	116.7	510,416	100	510,416
Clark	120.1	495,371	0	120.1	495,371	100	495,371

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 2008 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, but excluding Mr. Clark, on January 28, 2008. These options were awarded at an exercise price of $73.29, which was the closing price on the January 28, 2008 grant date. The stock option awards were all at target levels. The size of the awards granted in 2008 was smaller than in 2007, reflecting the increase in the price of Exelon s stock on the grant date in 2008 as compared to the price on the grant date in 2007.

Exelon Performance Share Unit Awards

The 2008 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 2007 program.

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

Exelon exceeded target performance levels with respect to both TSR measures. For the performance period of January 1, 2006 through December 31, 2008, Exelon s relative ranking of TSR as compared to the Dow Jones Utility Index was at the distinguished level (75 percentile ranking or 200% of target payout). For the same time period, the company s relative ranking of TSR in the S&P 500 Index was at the distinguished level (85.6 percentile ranking or 200% of target payout). Overall performance against both measures combined resulted in a payout to participants for 2008 that represented 200% 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 2007.

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Based on the formula, 2008 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.

Exelon	**Shares**	**Value**	**Form of Payment**
		Note (1)	Note (2)
Rowe	104,000	$ 5,877,040	100% Cash
Hilzinger	10,000	565,100	50% Cash /50% Stock
Crane	26,220	1,481,692	100% Cash
McLean	24,800	1,401,448	100% Cash

1. Based on the Exelon closing stock price of $56.51 on January 26, 2009.

2. Form of payment based on stock ownership level. Stock payment means amounts paid in shares of Exelon common stock. The figures in this column are not the same as the figures reported in the Stock Awards column of the Summary Compensation Table because of the effect of the vesting requirement.

2007 2009 ComEd Long-Term Incentive Program

In 2007 the compensation committee recommended, and the ComEd board adopted, a long-term incentive program designed to align the incentive compensation program with ComEd s status as a fully regulated operating company. Accordingly, the program pays out in cash; there is no Exelon equity component to the program. The program for the 2007 2009 performance period is based on ComEd s executive s ability to avoid adverse legislation and maintain competitive power procurement with cost pass through as well as make appropriate progress in ComEd s 2007 2011 business plan. The measures are qualitative and quantitative and encompass financial (one-third), operational (one-third), and regulatory and legislative (one-third) goals for the three-year target. There is a subjective element to payouts under the program. Financial goals for the performance cycle are that by year-end 2009, ComEd s 2010 budget should reflect financial stability as evidenced by financial measures such as an industry median, adjusted (non-GAAP) operating return on equity, with the milestone for year-end 2008 being an adjusted (non-GAAP, *e.g.,* excluding goodwill) return on equity at 6% with 56% debt; the threshold for this milestone is 5.6%, with distinguished at 6.6%. Operational goals are measured by ComEd CAIDI and ComEd SAIFI. The performance cycle goals are to achieve second quartile (or the level agreed to with the Illinois Commerce Commission) with targets of 1.15 and 92, respectively. The 2008 milestone is SAIFI of 1.21, with threshold at 1.35 and distinguished at 1.17, and CAIDI at 95, with threshold at 114 and distinguished at 87. The regulatory/legislative goals for the performance cycle are measured by ratemaking, preservation of the power procurement process, and avoidance of harmful legislation. The goals for the performance cycle are supporting the current delivery service tariff rate case; preparing for the next rate case using a future test year as base, if feasible; developing contingency plans for potential 2008 rate case outcomes; supporting the transmission rate case update; implementing a new horizontal RFP procurement process; working with the IPA and stakeholders to obtain ICC approval of the 2009 2010 procurement plan; developing and supporting retail competition initiatives; implementing energy efficiency and demand response plans; and avoiding adverse legislation that would significantly impact the business.

For the performance period of January 1, 2008 through December 31, 2008, ComEd achieved below threshold performance relative to CAIDI (outage duration) and distinguished performance relative to SAIFI (outage frequency). For the same time period, ComEd achieved a below threshold level of performance relative to 2008 operating return on equity. However, the result in the ComEd rate case was viewed as favorable even though ComEd did not receive as much of a rate increase as it had requested. Excluding the rate case asset write-offs, ComEd would have achieved target performance on the financial goal. Taking into consideration the favorable result in the rate case and heavy storm recovery costs, the committee considered performance on the financial goal to have been at target. ComEd also achieved a distinguished level of performance relative to its regulatory and legislative goals. Based on their evaluation of this performance, the compensation committee recommended, and the ComEd board approved, payouts to participants for 2008 that represented 150% of each participant s target opportunity.

Based on the formula, 2008 ComEd Long-Term Incentive Awards for Mr. Clark were as set forth below. The first third of the award 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.

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ComEd	Value	Form of Payment
	Note (1)	Note (2)
Clark	$ 1,554,000	100% Cash

(1) Based on 150% of target opportunity.

(2) Form of payment is 100% cash. The figures in this column are not the same as the figures reported in the Stock Awards column of the Summary Compensation Tables because of the effect of the vesting requirement.

Retention Awards

In July 2008, the compensation committee recommended, and the Exelon board approved, retention awards of restricted stock units for certain officers. These awards were based on the same considerations that led to the approval of base salary increases effective on August 1, 2008 that were discussed above. These restricted stock units will be settled in shares. The NEOs who received such awards and the number of restricted stock units are set forth below:

	Shares	Vesting
Hilzinger	5,000	100% after 5 years
Crane	15,000	100% after 5 years
McLean	10,000	50% after 3 years 50% after 5 years

Tax Consequences

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

Because it is not qualified performance-based compensation within the meaning of Section 162(m), base salary is not eligible for a Federal income tax deduction to the extent that it exceeds $1 million. Accordingly, Exelon is unable to deduct that portion of Mr. Rowe s base salary in excess of $1 million. Annual incentive awards and performance share units payable to NEOs are intended to be qualified performance-based compensation under Section 162(m), and are therefore deductible for Federal income tax purposes. However, because of the element of compensation committee and ComEd board of directors discretion in the 2007 2009 ComEd Long-Term Incentive Program, payments under that program are not eligible for Federal income tax deduction to the extent that, combined with an individual s base salary, payments exceed $1 million. Restricted stock and restricted stock units are not deductible by the company for Federal income tax purposes under the provisions of Section 162(m) if NEOs compensation that is not qualified performance-based compensation is in excess of $1 million.

Under Section 4999 of the Internal Revenue Code, there is a 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 has 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.

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.

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Report of the Compensation Committee

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 2008 Annual Report on Form 10-K and the 2009 Proxy Statement.

February 6, 2009

The Compensation Committee

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

5. Executive Compensation Data

Summary Compensation Tables

The tables below summarize the total compensation paid or earned by each NEO for the year ended December 31, 2008.

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

Bonus reflects discretionary bonuses or amounts paid under the annual incentive plan on the basis of the individual performance multiplier 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 dollar amount calculated in accordance with SFAS No.123-R and recognized in the company s financial statements for the full year 2008 for all outstanding equity awards made to NEOs in prior years as well as the grants of any awards made during 2008. In accordance with SFAS No.123-R, if the NEO is retirement eligible, the full value of any outstanding awards will be recognized in the year of grant for financial statement purposes, even though the NEO will still receive the award subject to the original vesting schedule.

Stock awards consist primarily of performance share awards. All performance share units are made pursuant to the terms of the 2006 Long-Term Incentive Plan (LTIP) based upon the achievement of goals, as described above. The threshold, target and distinguished goals for performance share unit awards are established on the grant date. The actual performance against the goals and the number of performance share units awarded are established on the award date. 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. Stock awards may also include restricted stock or stock unit awards. When awarded, restricted stock or stock units are earned by continuing employment for a pre-determined period of time or, in some instances, after certain performance requirements are met. In some cases, the award may vest ratably over a period; in other cases, it vests in full at one or more pre-determined dates. Amounts of restricted shares held by each NEO, if any, are shown in the footnotes to the Outstanding Equity Table.

All option awards are made pursuant to the terms of the 2006 LTIP and are for the purchase of Exelon common stock. All options are granted at a strike price that is not less than the fair market value of a share of stock on the date of grant. Fair market value is defined under the plans as the closing price on the grant date as reported on the New York Stock

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Exchange. 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.

Non-equity incentive plan compensation includes the amounts earned under the annual incentive plan by the extent to which the applicable financial and operational goals were achieved. The annual incentive plan for 2008 is described in Compensation Discussion and Analysis above.

Name and Principal Position	Year	Salary	Bonus	Stock Awards	Option Awards	Non-Equity Incentive Plan Compen-sation	Change in Pension Value and Nonqual-ified Deferred Compen-sation Earnings	All Other Compen-sation	Total
			Note (7)	Note (8)	Note (9)	Note (10)	Note (11)	Note (12)	
Rowe (1)	2008	$ 1,474,423		$ 2,068,010	$ 2,455,433	$ 1,835,166	$ 830,272	$ 400,192	$ 9,063,496
	2007	1,361,154		12,728,849	2,798,893	1,680,249	504,385	418,026	19,491,556
	2006	1,291,918	168,345	10,527,089	1,324,393	1,683,455	856,413	575,455	16,427,068
Hilzinger (2)	2008	408,627		556,237	141,429	318,750	57,492	143,916	1,626,451
Young (3)	2008	60,750		(1,282,781)			9,819	18,089	(1,194,123)
	2007	578,538		2,787,570	383,148	562,960	74,623	125,378	4,512,217
	2006	546,767		2,174,945	310,360	498,575	77,622	158,808	3,767,077
Crane (4)	2008	694,230		2,519,603	931,625	750,000	642,938	272,727	5,811,123
	2007	558,000		2,161,974	482,210	577,536	442,503	158,029	4,380,252
	2006	505,959	43,911	1,545,742	309,035	439,110	352,298	131,404	3,327,459
McLean (5)	2008	561,538		1,125,928	670,842	510,416	95,727	216,544	3,180,995
	2007	482,500		2,593,306	473,898	403,276	53,160	96,874	4,103,014
	2006	442,575		1,811,526	407,167	383,145	62,625	102,602	3,209,640
Clark (6)	2008	546,692		$ (198,434)	56,970	$ 2,049,371	$ 548,986	$ 193,738	3,197,323
	2007	482,500		566,726	121,635	2,288,853	391,782	146,412	3,989,639
	2006	440,000		2,239,794	592,755	326,584	158,233	162,925	3,920,291

Notes to the Summary Compensation Table

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

2. Matthew F. Hilzinger, Senior Vice President and CFO, Exelon. Mr. Hilzinger is an executive officer of Exelon and Generation.

3. John F. Young, Executive Vice President, Finance & Markets and CFO, Exelon and Generation through January 5, 2008. Mr. Young remained an employee through January 29, 2008.

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

5. Ian P. McLean, Executive Vice President, Finance & Markets, Exelon.

6. Frank M. Clark, Chairman and CEO, ComEd.

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

8. The amounts shown in this column include the compensation expense recognized in the 2008 financial statements for the performance share unit awards granted on January 28, 2008 and paid out in January 2009 with respect to the three-year performance period ending December 31, 2008, and the expense recognized during 2008 for performance share unit awards granted in previous years, as well as the expense recognized during 2008 for restricted stock or stock unit awards made to many of these officers in 2008 or previous years. For a discussion of the assumptions made in the valuation of these awards under SFAS No. 123-R, see note 12 of the Combined Notes to the Consolidated Financial Statements. For purposes of this table, estimates of forfeitures related to service- based vesting conditions have been disregarded. With respect to the performance share awards granted on January 23, 2006 and January 22, 2007 that are eligible for cash distribution in January 2009 and 2010, including the outstanding awards to Mr. Clark who no longer receives performance share awards, in 2008 Exelon recorded an adjustment to amounts recorded as of December 31, 2007. This resulted in negative expense being recorded in 2008 due to the decrease in stock price from $81.64 at December 31, 2007 to $55.61 at December 31, 2008.

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9. The amounts shown in this column include the compensation expense recognized in the 2008 financial statements for the award of non-qualified options to purchase Exelon common stock granted on January 29, 2008, as well as the expense recognized during 2008 for stock option grants awarded in previous years. For a discussion of the assumptions made in the valuation of these awards under SFAS No. 123-R, see note 16 of the Combined Notes to the Consolidated Financial Statements in Exelon s 2008 Annual Report on Form 10-K or Exelon s 2008 Financial Information. For purposes of this table, estimates of forfeitures related to service-based vesting conditions have been disregarded.

10. The amounts shown in this column represent payments made pursuant to the Annual Incentive Plan and the ComEd Long-Term Incentive Plan. Both programs are paid with respect to 2008 performance and were awarded on January 26, 2009. The table below details Mr. Clark s payments applicable to the Annual Incentive Plan and the ComEd Long-Term Incentive Plan.

Name	**Year**	**Annual Incentive Plan**	**ComEd Long-Term Incentive Plan**	**Total**
Clark	2008	$ 495,371	$ 1,554,000	$ 2,049,371
	2007	475,853	1,813,000	2,288,853

11. The amounts shown in the column represent the change in the accumulated pension benefit from December 31, 2007 to December 31, 2008. For Mr. Crane and Mr. McLean, this amount includes $48 and $160, respectively, of above market earnings in their non-qualified deferred compensation accounts.

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

All Other Compensation

Name	**Perquisites**	**Reimbursement 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)	Note (6)	
Rowe	$ 179,269	$ 6,865		$ 73,721	$ 140,337		$ 400,192
Hilzinger	59,083	31,849		20,431	3,109	$ 29,444	143,916
Young	15,051			3,038			18,089
Crane	69,809	39,910		34,712	42,046	86,250	272,727
McLean	63,419	42,224		28,077	72,574	10,250	216,544
Clark	68,245	$ 39,910		$ 27,335	$ 48,123	10,125	$ 193,738

Notes to All Other Compensation Table

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

2. Officers receive a reimbursement to cover applicable taxes on imputed income for business-related spousal travel, certain club memberships and relocation expenses because the personal benefit is closely related to the business purpose.

3. Represents the expense Exelon has recorded during 2008 after the announcement of the officer s retirement or resignation for severance related costs including salary and Annual Incentive Plan (AIP) continuation, payroll taxes, outplacement fees and medical benefits for a specified period of time.

4. Represents company matching contributions to the NEO s qualified and non-qualified savings plans. The 401(k) plan is available to all employees and the annual contribution for 2008 was generally limited to $15,500. NEOs and other officers may participate in the Deferred Compensation Plan, into which payroll contributions in excess of the specified IRS limit are credited under the separate, unfunded plan that has the same portfolio of investment options as the 401(k) plan.

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5. Exelon provides basic term life insurance, accidental death and disability insurance, and long-term disability insurance to all employees, including NEOs. The values shown in this column include the premiums paid during 2008 for additional term life insurance policies for the NEOs, additional supplemental accidental death and dismemberment insurance and for additional long-term disability insurance over and above the basic coverage provided to all employees. Mr. Rowe has two term life insurance policies and one additional accidental death and dismemberment policy.

6. The amounts shown represent the dividends on current equity awards that have not been included in the values shown in the column labeled Stock Awards in the Summary Compensation Tables above. The values shown represent regular dividends on common stock paid in cash during the year on each officer s unvested restricted stock, and for certain officers, the value, calculated in accordance with SFAS No. 123-R, of reinvested regular dividends earned during 2008 on their unvested performance share balances which were distributed in stock upon vesting in January 2009.

Perquisites

Name	Personal and Spouse Travel	Automobile Lease and Parking	Financial Estate and Tax Planning Services	Dining, Health and Airline Club Memberships	Other Items	Perquisite Transition Payment	Total
	Note (1) & Note (2)	Note (3)	Note (4)	Note (5)	Note (6)	Note (7)	
Rowe	$ 168,268	$ 10,211	$ 475		$ 315		$ 179,269
Hilzinger		18,768			315		