

## **RISK COMMITTEE CHARTER**

*(Effective July 28, 2020)*

### **Membership**

The Risk Committee (the “**Committee**”) of the Board of Directors (the “**Board**”) of Exelon Corporation (“**Exelon**” or the “**Company**”) shall be composed of three or more directors. The Board appoints Committee members and the Committee Chair may make changes upon the recommendation of the Corporate Governance Committee at any time.

### **Meetings**

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

The Committee has the authority to retain, compensate, oversee, and terminate, without Board or management approval, the services of one or more outside advisors and consultants to assist it in performing its duties. Such advisors and consultants will report directly to the Committee. The Committee has the sole authority to approve such advisors’ and consultants’ fees and other retention terms. The Company will provide appropriate funding as approved by the Committee for payment to any advisors and consultants retained by the Committee.

### **Purpose and Responsibilities**

The Committee is established to assist the Board and the boards of directors of Exelon’s subsidiaries in their responsibility for management and oversight of matters relating to the strategic, financial, operational, regulatory and reputational risks and related exposures faced by the Company and the assessment, monitoring and control of the Company’s risk objectives, policies, tolerances and management. The Committee shall oversee Company-wide risk management strategies, policies, procedures, and mitigation efforts, including insurance programs. The Committee shall also oversee the strategy and performance of risk management policies relating to risks associated with marketing and trading of energy and energy-related products. The Committee shall assist the Audit Committee in its review of guidelines and policies to govern the process of risk assessment and risk management and in its review of financial reporting policies and procedures.

The Committee is also responsible for ensuring that there is a Risk Management Program within the Company and its subsidiaries that identifies, measures, prioritizes, monitors and responds to risks and monitors and evaluates compliance with risk management policies. Business and functional unit management shall report periodically to the Committee on the Company’s Risk Management Program.

The Committee's principal responsibilities include:

Risk Assessment and Management

1. Oversee the policies and processes established by management to identify, assess, monitor, manage and control the Company's material strategic, financial, operational, regulatory, business unit, reputational and other risks and risk exposures, including environmental, commodity market (including marketing and trading of energy and energy-related products and hedging of generation portfolio obligations), technology and cyber and other security risks.
2. Oversee the development of Company policies and processes relating to risk assessment, management and reporting, including limits and tolerances, risk roles and responsibilities, risk mitigation decisions and risk-related assumptions.
3. Advise and assist the Audit Committee in its review of the processes by which management and the Committee assess and manage the Company's exposure to risk.
4. Act on behalf of the Board in approving, consistent with the Delegation of Authority approved by the Board, Company policies and procedures that allow financial speculation (transacting in commodities or financial products for the sole purpose of generating financial gain) or the use of financial derivatives for any purpose and approve all policies and limits relating to hedging and trading activities.
5. Oversee the steps management has taken to address failures in compliance with established risk management policies and procedures.
6. Advise and assist the Compensation and Leadership Development Committee in its consideration of the Company's financial, operational and other risks as they relate to the Company's compensation policies and practices.
7. Oversee the Company's insurance program and make recommendations to the Board and management regarding insurance, including directors' and officers' liability insurance.

Transactions

8. Recommend to the Board or approve (consistent with the Delegation of Authority approved by the Board) and oversee implementation and integration of significant transactions, such as mergers, acquisitions, joint ventures, strategic investments including equity investments, reorganizations, and divestitures.
9. Consistent with the Delegation of Authority approved by the Board, approve transactions involving the sale of energy, standard load serving transactions and other commodities, tolling/power purchase agreements, capacity and weather derivatives, and similar transactions.
10. Annually review and approve the nuclear fuel procurement strategy and act on behalf of the Board of Directors in approving transactions involving the purchase of nuclear fuel and related processing services.

11. Consistent with the Delegation of Authority approved by the Board, approve such other transactions as required, including capital expenditures.

General

12. Receive reports from the Company's Chief Risk Officer and such other business and functional unit management as may be appropriate.
13. Perform such other functions as the Board shall delegate to the Committee from time to time.
14. Act on behalf of the Board on matters for which the Board has delegated authority to the Committee.
15. Evaluate annually the performance of the Committee in the fulfillment of its functions and the performance of its responsibilities.

**Reporting Responsibility**

The Chair of the Committee shall report all matters discussed and actions taken by the Committee to the Board at the next regularly scheduled Board meeting following such action.