



Compliance & Ethics Procedure

Due Diligence and Monitoring

Procedure for Third Parties Engaged in

Political Consulting and Lobbying

Activities

LE-AC-PCD8-001
Revision 0
Effective: 07/06/2020
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1. **PURPOSE**

- 1.1. Exelon Corporation and its subsidiaries (“the Company” or “Exelon”) are actively engaged in legislative, regulatory, and public policy issues at all levels of government, and are committed to conducting public affairs with integrity and the values expressed in Exelon Corporation’s Code of Business Conduct and all applicable laws. As set forth in *Interactions with Federal, State, and Local Public Officials (LE-AC-POL8-001)*, Exelon seeks business partners who share its commitment, and accordingly requires due diligence and ongoing monitoring of all third parties that engage in political consulting or lobbying activities on its behalf. This Procedure describes the due diligence to be performed on those third parties.

2. **TERMS AND DEFINITIONS**

- 2.1. The following are definitions for terms used in this Procedure. Certain of the terms below may have different meanings in different states. Therefore, it is critical that you also consult the local requirements applicable to the jurisdictions in which you do business, and seek advice from the General Counsel’s office and/or the Chief Compliance & Ethics Officer if you have questions.
- 2.2. “Covered Third Party”: All current and proposed External Lobbyists and Political Consultants, as defined below.
- 2.3. “Public official” or “government official”: Any official, officer, or employee of or candidate for a federal, state, local or municipal government department or agency, whether elected, appointed, retained or otherwise employed. An “official, officer, or employee” of a government department or agency, for purposes of this definition, is an individual with a role or position that involves oversight of or influence over the Company’s interests.



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- 2.4. **“Lobbying Activities”**: For purposes of this Policy, Lobbying Activities are those activities that are defined by law in various jurisdictions as lobbying.

The following activities *may* constitute Lobbying Activities under the lobbying laws of any given jurisdiction: any oral or written communication with a public official for the purpose of influencing their decision-making regarding (1) federal, state, or local legislation (for example, contacting a state legislator or staff member in an attempt to influence the passing or introducing of new or revised legislation); (2) a formal rulemaking or ratemaking by a federal, state, or local executive branch agency (for example, contacting the state utilities commission to influence ratemaking); or (3) the award or terms of a federal, state, or local government contract, or any other official decision of a governmental body.

- 2.5. **“Internal Lobbyists”**: Internal lobbyists are employees of the Company who engage in Lobbying Activities on behalf of the Company to accomplish specified policy objectives.

- 2.6. **“External Lobbyists”**: External Lobbyists are individuals or entities, that are under contract with the Company, and that engage in Lobbying Activities on the Company’s behalf.

- 2.7. **“Political Consultants”**: Political Consultant means any person or entity that does not engage in Lobbying Activities, and that holds itself out as a person or entity that performs political consulting services.

3. APPLICABILITY; ENGAGEMENT OF COVERED THIRD PARTIES

- 3.1. These procedures apply to Covered Third Parties.

- 3.2. No individual who is, or is associated with, a Covered Third Party may provide Lobbying Activities or services to Exelon if that individual is a current public official.

- 3.3. The Company shall not use or engage a Covered Third Party if such use or engagement would be inconsistent with the Company’s commitment to



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conduct public affairs with integrity and in conformance with the values expressed in Exelon's Code of Business Conduct and applicable laws. In making this determination, Exelon shall consider, among other factors:

- 3.3.1. The qualifications of the Covered Third Party;
- 3.3.2. Whether the Covered Third Party or any person associated with the Covered Third Party is the spouse, domestic partner, child, sibling, parent, or parent/child/sibling-in-law of a current public official who:
 - 3.3.2.1. Is in the same governmental body, office, or agency where the individual will engage in activities on behalf of the Company; or
 - 3.3.2.2. Serves in a role or position that involves oversight or influence over the Company's interests;
- 3.3.3. The history and reputation of the Covered Third Party and individuals associated with it; and
- 3.3.4. Whether the Covered Third Party has policies and procedures in place to ensure compliance with applicable laws and ethical standards.

4. ROLES AND RESPONSIBILITIES

4.1. Government Affairs:

- 4.1.1. These procedures are administered by the Government Affairs function at the business unit engaging the services of the Covered Third Party. It is critical for Government Affairs to clearly document the due diligence steps taken on each Covered Third Party and raise any warning signs identified in the process to Exelon's Chief Compliance & Ethics Officer.

4.2. Chief Compliance & Ethics Officer:

- 4.2.1. Exelon's Chief Compliance & Ethics Officer shall oversee Government Affairs with respect to implementing this procedure. Government Affairs will provide quarterly reports to Exelon's Chief Compliance & Ethics



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Officer regarding Covered Third Parties' activities on behalf of the Company as required in Section 5.3 below.

5. **PROCESS**

5.1. ***Due Diligence Steps***

5.1.1. All Covered Third Parties must be identified and submitted to the head of Government Affairs for the relevant business unit for review. The Company will not engage, or continue to engage, or compensate any Covered Third Party unless the Covered Third Party has been reviewed and approved pursuant to this procedure. For any Covered Third Party approved to provide services to the Company under this Policy, Government Affairs will update the due diligence on the Covered Third Party at least annually, as set forth in section 5.3.2.2 below.

5.1.2. Government Affairs will complete the following due diligence steps on all Covered Third Parties:

5.1.2.1. Review the Covered Third Party's qualifications to engage in activities on behalf of the Company. Among the factors to be considered are the following:

- Reputation of the Covered Third Party, particularly with regard to the firm's principals and the specific professionals expected to perform the work;
- The Covered Third Party's ability to assist with the Company's key stakeholders;
- Substantive subject matter expertise of the Covered Third Party;
- Whether the Covered Third Party has a proven track record of providing client companies with advice on issues and positions;
- Whether the Covered Third Party will take a proactive lobbying approach, such as bringing opportunities to Exelon; and



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- Recommendations that bear on the Covered Third Party's credentials and reputation.
- 5.1.2.2. Require the Covered Third Party to complete a *Due Diligence Questionnaire* (attached as Exhibit 1).
- 5.1.2.3. Review the completed *Due Diligence Questionnaire* and follow up with the Covered Third Party for any responses that require further information or clarification.
- 5.1.2.4. If Government Affairs determines that the Company should proceed with the Covered Third Party, based on information provided in the Due Diligence Questionnaire and its own assessment of the criteria in 5.1.2.1 above, Government Affairs will prepare an *Assessment and Recommendation for Engagement of Lobbyist or Political Consultant* (attached as Exhibit 2). The head of Government Affairs for the relevant business unit will submit the assessment and recommendation to the SVP responsible for Government Affairs of the business unit for review and approval along with the completed Due Diligence Questionnaire.
- 5.1.2.5. If the SVP responsible for Government Affairs at the business unit level recommends that the Company discontinue its relationship with an existing Covered Third Party, the SVP responsible for Government Affairs must notify the Chief Compliance & Ethics Officer and General Counsel.
- 5.1.3. **Decision-Making:**
- 5.1.3.1. Before any Covered Third Party can be engaged, the following approvals must be obtained concurrently: (1) SVP responsible for Government Affairs, business unit; (2) General Counsel, business unit; (3) CEO, business unit; and (4) Chief Compliance & Ethics Officer.
- 5.1.4. **Record Retention:**
- 5.1.4.1. Government Affairs shall maintain and retain the completed *Due Diligence Questionnaire* and *Assessment and Recommendation for Engagement of*



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Lobbyist or Political Consultant for all approved Covered Third Parties while the Covered Third Party is engaged by the Company, and for a period of at least five years after the engagement ends.

5.1.4.2. Government Affairs shall also maintain and retain the completed *Due Diligence Questionnaire* for Covered Third Parties that were reviewed and not approved for engagement under this procedure for a period of at least five years.

5.2. **Written Agreement**

5.2.1. All approved Covered Third Parties shall have written contracts with the Company. Consistent with *Interactions with Federal, State, and Local Public Officials (LE-AC-POL8-001)*, the contract must include the following minimum terms:

- A clearly defined scope of work and terms of payment, including the particular public officials or bodies that are the subject of the work to be performed by the External Lobbyist or Political Consultant;
- For External Lobbyists and Political Consultants, representation of compliance with applicable state or local training requirements for lobbyists, lobbying registration, ethics rules, and reporting laws and rules; agreement to provide written certifications upon request that describe the measures taken by the External Lobbyist or Political Consultant to ensure compliance with those applicable laws and rules;
- Agreement to complete any lobbying or related training session that may be designated by Exelon or the subsidiary for which it is providing services;
- Agreement to retain records as may be required by law or regulation and by Exelon, and provide reports of activities undertaken on behalf of the Company;



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- Representation of compliance with anti-corruption laws and all provisions in Exelon Corporation's Code of Business Conduct that govern interactions with public officials;
- The Company can terminate for convenience with no penalty;
- Agreement to provide monthly invoices with reasonably detailed description of services provided;
- Prohibition on the ability of the Covered Third Party to subcontract any portion of their work to another party; and
- The failure to participate in regular performance reviews (described in Section 5.3.2.2 below) shall result in immediate termination of the contract without further payment.

5.2.2. Government Affairs will be responsible for ensuring that each approved Covered Third Party has a written agreement consistent with these required terms. Government Affairs shall use the standard template agreement – Form 202, Government Relations Consulting Agreement (attached as Exhibit 3) – and must obtain review and approval from the Chief Compliance & Ethics Officer before the agreement is finalized.

5.3. ***Monitoring Covered Third Party Relationships Under Contract with the Company***

5.3.1. Once a Covered Third Party is approved and subject to a written agreement, Government Affairs also is responsible for monitoring the activities and services provided by the Covered Third Party during the course of its relationship with the Company. Monitoring these critical relationships helps ensure that the activities and services provided are consistent with the written agreement, Exelon's policies and Code of Business Conduct, as well as federal, state, and local lobbying laws and regulations. If Government Affairs identifies any indication that a Covered Third Party may be engaged in conduct that could violate Company policies, lobbying laws or regulations, or anti-bribery laws, it has an



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obligation to immediately escalate that information to the business unit General Counsel and Exelon's Chief Compliance & Ethics Officer and General Counsel.

5.3.2. For each Covered Third Party, Government Affairs shall perform the following monitoring activities:

5.3.2.1. Review and Approval of Invoices:

- Review each invoice submitted by the Covered Third Party, including invoices for retainers, to ensure it is consistent with the Company's written agreement with the Covered Third Party, and includes information describing the activities, services performed, or other value to the Company to support payment.
- Approve invoices before they can be paid by Accounts Payable. An invoice may not be approved unless the reviewer has determined that the Covered Third Party has provided value to the Company to support payment of the invoice.

5.3.2.2. Mid-Year and Annual Performance Reviews:

- In addition to routine monitoring of Covered Third Parties' activities required in section 5.3.1, the Company personnel in Government Affairs in charge of supervising the engagement with the Covered Third Party shall conduct a mid-year and annual performance review with the relationship contact at the Covered Third Party ("Performance Review"). The SVP responsible for Government Affairs, or his or her designee in Government Affairs, shall conduct one of the Performance Reviews with an in-person meeting with the relationship contact at the Covered Third Party.
- The Performance Review will include but is not limited to work performed by all employees of the Covered Third Party on behalf of the Company; the specific activities performed by the Covered Third Party during the review period, such as who from the Covered Third Party



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had contacts with public officials, which public officials were contacted, and subject and content of those contacts; the quality of services provided, including advice and expertise; whether the activities are commensurate with the compensation provided; the Covered Third Party's compliance with lobbying regulations, certifications, and training; and a review of any change in the Covered Third Party's qualifications, including any material changes or updates to information provided in response to the *Due Diligence Questionnaire*.

- The Government Affairs personnel conducting the Performance Review shall prepare a summary of information learned during the Performance Review, and provide a certification that the Performance Review was completed. The certification shall indicate whether continued engagement of the Covered Third Party is warranted, or that the Performance Review warrants termination of the engagement.
- For the mid-year Performance Review, the business unit level SVP responsible for Government Affairs and General Counsel shall each provide a certification to Exelon's Chief Compliance & Ethics Officer that Government Affairs completed a Performance Review for each Covered Third Party providing services for that business unit, and that the business unit level SVP responsible for Government Affairs took appropriate action based on that review.
- For the annual Performance Review, the following personnel must review and approve the continued engagement of Covered Third Parties: (1) SVP responsible for Government Affairs, business unit; (2) General Counsel, business unit; (3) CEO, business unit; and (4) Chief Compliance & Ethics Officer.

5.3.3. Documentation on Covered Third Parties:

5.3.3.1. In addition to Section 5.1.4 in this procedure, Government Affairs shall be responsible for maintaining:

5.3.3.1.1. All written agreements with Covered Third Parties required in Section 5.2;



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- 5.3.3.1.2. All Performance Reviews and certifications prepared under Section 5.3.2.2;
- 5.3.3.1.3. Documentation of all invoices received and payments made to Covered Third Parties;
- 5.3.3.1.4. Documentation of termination of Covered Third Parties, including the reason for the termination; the date of the termination; communication of the termination to the Covered Third Party; and final payment to the Covered Third Party (date and amount).
- 5.3.4. Reporting:
 - 5.3.4.1. The business unit General Counsel will provide semi-annual reports to the business unit Board on activities of Covered Third Parties providing services to the business unit.
 - 5.3.4.2. Exelon's Chief Compliance & Ethics Officer will provide semi-annual reports on Covered Third Parties' activities to the Audit Committee of Exelon's Board of Directors, based on the Performance Reviews and any other information obtained from Government Affairs or other sources regarding the activities and performance of Covered Third Parties.
- 6. **REPORTING POTENTIAL POLICY VIOLATIONS; NON-RETALIATION**
 - 6.1. Compliance with this Policy is critical to sustaining Exelon's integrity in its interactions with public officials. Exelon is committed to a culture that encourages employees to speak up when we see something that violates – or could possibly violate – the law or our policies, and seek help when we are unsure about the proper course of action. If you suspect a violation, or possible violation, of this Policy, you have an obligation to report your concerns. There are a number of ways to report possible violations, including to:
 - The Compliance & Ethics Office at EthicsOffice2@exeloncorp.com



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- The Ethics Help Line and Web Portal, both of which have anonymous reporting options and are available 24 hours a day, every day of the year.

For additional information on how to report concerns, you can consult Exelon's policy, *Reporting Potential Violations of the Code of Business Conduct* (LE-AC-204).

- 6.2. All reports will be treated confidentially to the fullest extent possible under the circumstances. Exelon will not tolerate retaliation against anyone who, in good faith, raises a question or concern about a potential violation of this Policy, our Code of Business Conduct, or potential non-compliance with any laws or regulations. Retaliation in any form - threats, harassment, intimidation, violence, reassignment, demotion, or firing - impedes our progress, has no place in our organization, and is subject to discipline, up to and including termination.

Exhibit 1

Due Diligence Questionnaire for Lobbyists and Political Consultants

Thank you for considering engaging in business with Exelon and the companies listed on Attachment 1 (collectively "Exelon" or the "Company"). To move forward with a business relationship with your company, Exelon will need information about your organization (the "Business") and its experience in the areas that your company is considering doing business with Exelon. Exelon will maintain the confidentiality of the information you provide, unless the Company receives a lawful request for the information and is required by law to disclose it.

Instructions:

Upon completion and execution of this Due Diligence Questionnaire, please return it to the Company representative with whom you are discussing the proposed relationship. Please attach additional pages as necessary to fully and completely provide the information requested, or you may attach documentation with the requisite information.



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1. Name, address, and legal status of Business (e.g., corporation, partnership, limited liability company), how long it has been known by its current name, and any prior names used:

2. How long has the Business been providing lobbying and/or political consulting services?

3. Describe the Business's qualifications or background to provide lobbying and/or political consulting services to Exelon.

4. Names and addresses of Business owners and beneficial owners, and percentage of ownership interest:

5. Names, addresses (if different from the business address), and titles of officers and directors of the Business:

6. Names, address (if different from the business address), and title of key employees who will be involved in conducting business with the Company ("Key Employees").

7. Names and addresses of any affiliated businesses (parent, subsidiaries, etc.):

8. Is any owner, beneficial owner, officer, director or Key Employee of the Business, or of any affiliated business, a former Company employee or a close relative (spouse, domestic partner, child, sibling, parent, or parent/child/sibling-in-law) of a



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current Company employee (Company includes all of the Exelon entities listed in Attachment 1)? If yes, state the person's name.

9. Does any owner, beneficial owner, officer, director, or Key Employee of the Business, or of any affiliated business, currently hold a position with any government, or agency of government, in the jurisdictions listed in Attachment 2 or at the federal agencies or regulatory bodies listed in Attachment 2?
 - a. Has any owner, officer, director, or Key Employee held such a position in the past two years?
 - b. If "yes" to either, please describe in detail including the person's name, the person's title, the name of the agency or business for whom the person worked or is working, the person's duties, and the dates of government employment.
 - c. If "yes" to either, please provide the dates such person has held such an ownership interest in the Business.

10. Does any owner, beneficial owner, officer, director, or Key Employee have a close relative who holds or held (in the past two years) a position with any government, or agency of government in the jurisdictions listed in Attachment 2 or at these federal agencies or regulatory bodies listed in Attachment 2?
 - a. If "yes," describe in detail including the person's name and relationship to the owner, officer, director, or Key Employee, the person's title, the name of the agency, or business for whom the person worked or is working, the person's duties, and the dates of government employment.



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11. Does any government entity, or department, agency or arm of a government entity, own or control the Business in whole or in part, directly or indirectly?
 - a. If "yes," describe in detail.

12. Does the Business hold any contracts with any government, agency of government, or any government owned business?
 - a. If "yes," describe in detail.

13. Does the Business have a Code of Conduct? If so, please provide a copy.

14. Has the Business, its owners, beneficial owners, officers, directors, Key Employees ever been:
 - debarred by any governmental entity (federal, state, local or foreign) from conducting business or entering into any contract with such governmental entity;
 - charged criminally;
 - investigated by or responded to an inquiry from any regulatory body or enforcement agency concerning fraud, lobbying practices, ethical misconduct, bribery, or the Business's business practices; or
 - suspended from doing business for any reason?
 - a. If "yes," describe in detail.



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15. Does the Business comply with the requirements of applicable lobbying laws and regulations and anti-bribery laws?
 - a. Is the Business prepared to certify to such compliance on an annual basis?

16. The Company demands strict compliance with lobbying laws and regulations and anti-bribery laws. Describe any internal controls, policies, training, etc. that are intended to prevent corruption and bribery by the Business:

17. Has the Business been provided a copy of the Company's Code of Business Conduct and *[cross-reference new lobbying policy, as well as relevant subsidiary policy]*?

18. Does the Business understand Exelon's commitment to ethical and lawful business practices and assure that it will engage in ethical and lawful business practices when acting on the Company's behalf?



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Exhibit 2

Assessment and Recommendation for Engagement of Lobbyist or Political Consultant

Instructions for Completing This Assessment:

- After receiving the Due Diligence Questionnaire from the Covered Third Party, Government Affairs should:
 - Complete this Assessment.
 - Forward a copy of the completed Due Diligence Questionnaire from the third party, and this Assessment to Exelon's Chief Compliance & Ethics Officer.
 - Retain a copy of both completed forms.
1. Name of Covered Third Party and primary contact person at the third party:
 2. What services will the Covered Third Party provide and for what purpose?
 3. Please state the jurisdiction or locations in which the Covered Third Party will be providing services.
 4. What is your assessment of the reputation of the Covered Third Party, particularly with regard to the firm's principals, and the basis for your assessment? If not based on personal knowledge, please identify how you made the assessment.
 5. What is your assessment of the skill set, experience and resources that the Covered Third Party can provide to advance the Company's policy objectives?



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6. What substantive subject matter expertise does the Covered Third Party offer?
7. Please list all recommendations received in support of this Covered Third Party?
8. How was the Covered Third Party first identified as a candidate for this engagement? Was the Covered Third Party referred by a government official or an official's agent or intermediary?
9. Is the Covered Third Party a government official or affiliated with any government official, or otherwise answer "yes" to any of questions 6 through 10 on the Due Diligence Questionnaire?
 - a. If "yes," describe in detail and any additional information you have learned about the affiliation.
10. Was the Covered Third Party provided a copy of Exelon's Code of Business Conduct and *Interactions with Federal, State, and Local Public Officials, xx-xx-##*?
11. Does the Covered Third Party have its own Code of Conduct?
 - a. If "yes," did you receive a copy?



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- b. If "yes," what does it say about Covered Third Party's employees or independent contractors providing anything of value including gifts, meals, entertainment and travel?
 - c. If "yes," what does it say about Covered Third Party's employees and independent contractors accepting anything of value, including gifts, meals, entertainment, and travel?
12. How will the Covered Third Party be paid (e.g., retainer, hourly, commission, etc.)?
13. How does the rate or fee for services compare with other potential providers of similar services?
14. Why is it more advantageous to retain this Covered Third Party rather than other possible third parties?
15. Are there any warning signs that cause you to question whether the third party will act in accordance with the Company's Code of Business Conduct, *Interactions with Federal, State, and Local Public Officials*, xx-xx-##, applicable lobbying laws and regulations, and anti-corruption laws? For each warning sign, identify any relevant facts that explain the circumstances to your satisfaction.



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Conclusion

It is my opinion, based upon my review and evaluation of the Covered Third Party's business record, business reputation, and experience, as described herein, that there is no basis upon which to believe that the Covered Third Party will fail to comply with Exelon Corporation's Code of Business Conduct, *Interactions with Federal, State, and Local Public Officials*, xx-xx-##, applicable lobbying laws and regulations, and anti-corruption laws.

Signature _____

Position _____

Date _____



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1. **PURPOSE**

1.1. Exelon Corporation and its subsidiaries (“Exelon,” or “the Company”) are actively engaged in legislative, regulatory, and public policy issues at all levels of government, and Exelon routinely is called upon by public officials to provide substantive input on hundreds of issues including legislative and administrative policies that affect electric and gas reliability, climate change and other environmental hazards, the cyber and physical security of the nation’s energy systems, operational reliability, public safety, affordability, energy sector employment and support for economically vulnerable customers. In all interactions with public officials, Exelon is committed to conducting public affairs with integrity and in conformance with the values expressed in Exelon Corporation’s Code of Business Conduct and all applicable laws because how we interact and communicate with public officials, whether directly or indirectly, has a significant impact on our credibility, reputation, and our ability to advocate on behalf of our customers, communities, employees and other key stakeholders.

1.2. In conformity with Exelon’s Code of Business Conduct, this Policy sets forth the overarching standards and requirements that govern our interactions with public officials. It applies to all employees, officers, and directors of the Company. This Policy includes:

- The prohibition of all forms of corrupt activity involving public officials;
- The restrictions on providing anything of value to public officials, as defined in Section 2.3, whether directly or indirectly, in order to ensure compliance with our policies and the law, and avoid the appearance of impropriety;
- The rules for handling requests, referrals or solicitations from public officials or their agents or intermediaries, on behalf of their constituents or others;



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- The registration and reporting requirements for internal lobbyists;
- The general requirements for engaging and monitoring the work of external lobbyists and political consultants who act on the Company's behalf with public officials;

1.3. It is important to remember that federal, state and local governments each have certain unique restrictions that govern lobbying activities and reporting requirements in their respective jurisdictions. To the extent a jurisdiction has more stringent standards than this Policy, employees in the jurisdiction should follow the more stringent standards. To the extent a jurisdiction has less stringent standards compared to this Policy, the employees in the jurisdiction should follow the more stringent standards set forth in this Policy. All federal lobbying activities are governed by this Policy and the specific procedures set forth in the *Federal Government Affairs Process (GR-DO-30)*.

1.4. This Policy does not apply to campaign and corporate political contributions and related activities that are governed by our policy on *Corporate Political Contributions Guidelines (LE-AC-23)*.

2. **TERMS AND DEFINITIONS**

2.1. The following are definitions for terms used in this Policy. Certain of the terms below may have different meanings in different states. Therefore, it is critical that you also consult the local requirements applicable to the jurisdiction in which you do business, and seek advice from the General Counsel's office and/or the Chief Compliance & Ethics Officer if you have questions.

2.2. "Public official" or "government official": Any official, officer, or employee of or candidate for a federal, state, local or municipal government department or agency, whether elected, appointed, retained or otherwise employed. An "employee" of a government department or agency, for purposes of this definition, is an individual with a role or position that involves oversight of or influence over the Company's interests.

2.3. Anything of value: Anything of value is broadly defined and includes, but is not limited to:



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- Cash, cash equivalents or other monetary payments
- Travel, gifts, meals and entertainment
- Loans
- Discounts not offered to the general public
- An offer of employment
- Benefits for a family member or other person connected to a public official, such as employment, appointments, promotions, or internships
- Premium utility service
- Payments to a charity or charities
- Payment and benefits to entities controlled or beneficially owned by a public official
- Payment and benefits, such as contracts, with suppliers or vendors (including professional service firms)

2.4. Requests from public officials to assist with routine items, such as to assist constituents with customer service issues or to engage in routine public affairs communications and advocacy, are not within the definition of “anything of value.” If you have questions about whether your interactions with a public official are prohibited or otherwise restricted under this Policy, you have an obligation to seek advice in advance from the General Counsel’s office and/or the Chief Compliance & Ethics Officer.

2.5. “Lobbying Activities”: For purposes of this Policy, Lobbying Activities are those activities that are defined by law in various jurisdictions as lobbying. The following activities *may* constitute Lobbying Activities under the lobbying laws of any given jurisdiction:

- Any oral or written communication with a public official for the purpose of influencing their decision-making regarding (i) federal, state, or local legislation (for example, contacting a state legislator or staff member in an attempt to influence the passing or introducing of new or revised legislation); (ii) a formal rulemaking or ratemaking by a federal, state, or local executive branch agency (for example, contacting the state utilities commission to influence ratemaking); or (iii) the award or terms of a federal, state, or local government contract; or any other official decision of a governmental body.



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- 2.6. Internal Lobbyists: Internal lobbyists are employees of the Company who engage in Lobbying Activities on behalf of the Company to accomplish specified policy objectives.
- 2.7. External Lobbyists: External Lobbyists are individuals or entities that are under contract with the Company, and that engage in Lobbying Activities on the Company's behalf.
- 2.8. Political Consultants: Political Consultant means any person or entity that does not engage in Lobbying Activities, and that holds itself out as a person or entity that performs political consulting services.

3. POLICY

3.1. *Prohibited Conduct*

- 3.1.1. Exelon's Code of Business Conduct and our *Corporate Anti-Bribery and Anti-Corruption Program (LE-AC-6)* condemn and prohibit bribery and all other forms of corruption. As further described in this Policy, Exelon prohibits offering, promising, giving or authorizing others, such as lobbyists and political consultants, to give *anything of value*, tangible or intangible, either directly or indirectly, to any individual – including public officials – to gain an unfair business advantage or to influence improperly an official's decision-making with respect to the Company.
- 3.1.2. The term "anything of value" is intentionally broad to ensure that careful consideration and scrutiny is given to interactions with public officials. It includes things you may not recognize as valuable, such as benefits conferred on others at the request of a public official or their agent or intermediary, and benefits conferred to lobbyists, consultants, public officials' family members or friends, or public officials' current or former employees. The following are some examples of interactions that require careful scrutiny:
- Inviting public officials and their family members to a concert, sporting event, or other entertainment;
 - A public official's request to consider an individual for employment, promotion or other employment decisions;



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- A public official's request for honoraria for a speaking engagement;
- A public official's request or recommendation for the engagement of a particular lobbyist, political consultant, or vendor;
- A public official's request that a donation or contribution, whether monetary or in kind, be made to a particular charitable organization, trade association, or other organization; and
- A request by an agent or intermediary of a public official to provide anything of value to any person or entity, including to the public official.

A request for a campaign and corporate political contributions is addressed separately under our policy on *Corporate Political Contributions Guidelines (LE-AC-23)*.

3.2. *Procedures to Comply with Section 3.1*

3.2.1. To comply with the prohibition above and avoid the appearance of impropriety, it is imperative that all personnel, whether an employee or director, observe the requirements below on when they may provide anything of value to public officials. Many jurisdictions also have specific regulations and ethical rules that include gift limits on what public officials may accept from third parties and impose reporting requirements for anything of value provided to public officials.

3.2.2. In general, you may only provide anything of value to a public official if all of the following requirements are met:

- It is permitted by applicable federal, state, or local regulations and ethical rules that specify what public officials may accept;
- It does not exceed the gift ban limits in the jurisdiction;
- It is done infrequently; and
- It is not done for or because of any official act performed, or to be performed, by the public official for the Company.



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Charitable contributions made at the request of a public official (including the purchase of tickets to charitable events) are not considered things of value given to a public official but should be treated as requests made by a public official that are subject to the review required by Section 3.3.1.4 below.

- 3.2.3. If you are unsure whether you may provide anything of value to a public official consistent with the rules above, you must seek advice and advance written approval from the Compliance & Ethics Office. If a public official receives anything of value from or on behalf of the Company or any of its employees, officers, or directors that does not comply with the requirements above, you must immediately notify the Company's Chief Compliance & Ethics Officer.
- 3.2.4. Anything of value provided to a public official under this section must be reported to business unit level Government Affairs and accurately recorded in the Company's books and records. This requirement does not require reporting of refreshments of minimal value provided during meetings hosted by Exelon.
- 3.2.5. Each quarter, business unit level Government Affairs shall provide a written report to the Compliance & Ethics Office, with a copy to the Business Unit CEO and General Counsel, of reported gifts or anything else of value provided to public officials under Section 3.2.2.
- 3.3. ***Rules for Handling Requests from Public Officials***
- 3.3.1. Public officials, or others acting on their behalf, may at times request or solicit things of value from the Company. Exelon is committed to acting with integrity and transparency in its interactions with public officials. If you receive a request for anything of value from a public official, either directly or from someone acting on the public official's behalf, you must treat it with heightened attention. The following rules are designed to help ensure the Company does not agree to a request from a public official that would violate this Policy or the law:
 - 3.3.1.1. A request, referral, or recommendation from a public official to consider an individual for employment or promotion at the Company must comply with *Referrals, Recommendations, or Requests from Public Officials Regarding Employment Decisions (LE-AC-POL8-002)*.



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- 3.3.1.2. A request, referral, or recommendation from a public official to consider or hire a particular lobbyist or political consultant must comply with Section 3.4 of this Policy, set forth below, and the procedure on *Due Diligence and Monitoring Procedure for Third Parties Engaged in Political Consulting and Lobbying Activities (LE-AC-PCD-001)*.
- 3.3.1.3. A request, referral, or recommendation from a public official to consider or contract with a vendor or supplier must comply with *Vendors and Suppliers Affiliated with or Referred, Recommended, or Requested by Public Officials (LE-AC-POL8-003)*.
- 3.3.1.4. Any other request or solicitation for anything of value from a public official, or someone acting at the request of a public official, must be immediately reported in writing to Government Affairs for the relevant business unit, and the Compliance & Ethics Office. For all requests in the scope of Section 3.3.1.4:
 - 3.3.1.4.1. The Chief Compliance & Ethics Officer is responsible for the system that documents and tracks requests and how the Company responded to them consistent with the Prohibited Conduct and Restrictions set forth in this Policy.
 - 3.3.1.4.2. The business unit SVP responsible for Government Affairs shall promptly review the request and determine the appropriate response, consulting with the business unit General Counsel's office and other stakeholders as necessary to comply with the Prohibited Conduct and Restrictions set forth in this Policy. The business unit SVP responsible for Government Affairs shall communicate the proposed response to the request to the Chief Compliance & Ethics Officer, who is responsible for making the final determination that the proposed response is consistent with this Policy.
 - 3.3.1.4.3. The Chief Compliance & Ethics Officer shall provide quarterly reports to the Audit Committee of the Board of Exelon Corporation and to the Board of Directors of each business unit of all requests from public officials reported under this section and how the Company responded.
- 3.4. ***Internal Lobbyists, External Lobbyists, and Political Consultants***
 - 3.4.1. Exelon employs public affairs professionals to manage legislative, regulatory, and public policy issues at the federal, state, and local levels,



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and also utilizes external lobbyists and political consultants to support their work. The laws of the federal government, all 50 states, and many local jurisdictions require certain of these public affairs professionals and third parties acting on our behalf to register as lobbyists and to file periodic reports of their lobbying activities. To comply with these laws, Exelon adheres to the following requirements. This Policy supplements the procedures described in *Federal Government Affairs Process (GR-DO-30)*.

3.4.2. **Internal Lobbyists:**

3.4.2.1. The Company has designated Internal Lobbyists who must comply with all state and local lobbying laws. If you have a question about whether your activities are considered Lobbying Activities, or whether you must register as an Internal Lobbyist, you must seek advice from the subsidiary General Counsel.

3.4.2.2. Any employee who engages in Lobbying Activities on behalf of the Company may have to register and report as a lobbyist, depending on the applicable state and local lobbying law. Accordingly, we have established the following pre-approval and reporting requirements:

3.4.2.2.1. Employees must obtain prior approval from the subsidiary SVP responsible for Government Affairs prior to registering as a lobbyist on behalf of the Company and prior to engaging in any Lobbying Activities.

3.4.2.2.2. SVP responsible for Government Affairs may provide personnel with blanket approval for certain types of Lobbying Activities in specific jurisdictions or may provide approval for a limited scope of Lobbying Activities.

3.4.2.2.3. All persons acting as Internal Lobbyists shall report to Government Affairs in connection with all Lobbying Activities in which they engage.

3.4.3. **External Lobbyists and Political Consultants:**

3.4.3.1.1. The Company engages External Lobbyists and Political Consultants and has established detailed pre-approval, contractual, due diligence and monitoring requirements that govern the Company's relationship with all External Lobbyists and Political Consultants. Those requirements are set



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forth in a separate procedure: *Due Diligence and Monitoring Procedure for Third Parties Engaged in Political Consulting and Lobbying Activities (LE-AC-PCD8-001)*. Among other things, the procedure requires the following:

- 3.4.3.1.2. Pre-Approvals: Before any External Lobbyist or Political Consultant can be engaged, approvals must be obtained from each of the following: (1) SVP responsible for Government Affairs, business unit; (2) General Counsel, business unit; (3) CEO, business unit; and (4) Chief Compliance & Ethics Officer.
- 3.4.3.1.3. Contractual Requirements: Any External Lobbyist or Political Consultant acting on the behalf of the Company must have a written contract with Exelon or the subsidiary for which it is providing services. It is prohibited for an External Lobbyist or Political Consultant to subcontract any portion of their work for the Company to another party. Business unit level Government Affairs will be responsible for ensuring that each External Lobbyist or Political Consultant has a written agreement consistent with the requirements in this Policy.
- 3.4.3.1.4. Due Diligence and Monitoring: Exelon is committed to working with partners who share its commitment to integrity. Accordingly, Exelon performs due diligence on all third parties that engage in Lobbying Activities on its behalf, and monitors the services provided by those third parties during the course of their relationship with the Company. The procedures are administered by business unit level Government Affairs with oversight over and semi-annual reporting to Exelon's Chief Compliance and Ethics Officer.

3.4.4. External Disclosure Regarding Activities of Lobbyists and Political Consultants

- 3.4.4.1. Exelon is committed to transparency in its Lobbying Activities and political consulting activities and publicly discloses on the Company's websites the identity and other legally required disclosures about external lobbyists and political consultants acting on its behalf with public officials.

4. REPORTING POTENTIAL POLICY VIOLATIONS; NON-RETALIATION

- 4.1. Compliance with this Policy is critical to sustaining Exelon's integrity in its interactions with public officials. Exelon is committed to a culture that



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encourages employees to speak up when we see something that violates – or could possibly violate – the law or our policies, and seek help when we are unsure about the proper course of action. If you suspect a violation, or possible violation, of this Policy, you have an obligation to report your concerns. There are a number of ways to report possible violations, including to:

- The Compliance & Ethics Office at EthicsOffice2@exeloncorp.com
- The Ethics Help Line and Web Portal, both of which have anonymous reporting options and are available 24 hours a day, every day of the year.

For additional information on how to report concerns, you can consult Exelon's policy, *Reporting Potential Violations of the Code of Business Conduct* (LE-AC-204).

- 4.2. All reports will be treated confidentially to the fullest extent possible under the circumstances. Exelon will not tolerate retaliation against anyone who, in good faith, raises a question or concern about a potential violation of this Policy, our Code of Business Conduct, or potential non-compliance with any laws or regulations. Retaliation in any form – threats, harassment, intimidation, violence, reassignment, demotion, or firing – impedes our progress, has no place in our organization, and is subject to discipline, up to and including termination.



Compliance & Ethics Policy **Referrals, Recommendations, and** **Requests From Public Officials** **Regarding Employment Decisions**

LE-AC-POL8-002
Revision 0
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1. PURPOSE

- 1.1. Exelon Corporation, along with its subsidiaries (“Exelon” or “the Company”), is an Equal Opportunity employer committed to filling job vacancies by selecting the best-qualified, available candidates. We strive to consider a diverse pool of available, qualified internal and external candidates for job vacancies. At times, the Company receives requests, recommendations, and referrals from external sources, including public officials, to consider a candidate for employment or promotion at Exelon. Such a communication from a public official, whether to fill an entry-level position or a senior management role, requires heightened scrutiny to ensure that the request does not interfere with our commitment to fair employment practices. This Policy sets forth the standards and procedures applicable to any request, recommendation, or referral from a public official – directly or through an agent or intermediary – to consider a candidate for any position at the Company.
- 1.2. This Policy governs all employees, officers, and directors of the Company. This Policy supplements, but does ***not*** supersede, existing Human Resources policies and procedures on hiring and selection, including *External Recruiting (HR-AC-111)*, *Employment of Relatives (HR-AC-30)*, *Exelon Career Opportunity System (ECOS) (HR-AC-109)*, *Employee Referral Program (HR-AC-700)*, and *Recruiting, Hiring, and Employing Candidates from the Public Sector (HR-AC-58)*.
- 1.3. This Policy sets forth the following:
- The process to centralize and track requests, recommendations, or referrals from public officials, or their intermediaries or agents, that the Company consider a candidate for employment, including a paid or unpaid internship, or promotion;
 - The circumstances under which a Request disqualifies a candidate from consideration in hiring and promotion decisions; and



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- The escalation, review, and approval procedures that apply to any candidate who is the subject of a Request to ensure employment decisions regarding the candidate comport with Company policies and our commitment to fill job vacancies with the best-qualified, available candidates.

2. TERMS AND DEFINITIONS

2.1. The following are definitions for terms used in this Policy.

2.2. “Public official” or “government official”: Any official, officer, or employee of or candidate for a federal, state, local or municipal government department or agency, whether elected, appointed, retained or otherwise employed. An “employee” of a government department or agency, for purposes of this definition, is an individual with a role or position that involves oversight of or influence over the Company’s interests.

2.3. “Requests”: Any requests, recommendations, or referrals from public officials, or their intermediaries or agents, for the Company to consider a candidate for employment, including a paid or unpaid internship, or promotion.

3. POLICY

3.1. Reporting and Tracking Requests

3.1.1. Requests under this Policy may come to the Company from different avenues (emails, phone calls, in-person conversations), directly from public officials or indirectly by others acting on their behalf, and to Company personnel at different levels of seniority and in different business units. No matter how a Request is communicated to the Company, all personnel have an obligation to report Requests to the Chief Human Resources Officer and Exelon’s Chief Compliance & Ethics Officer.

3.1.2. The Compliance & Ethics office shall implement a system to document all Requests, including but not limited to who made the Request, the date of



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the Request, who received the Request, and the candidate(s) and position(s) covered by the Request (“Tracking System”).

3.1.3. The Tracking System shall be used to ensure compliance with Sections 3.2 and 3.3 below; to inform relevant stakeholders, including personnel in Human Resources, Government Affairs, and the Legal Department, of candidates who are the subject of Requests; and to facilitate periodic reporting of Requests and their disposition to Exelon’s Board of Directors and Audit Committee as well as business unit level boards, per Section 3.4 below.

3.2. **Prohibited Conduct**

3.2.1. Exelon is committed to making employment decisions based on objective criteria, including the position requirements and candidate qualifications, and its decisions shall not be determined by a Request. In certain circumstances, granting a Request may create the impression that a public official has undue influence on Company employment decisions, or could constitute a violation of Company policies or anticorruption laws. It is prohibited to hire or promote a candidate for the purpose of influencing a public official, even if no public official has made a Request with respect to the candidate.

3.2.2. Consistent with the *Corporate Anti-Bribery and Anti-Corruption Program (LE-AC-6)* and *Interactions with Federal, State, and Local Public Officials (LE-AC-POL8-001)*, if a Request is made or appears to be made in exchange for offering to perform, or as a reward for, an official act for the Company:

- The Request must be reported immediately to the Company’s Chief Human Resources Officer and Chief Compliance & Ethics Officer; and
- The candidate who is the subject of the Request shall be disqualified from consideration for any position at the Company.

3.2.3. A candidate who is the subject of a Request is also disqualified from consideration for employment with the Company if the candidate is the



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spouse, domestic partner, child, sibling, parent, or parent/child/sibling-in-law of the public official making the Request.

- 3.2.4. There may be circumstances where an existing Company employee – or a candidate seeking a position at the Company – is the spouse, domestic partner, child, sibling, parent, or parent/child/sibling-in-law of a current public official. For certain positions in the Company that have external-facing responsibilities, such a family relationship with a public official requires heightened scrutiny to ensure that personnel do not have a conflict of interest, *even where there is no Request made*. Those positions include (i) all officers of the Company and (ii) all employees in Government Affairs, Regulatory, Communications, and Legal (collectively referred to as “External Facing Personnel”). Accordingly, for any existing Company officer or External Facing Personnel – or a candidate seeking a position as an officer of the Company or as an External Facing Personnel – who is the spouse, domestic partner, child, sibling, parent, or parent/child/sibling-in-law of a current public official:
- The employee or candidate will be required to disclose the relationship to Human Resources through a conflict of interest disclosure form; Human Resources will report the relationship to the Company’s Chief Compliance & Ethics Officer for consideration, consistent with Company policies, of the relationship and potential for a conflict of interest;
 - The resolution of a relationship considered under this Section must be approved by: (1) SVP responsible for Government Affairs, hiring business unit; (2) General Counsel, hiring business unit; (3) CEO, hiring business unit; and (4) Chief Compliance & Ethics Officer.
- 3.2.5. Exelon’s Chief Compliance & Ethics Officer, together with HR, shall be responsible for ensuring that a candidate subject to the prohibitions in Section 3.2.2 or 3.2.3 of this Policy is disqualified from consideration for employment and appropriately documented in the Tracking System.



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3.3. Consideration of Candidates Subject to Requests

3.3.1. Any candidate who is the subject of a Request, and not otherwise disqualified from consideration under Section 3.2 of this Policy, may be permitted to pursue employment opportunities with the Company subject to the following requirements:

- The candidate must meet the qualifications and job requirements documented for the position to which the candidate wants to be considered, as determined by [designed position in] Human Resources;
- The candidate's name, qualifications as documented by Human Resources, and information captured in the Tracking System, must be submitted to the following individuals, who must provide advance written approval for the candidate to proceed with the application process for employment or promotion: (1) SVP responsible for Government Affairs, hiring business unit; (2) General Counsel, hiring business unit; (3) CEO, hiring business unit; and (4) Chief Compliance & Ethics Officer;
- There may be circumstances where a candidate who is the subject of a Request is seeking employment or promotion in a jurisdiction other than the jurisdiction in which the public official who made the Request serves. In those circumstances, it is critical that the SVP responsible for Government Affairs of the business unit that received the Request informs the SVP Government Affairs in any other business unit impacted by the Request;
- Exelon's Chief Compliance & Ethics Officer shall document in the Tracking System the bases for approval to submit the candidate to the hiring or promotion process; and
- If approved, the candidate shall go through the Company's documented selection and hiring processes applicable to the position, including but not limited to the sourcing and screening



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process, interviews, testing, and assessments. See for example the procedures set forth in *External Recruiting (HR-AC-111)*.

3.4. Semiannual Reporting

3.4.1. Every six months, the business unit General Counsel shall report to the business unit Board all Requests received under this Policy relevant to the business unit and their status. The reports shall include, but are not limited to:

- The number of Requests that fall under Section 3.2.2 and 3.2.3 of this Policy and the public official(s) who made the Requests;
- The number of Requests that fall under Section 3.3 of this Policy and whether any candidates who are the subject of those Requests have been hired by the Company.

3.4.2. In addition, every six months, the Company's Chief Compliance & Ethics Officer shall report to the Audit Committee of the Company's Board on all Requests received under this Policy and their status, including the information in 3.4.1 across all subsidiaries.

4. REPORTING POTENTIAL POLICY VIOLATIONS; NON-RETALIATION

4.1. Compliance with this Policy is critical to sustaining Exelon's integrity in its interactions with public officials. Exelon is committed to a culture that encourages employees to speak up when we see something that violates – or could possibly violate – the law or our policies, and seek help when we are unsure about the proper course of action. If you suspect a violation, or possible violation, of this Policy, you have an obligation to report your concerns. There are a number of ways to report possible violations, including to:

- The Compliance & Ethics Office at EthicsOffice2@exeloncorp.com
- The Ethics Help Line and Web Portal, both of which have anonymous reporting options and are available 24 hours a day, every day of the year.



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For additional information on how to report concerns, you can consult Exelon's policy, *Reporting Potential Violations of the Code of Business Conduct* (LE-AC-204).

- 4.2. All reports will be treated confidentially to the fullest extent possible under the circumstances. Exelon will not tolerate retaliation against anyone who, in good faith, raises a question or concern about a potential violation of this Policy, our Code of Business Conduct, or potential non-compliance with any laws or regulations. Retaliation in any form – threats, harassment, intimidation, violence, reassignment, demotion, or firing – impedes our progress, has no place in our organization, and is subject to discipline, up to and including termination.



Compliance & Ethics Policy **Vendors and Suppliers Affiliated** **With or Referred, Recommended, or** **Requested by Public Officials**

LE-AC-POL8-003
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1. PURPOSE

- 1.1. Exelon Corporation, along with its subsidiaries (“Exelon” or “the Company”), is committed to selecting qualified, reputable vendors and suppliers who share our commitment to integrity. At times, the Company receives requests, recommendations, and referrals from external sources, including public officials, to contract with a particular vendor or source materials from a particular supplier. Public officials may also have an ownership interest in or affiliation with vendors or suppliers that seek to do business with the Company. Hiring a vendor or supplier that is recommended by a public official, or owned or affiliated with a public official, requires heightened scrutiny to ensure that the public official’s relationship with the vendor does not potentially violate the law or interfere with our commitment to a robust sourcing and contracting process. This Policy sets forth the standards and requirements applicable to any request, recommendation, or referral from a public official – directly or through an agent or intermediary – for Exelon or its subsidiaries to select a particular vendor or supplier, as well as the process to review vendors and suppliers owned or affiliated with public officials who seek to contract with Exelon or its subsidiaries. This Policy does not address the selection of lobbyists and political consultants, which is addressed by *Interactions with Federal, State, and Local Public Officials (LE-AC-POL8-001)*, and *Due Diligence and Monitoring Procedure for Third Parties Engaged in Political Consulting and Lobbying Activities (LE-AC-PCD8-001)*.
- 1.2. This Policy governs all employees, officers, and directors of the Company, and applies to the hiring of vendors and suppliers by all business units. See *Authorization to Contract with Suppliers (SM-AC-4013)*.
- 1.3. This Policy sets forth the following:
- The requirements to centralize and track requests, recommendations, or referrals from public officials, or their intermediaries or agents, that the Company contract with a particular vendor or source materials from a particular supplier (collectively referred to as “Requests”);



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- The requirements to identify vendors and suppliers who are owned or affiliated with public officials (collectively referred to as “Covered Vendor/Supplier”); and
- The escalation, review, and approval requirements that apply to any vendor or supplier who is the subject of a Request and any Covered Vendor/Supplier to ensure procurement decisions comport with Company policies and due diligence procedures.

2. TERMS AND DEFINITIONS

2.1. The following are definitions for terms used in this Policy.

2.2. “Public official” or “government official”: Any official, officer, or employee of or candidate for a federal, state, local or municipal government department or agency, whether elected, appointed, retained or otherwise employed. An “employee” of a government department or agency, for purposes of this definition, is an individual with a role or position that involves oversight of or influence over the Company’s interests.

2.3. “Requests”: Any requests, recommendations, or referrals from public officials, or their intermediaries or agents, that the Company contract with a particular vendor or source materials from a particular supplier.

2.4. “Covered Vendor/Supplier”: Any vendor or supplier with an owner, beneficial owner (someone who has a 10% or greater financial interest in a vendor or supplier), director, officer, or Key Employee (a “Key Employee” is an agent, representative, broker or employee who will be compensated for or involved in conducting business with the Company); who is either:

(a) a current or former government official (within the past two years); or

(b) the spouse, domestic partner, child, sibling, parent, or parent/child/sibling-in law of a current or former government official (within the past two years).



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A publicly-traded company is not a Covered Vendor/Supplier for purposes of this Policy unless a Key Employee involved in the vendor's relationship with the Company is a current or recent former government official as described above.

3. POLICY

3.1. Reporting and Tracking Requests and Covered Vendors/Suppliers

- 3.1.1. Requests under this Policy may come to the Company from different avenues (emails, phone calls, in-person conversations), directly from public officials or indirectly by others acting on their behalf, and to Company personnel at different levels of seniority and in different business units. No matter how a Request is communicated to the Company, all personnel have an obligation to report Requests to Exelon's Chief Compliance & Ethics Officer.
- 3.1.2. The Compliance & Ethics Office shall implement a system to document all Requests, including but not limited to who made the Request, the date of the Request, who received the Request, and the vendor(s) or supplier(s) that are the subject of the Request ("Tracking System"). The Compliance & Ethics Office shall be responsible for determining which function in the Company has responsibility for reviewing the Covered Vendor/Supplier pursuant to the Company's established vendor selection processes reflected in the *Authorization to Contract with Suppliers (SM-AC-4013)*. Those functions include Supply as well other business units in the Company that have responsibility for selecting and contracting with vendors and suppliers outside of Supply.
- 3.1.3. The Tracking System shall be used to ensure compliance with this Policy; to inform relevant stakeholders, including personnel in Supply, Government Affairs, and the Legal Department, of vendors and suppliers who are the subject of Requests; and to facilitate semi-annual reporting of Requests and their disposition to Exelon's Board of Directors and Audit Committee and to the Board of Directors of the relevant subsidiary, per Section 3.4 below.



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- 3.1.4. A due diligence process will be implemented to identify whether a vendor or supplier is a Covered Vendor/Supplier. Covered Vendor/Suppliers will be tracked by the Compliance & Ethics Office in the Tracking System.
- 3.2. **Prohibited Conduct**
- 3.2.1. Exelon is committed to making procurement decisions based on objective criteria, including the qualifications and reputation of the vendor and the needs of the business units. In certain circumstances, granting a Request or selecting a Covered Vendor/Supplier may create the impression that a public official has undue influence on Company procurement decisions, or could constitute a violation of our policies or anticorruption laws. It is prohibited to select a vendor or supplier for the purpose of influencing a public official to take official action for the benefit of the Company, even if no public official has made a Request with respect to the vendor or supplier.
- 3.2.2. Consistent with *Corporate Anti-Bribery and Anti-Corruption Program* (LE-AC-6) and *Interactions with Federal, State, and Local Public Officials* (LE-AC-POL8-001), if a public official makes or appears to make a Request in exchange for offering to perform, or as a reward for, an official act for Exelon or any of its subsidiaries:
- The Request must be reported immediately to the Company's Chief Compliance & Ethics Officer; and
 - The vendor or supplier who is the subject of the Request shall be disqualified from consideration to provide any goods or services to the Company.
- 3.2.3. The Company's Chief Compliance & Ethics Officer, together with the business unit responsible for the procurement, shall ensure that a vendor or supplier subject to the prohibition in Section 3.2.2 of this Policy is not hired by the Company and the decision is appropriately documented in the Tracking System and the responsible business unit's procurement due diligence documentation.



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3.3. Consideration of Vendors and Suppliers Subject to Requests and Covered Vendors/Suppliers

3.3.1. Any vendor or supplier who is the subject of a Request, and not otherwise disqualified from consideration under Section 3.2 of this Policy, and any Covered Vendor/Supplier, may be considered for contracting and sourcing with the Company subject to the following requirements:

- The vendor or supplier must meet the qualifications and requirements for the contracting and sourcing work, as determined by the business unit responsible for the procurement decision;
- The vendor or supplier must go through the standard due diligence process administered by the business unit responsible for procurement; all vendors and suppliers subject to review by Supply must be reviewed in accordance with the *Materials and Services Procurement Procedure (SM-AC-400)*, including a competitive bidding process if applicable;
- If the vendor or supplier is being awarded a single-source or sole-source contract, the justification for not competitively bidding the contract and required approvals must be documented and maintained. (For vendors or suppliers subject to review by Supply, that process is specified in the *Single Source Procedure (SM-AC-4011)*.)
- Due diligence documentation for vendor selection including competitive bid evaluations and/or rationales for sole-source contracts, and information captured in the Tracking System, will be submitted to the following (1) SVP responsible for Government Affairs, business unit; (2) General Counsel, business unit; (3) CEO, business unit; and (4) Chief Compliance & Ethics Officer.

3.3.2. Before selecting and contracting with a Covered Vendor/Supplier or a vendor or supplier subject to a Request, the reasons to support the selection must be documented in the Tracking System and final written approval must be obtained from each of the following: (1) SVP responsible



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for Government Affairs, business unit; (2) General Counsel, business unit; (3) CEO, business unit; and (4) Chief Compliance & Ethics Officer. The final determination regarding whether to award a contract to the vendor or supplier under consideration also shall be documented in the Tracking System.

3.3.3. All Covered Vendors/Suppliers who are contracted to provide goods or services to the Company are subject to ongoing monitoring during the time they provide goods or services to the Company. The monitoring will be performed by the Company department responsible for managing the relationship with the Covered Vendor/Supplier. The monitoring will include, but is not limited to, the following:

3.3.3.1. Review of invoices to determine whether the invoices are consistent with contract terms and are supported with appropriate detail; and

3.3.3.2. Review of any proposed expansion of the goods or services to be provided by the Covered Vendor/Supplier.

3.4. Semiannual Reporting

3.4.1. Every six months, the business unit General Counsel shall report to the business unit Board on all Requests received under this Policy relevant to the business unit and their status. The reports shall include, but are not limited to:

- The number of Requests that fall under Section 3.2.2 of this Policy and the public official(s) who made the Requests;
- The number of Requests and Covered Vendors/Suppliers that fall under Section 3.3 of this Policy and whether any of those vendors or suppliers were awarded contracts with the business unit.

3.4.2. In addition, every six months, the Company's Chief Compliance & Ethics Officer shall report to the Audit Committee of the Company's Board on all Covered Vendors/Suppliers awarded contracts, and Requests received



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under this Policy and their status, including the information in 3.4.1, across all subsidiaries.

4. REPORTING POTENTIAL POLICY VIOLATIONS AND NON-RETALIATION

4.1. Compliance with this Policy is critical to sustaining Exelon's integrity in its interactions with public officials. Exelon is committed to a culture that encourages employees to speak up when we see something that violates – or could possibly violate – the law or our policies, and seek help when we are unsure about the proper course of action. If you suspect a violation, or possible violation, of this Policy, you have an obligation to report your concerns. There are a number of ways to report possible violations including to:

- The Compliance & Ethics Office at EthicsOffice2@exeloncorp.com
- The Ethics Help Line and Web Portal, both of which have anonymous reporting options and are available 24 hours a day, every day of the year.

For additional information on how to report concerns, you can consult Exelon's policy, *Reporting Potential Violations of the Code of Business Conduct* (LE-AC-204).

4.2. All reports will be treated confidentially to the fullest extent possible under the circumstances. Exelon will not tolerate retaliation against anyone who, in good faith, raises a question or concern about a potential violation of this Policy, our Code of Business Conduct, or potential non-compliance with any laws or regulations. Retaliation in any form – threats, harassment, intimidation, violence, reassignment, demotion, or firing – impedes our progress, has no place in our organization, and is subject to discipline, up to and including termination.