



# Strengthening Lobbying and Compliance Controls to Establish a World-Class Program for Compliance, Ethics and Accountability

Exelon is committed to the highest standards of integrity and ethical behavior. We took action to strengthen our compliance governance under the leadership of a new Executive Vice President of Compliance and Audit. We have substantially increased oversight of our interactions with public officials, implemented a series of new controls, and enhanced our guidance and training.

## Increased Oversight

**We have significantly increased the number and diversity of officials who must review and approve sensitive interactions, including by requiring:**

All requests, referrals, and recommendations from public officials for anything of value, or relating to hiring or the use of vendors, must be logged and routed to senior business officials and Compliance for review and approval. Only exceptions are routine requests for constituent assistance or information

Prompt reporting and tracking of anything of value provided to public officials, which includes but is not limited to cash or other monetary payments, entertainment, meals, benefits to public officials' family members, employment, and directed charitable contributions

Detailed tracking of all gifts, entertainment, and other things of value provided at the request of public officials

Detailed twice-yearly reviews of the activity of each lobbyist and political consultant, with reporting to Compliance senior business leadership, and operating company and Exelon Boards

Engagement of lobbyists and political consultants requires approval of senior business leadership and Compliance and must be reviewed annually

Disposition of requests is tracked and reported to operating company and Exelon Boards

Activity relating to public officials, including disposition of public official requests, must be regularly reported to Exelon and operating company Boards

## Strengthened Controls

**We have added multiple controls to reduce the risk of inappropriate conduct, including:**

Requiring new and existing lobbyists and political consultants to undergo a thorough due diligence process, which must be reviewed and approved by Compliance and senior business officials and refreshed annually

Establishing a process to identify and provide special scrutiny of vendors affiliated with public officials

Prohibiting the subcontracting of lobbying and political consulting work

Requiring detailed written contracts for lobbyists and political consultants, which specify the scope of work and require compliance with all applicable legal and ethics obligations

Requiring that lobbyists and political consultants provide detailed invoices describing their work, which must be reviewed and certified as appropriate before payment may be issued



“ My commitment to public integrity is what brought me to Exelon. The CEO and the board have made it clear we need a world-class compliance program that will ensure that nothing like the events described in the DPA ever happens again, and can serve as a model for other companies seeking to avoid this kind of misconduct. We're committed to reinforcing the expectation that all business interactions occur with the utmost integrity, to fortifying our compliance program, and to earning back the community's trust in ComEd. ”

— DAVID GLOCKNER, EXECUTIVE VICE PRESIDENT, COMPLIANCE AND AUDIT

## Increased Guidance and Training

**We have implemented four new mandatory policies governing interactions with public officials that spell out detailed rules and procedures for interactions with public officials, and provide a basis for accountability:**

### *1. Interactions with Federal, State, and Local Public Officials*

Establishes rules for providing anything of value to public officials and a framework for the reporting, review, and tracking of requests, referrals, and recommendations from public officials

Prohibits providing anything of value to or at the direction of a public official to improperly influence an official's decision-making

### *2. Due Diligence and Monitoring Procedure for Third Parties Engaged in Political Consulting and Lobbying Activities*

Establishes requirements for engaging and overseeing lobbyists and political consultants including rigorous due diligence, regular monitoring and transparent reporting to senior executives, Compliance and operating company boards

### *3. Referrals, Recommendations and Requests from Public Officials Regarding Employment Decisions*

Establishes procedures to ensure that requests and recommendations from public officials regarding employment decisions don't undermine Exelon's commitment to hire and promote the best-qualified, available candidates from a diverse and well-qualified applicant pool

Prohibits hiring or promoting candidates for purpose of improperly influencing public officials

Automatically disqualifies candidates if their hiring is requested or recommended by a public official who is a close relative

### *4. Vendors and Suppliers Affiliated with or Referred, Recommended, or Requested by Public Officials*

Establishes procedures to ensure that public official requests, recommendations, and referrals don't inappropriately influence procurement decisions

Prohibits engaging a vendor for the purpose of improperly influencing an official's decision-making

The policies, which apply across all Exelon subsidiaries in Illinois and all other jurisdictions where Exelon operates, are available on the Company's website [here](#).