



AUDIT AND RISK COMMITTEE CHARTER

Effective December 4, 2024

MEMBERSHIP

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

MEETINGS AND RESOURCES

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

The Committee has the authority to retain 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 fund the cost of the Committee’s advisors and consultants and ordinary administrative expenses of the Committee necessary or appropriate in carrying out its duties. The Committee may request any officer or employee of the Company or the Company’s outside counsel or independent auditor meet with any members of, or consultants to, the Committee. Without limiting the foregoing, the Company shall provide appropriate funding as approved by the Committee for services provided by the Company’s independent auditor for rendering or issuing an audit report or performing other audit, review or attest services.

PURPOSE

The primary purposes of the Committee are to (a) assist the Board in overseeing the independence, qualifications, and performance of the independent auditor, the integrity of the financial statements, accounting and financial reporting processes and audits of the Company’s financial statements and systems of internal control over financial reporting, and the performance of the internal audit function; and to assist the Board in providing oversight over the Company’s enterprise risk management program and ethics and compliance program. In addition to the powers and responsibilities expressly delegated to the Committee herein, the Committee may exercise any other powers and carry out any other responsibilities delegated to it by the Board. Cyber risk and cyber security matters are overseen by the Board of Directors and, to the extent such matters are considered and incorporated into Company reports filed with the Securities and Exchange Commission (“**SEC**”), also by the Committee. The Committee’s standing responsibilities are listed below, without limitation to the purposes described in this paragraph.

ROLE

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

RESPONSIBILITIES

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

The Committee shall:

1. Have sole authority to appoint, retain, terminate or replace the independent auditor, subject to shareholder ratification. The Committee shall be directly responsible for the compensation and oversight of the work of the independent auditor (including resolving disagreements between management and the independent auditor regarding financial reporting) for the purpose of preparing or issuing an audit report or performing other audit, review, or attest services. The independent auditor shall report directly to the Committee. The Committee shall preapprove all auditing services and permitted non-audit services, including the fees and terms thereof, to be performed for the Company and its subsidiaries by its independent auditor. The Committee may delegate authority to one or more members to grant preapproval of audit and permitted non-audit services, provided that decisions to grant preapprovals pursuant to the delegation shall be reported to the Committee at its next scheduled meeting.
2. Consider, in consultation with the independent auditor and management, the planned scope of the annual audit of financial statements, including a review of staffing and coordination of audit efforts between the independent auditor and the Chief Audit Executive.
3. Review and satisfy itself of the independence of the independent auditor, including a review of any out-of-scope services, and related compensation provided to the independent auditor. To that end, the Committee shall request that the independent auditor submit to the Committee on at least an annual basis a formal written statement delineating all relationships between the auditor and the Company consistent with applicable regulations or professional standards. The Committee is responsible for actively engaging in a dialogue with the independent auditor with respect to any disclosed relationships or services that may affect the objectivity and independence of the independent auditor, and for recommending that the Board take appropriate action to satisfy itself of the independent auditor's independence. The Committee shall ensure the rotation of the lead audit partner and the reviewing partner as required by law and regulation, and shall set clear hiring policies and monitor the hiring of employees or former employees of the independent auditor who participated in any capacity in the audit of the Company.

4. Review a report from the independent auditor at least annually regarding: (a) the independent auditor's internal quality-control procedures; and (b) any material issues raised by the most recent internal quality-control review, or peer review, or by the public company accounting oversight board, or by any inquiry or investigation by governmental or professional authorities within the preceding five years respecting one or more independent audits carried out by the firm, and any steps taken to deal with such issues.
5. Consider and review with the independent auditor and management: (a) the adequacy of the Company's internal controls over financial reporting; (b) emerging accounting standards and issues affecting the Company; and (c) any significant and related findings and recommendations of the independent auditor, together with management's response. The Committee shall discuss with the independent auditor the auditor's judgments about the quality, not just the adequacy, of the Company's accounting principles as applied in its financial statements. This discussion, usually with management present, will include such matters as consistency, clarity and completeness of the disclosures, as well as items having a significant impact on the representational faithfulness, verifiability, neutrality and consistency of the accounting information. The Committee shall also discuss with the independent auditor and management significant financial reporting issues and judgments made in connection with the preparation of the Company's financial reports, including any significant changes in the Company's selection or application of accounting principles.
6. Meet to review and discuss with the independent auditor and management the Company's annual audited financial statements and quarterly financial statements and related footnotes, including the Company's disclosures under "Management's Discussion and Analysis of Financial Condition and Results of Operations" and recommend to the Board whether the audited financial statements and related footnotes be included in the Company's annual report on Form 10-K.
7. Direct the independent auditor to conduct an interim review of quarterly financial statements prior to filing of the quarterly report on Form 10-Q with the SEC. The independent auditor and/or senior members of the Company's financial management group will discuss the quarterly report on Form 10-Q with the Committee, or in the event of the unavailability of the Committee, the Committee Chair, the results of the review and any significant adjustments, accounting estimates, significant new accounting policies, or disagreements with management prior to filing the report with the SEC. The Committee shall also discuss with the independent auditor the matters required to be discussed by applicable regulations or professional standards relating to the conduct of the audit.
8. Review: (a) reports from the independent auditor on all critical accounting policies and practices; (b) all alternative treatments of financial information within generally accepted accounting principles that have been discussed with management, the ramifications of the use of such alternative disclosures and treatments, and the treatment, if any, preferred by the independent auditor; and (c) any other material written communications between the independent auditors and management, such as any management letter or schedule of unadjusted differences.

9. Discuss with management the Company's earnings press releases, including the use of "pro forma" information, and financial information and earnings guidance provided to investors and rating agencies. Such discussions may be done generally as to the types of information disclosed and the types of presentations to be made, and the Committee need not discuss in advance each earnings release or each instance in which the Company may provide earnings guidance.
10. Review with management, on at least an annual basis, the Company's disclosure controls and procedures, including the certification process in connection with the requirements of the Sarbanes-Oxley Act of 2002 and the regulations of the SEC.
11. Review disclosures by the Company's Chief Executive Officer and Chief Financial Officer during their certification process for the Form 10-K and Form 10-Q about any significant deficiencies or material weaknesses in the design or operation of internal controls over financial reporting and any fraud involving management or other employees who have a significant role in the Company's internal controls over financial reporting.
12. At least quarterly, at a regularly scheduled meeting of the Committee, meet privately with the independent auditor without members of management in attendance.
13. Review an annual report prepared by the Corporate Controller on the recommended retention of the independent auditor (to be ratified by Exelon's shareholders at the annual shareholder meeting). The annual report shall include, among other things, the results of the independent auditor evaluation conducted by management and members of the Committee, a report on the firm's independence, qualifications, tenure as Exelon's independent auditor, and fees. On a biennial basis, the Committee shall review a report on the independent auditor's contract for services that also considers the firm's quality of services, and pricing of competitive services provided to peer companies by other firms. Based on the biennial report, the Committee shall approve proposed core auditor fees for the upcoming two-year period, estimated fees for non-core audit and audit-related services, and any other necessary and appropriate fees or services.

B. Internal Audit Function and Chief Audit Executive

1. Approve the appointment, replacement, or dismissal of the Chief Audit Executive.
2. Review and approve the internal audit risk assessment, annual work plan, staffing, and organizational structure.
3. Periodically review and approve the Exelon Audit Services Charter.
4. Review the effectiveness of the internal audit function, including compliance with the Standards for the Professional Practice of Internal Auditing of the Institute of Internal Auditors.
5. Confirm that there are no unjustified restrictions or limitations on internal audit.
6. Review the coordination of audit efforts between the internal audit staff and the independent auditor to ensure completeness of coverage and efficient use of audit resources.

7. Review with management and the Chief Audit Executive significant internal auditing findings and recommendations related to the adequacy of internal controls, compliance with policies and procedures, and effective and efficient use of Company resources, as well as management's response to the audit recommendations.
8. Meet separately with the Chief Audit Executive, at least quarterly, to discuss any matters that the Committee or the Chief Audit Executive believe should be discussed privately.

C. Risk Management Program

1. Oversee management's strategies for an enterprise-wide risk management program that identifies, measures, prioritizes, monitors, and responds to risks and evaluates compliance with risk management policies; and receive reports from the most senior risk officer and as appropriate other business and functional unit management on risk matters.
2. Oversee the policies and processes established by management to control the Company's material strategic, financial, operational, regulatory, business unit, reputational, compliance, and other risks and risk exposures, including environmental.
3. Oversee management's development of Company policies and processes relating to risk assessment, management, mitigation, and reporting including limits and tolerances, risk roles and responsibilities, risk mitigation decisions and risk-related assumptions.
4. Evaluate material failures in compliance with established risk management policies and procedures, and oversee the steps management has taken to address such failures in compliance with established risk management policies and procedures.
5. Oversee the Company's tax strategy and assessment of tax risks and related tax policies.
6. Oversee the Company's insurance program and make recommendations to the Board and management regarding insurance, including directors' and officers' liability insurance.
7. Consistent with the Delegation of Authority, recommend approval to the Board or approve and oversee implementation and integration of transactions such as mergers, acquisitions, joint ventures, strategic investments including equity investments, reorganizations, and divestitures.
8. Consistent with the Delegation of Authority, approve such other transactions as required, including capital expenditures.

D. Ethics and Compliance Program

1. Review the operations, policies and procedures comprising the Company's ethics and compliance program and the Code of Business Conduct and periodically assess its effectiveness.

2. Review policies and procedures with respect to prevention of illegal payments, conflicts of interest, or other questionable practices; and consider the results of monitoring of compliance with the Code of Business Conduct, particularly by officers and directors.
3. Oversee the Company's compliance with applicable laws and regulations and related risk assessments, review significant compliance incidents, and reports relating to interactions with public officials, and confirm that there are no unjustified restrictions or limitations on the compliance function.
4. Establish procedures for the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters, and the confidential, anonymous submission by employees of concerns regarding questionable accounting or auditing matters.

E. Legal and Regulatory Compliance Requirements

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

F. Annual Assessment of Performance and Charter Review

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

G. Reporting

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