

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

LE-AC-POL8-002
Revision 4
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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 “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.

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.

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- 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 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 the Audit and Risk Committee of Exelon’s Board of Directors 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 Policy Anti-Bribery and Anti-Corruption (LE-AC-60)* 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.

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- 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 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 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, or the Chief Compliance & Ethics Officer, 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 and Risk Committee of the Exelon Board of Directors 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

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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).

- 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.