

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

**Exelon Procedure  
LE-AC-PCD8-001  
Rev. 6**

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**Supersedes:** N/A  
**Review Type:** 1 year  
**Core Function:** Compliance & Ethics

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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 acting with integrity and consistent with 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

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diligence and ongoing monitoring of all third parties that engage in political consulting or lobbying activities on its behalf. This Policy describes due diligence and monitoring processes and procedures to be performed with respect to those third parties.

## 2. Terms and Definitions

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- 2.1. The following are definitions for terms used in this document.
- 2.2. “Covered Third Party”: All current and proposed External Lobbyists and Political Consultants, as defined below.
- 2.3. “Public Official”: Any elected or appointed official, candidate for elective office, and any employee of a federal, state, or local government department or agency. A “Public Official,” for purposes of this definition, is an individual with a role or position that involves oversight of or influence over the Company’s interests.
- 2.4. “Lobbying Activities”: Those activities defined by law as lobbying in jurisdictions where Exelon operates. Jurisdictions differ in how they define lobbying activities, but the definitions may include any communication with the executive or legislative branch of government with the intention to influence executive, legislative, or administrative actions. Giving public testimony and providing public comments on a proposal ordinarily are not considered lobbying activity. Exelon employees are responsible for understanding the requirements of the jurisdictions in which they engage in communications that may be considered Lobbying Activity.
- 2.5. “Internal Lobbyists”: Employees of the Company who engage in Lobbying Activities on behalf of the Company.
- 2.6. “External Lobbyists”: Individuals or entities not employed by the Company but that are retained or contracted to engage in Lobbying Activities on the Company’s behalf.
- 2.7. “Political Consultants”: Any person or entity not employed by the Company that does not engage in Lobbying Activities but provides consulting

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services based on communications with governmental bodies or advice concerning political processes or actions on behalf of the Company. This definition does not include persons or entities (a) acting as a consulting or testifying expert in connection with litigation or other formal proceedings pending before a court or administrative agency; (b) performing analyses of public policy based on publicly available information; or (c) providing legal representation or advice.

### 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 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

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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**

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### 4.1. **Government Affairs:**

4.1.1. This Policy is administered by the Government Affairs function in the business unit engaging the services of the Covered Third Party. Government Affairs must clearly document the due diligence steps taken as to each Covered Third Party and raise any warning signs identified in the process to Exelon's Chief Compliance & Ethics Officer.

## 5. **Process**

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### 5.1. ***Due Diligence Steps***

5.1.1. Prior to the Company's engagement or compensation of any Covered Third Party and thereafter on an annual basis, the head of Government Affairs for the relevant business unit must ensure that the steps set forth below are completed and the Covered Third Party is approved pursuant to Section 5.1.3.1. below.

5.1.1.1. 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;

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- 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
  - Recommendations that bear on the Covered Third Party's credentials and reputation.
- 5.1.1.2. Require the Covered Third Party to complete a *Due Diligence Questionnaire* (attached as Exhibit 1).
- 5.1.1.3. Review the completed *Due Diligence Questionnaire* and follow up with the Covered Third Party regarding responses that require further information or clarification.
- 5.1.1.4. 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 5.1.1.1 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 officer responsible for Government Affairs of the business unit for review and approval.
- 5.1.1.5. If the officer responsible for Government Affairs at the business unit level recommends that the Company discontinue its relationship with an existing Covered Third Party based on ethical concerns, the officer responsible for Government Affairs must notify the Chief Compliance & Ethics Officer and General Counsel of the relevant business unit.
- 5.1.2. Decision-Making:
- 5.1.2.1. Before any Covered Third Party can be engaged, the following approvals must be obtained concurrently: (1) officer responsible for Government

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Affairs, business unit; (2) General Counsel, business unit; and (3) Chief Compliance & Ethics Officer.

## 5.1.3. Annual Due Diligence Update for Covered Third Parties

5.1.3.1. For any Covered Third Party approved to provide services to the Company under this Policy, Government Affairs will repeat the due diligence steps set forth in section 5.1.1 for the Covered Third Party at least annually.

## 5.2. **Written Agreement**

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

- A clearly defined scope of work to be performed by the External Lobbyist or Political Consultant and terms of payment;
- 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 and Supplier Code of 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 the Company has a written agreement consistent with these required terms with each approved Covered Third Party. Government Affairs shall use the standard template agreement – Form 202, Government Relations Consulting Agreement (attached as Exhibit 3) – or obtain review and approval from the Chief Compliance & Ethics Officer before using an alternative agreement form.

### 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, and federal, state, and local lobbying laws and regulations. If Government Affairs receives any information that indicates a Covered Third Party may be engaged in conduct that could violate

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Company policies, lobbying laws or regulations, or anti-bribery laws, it must immediately escalate that information to the business unit General Counsel and Exelon's Chief Compliance & Ethics Officer.

5.3.2. For each Covered Third Party, Government Affairs (or Regulatory Affairs or Corporate Affairs if either function has vetted and engaged a Political Consultant) 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 are 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. Twice-Yearly Performance Reviews:

- In addition to routine monitoring of Covered Third Parties' activities required in section 5.3., the Government Affairs personnel in charge of supervising the engagement with each Covered Third Party shall conduct twice-yearly performance reviews with the relationship contact at the Covered Third Party ("Performance Review") and prepare a *Lobbying/Political Consulting Firm Performance Review Assessment Form* (attached as Exhibit 4). The first of the Twice-Yearly Performance Reviews should review each Covered Third Party's performance during the period from the immediately prior six-month period and shall be completed no later than June 15. The second of the Twice-Yearly Performance Reviews should review each Covered Third Party's performance during the immediately prior six-month period and shall be completed no later than December 15. One of the



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Performance Reviews for each Covered Third Party shall be an in person or video meeting between the officer responsible for Government Affairs, or his or her designee in Government Affairs, and the relationship contact at the Covered Third Party.

- Topics to be assessed during the Performance Reviews include but are not limited to:
  - work performed by the Covered Third Party on behalf of the Company;
  - activities performed by the Covered Third Party during the review period, including details regarding contacts between Covered Third Party personnel and public officials, such as the individuals involved in those contacts and the contents of communications;
  - the quality of services, advice, and expertise provided;
  - 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 sub-certification that the Performance Review was completed to the business unit officer responsible for Government Affairs. The sub-certification shall indicate whether continued engagement of the Covered Third Party is warranted.
- For the Performance Review to be completed no later than June 15, the business unit level officer responsible for Government Affairs shall 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

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the business unit level officer responsible for Government Affairs took any necessary action based on that review.

- For the Performance Review to be completed no later than December 15, the following personnel will be notified of the completion of the performance review, provided a copy of Exhibit 4 for each Covered Third Party, and informed of the continued engagement of Covered Third Parties: (1) the Exelon officer responsible for Government Affairs, business unit; (2) General Counsel, business unit; and (3) Chief Compliance & Ethics Officer.

## 6. **Documentation**

- 6.1. Government Affairs shall be responsible for maintaining for a period of five years:
- 6.2. The completed Due Diligence Questionnaire and Assessment and Recommendation for Engagement of Lobbyist or Political Consultant for all approved Covered Third Parties while the Covered Third Party is engaged by the Company.
- 6.3. All written agreements with Covered Third Parties required in Section 5.2;
- 6.4. All Performance Reviews and certifications prepared under Section 5.3.2.2;

## 7. **Reporting Potential Policy Violations; Non-Retaliation**

- 7.1. Compliance with this Policy is important 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 to 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 concerns or ask questions about these policies, including through:

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- The Compliance & Ethics email account at EthicsOffice2@exeloncorp.com
- The Ethics Help Line (800-233-8442) and Web Portal (employee access to Web Portal is here).

Both the Ethics Help Line and Web Portal 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, LE-AC-204, *Reporting Potential Violations of the Code of Business Conduct and Supplier Code of Conduct*.

- 7.2. All reports will be treated confidentially to the fullest extent possible under the circumstances, consistent with the requirements of LE-AC-204, *Reporting Potential Violations of the Code of Business Conduct and Supplier Code of Conduct*. 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.

## 8. **References**

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- 8.1. LE-AC-POL8-001, Interactions with Federal, State, and Local Public Officials
- 8.2. LE-AC-204, Reporting Potential Violations of the Code of Business Conduct and Supplier Code of Conduct

## 9. **Attachments**

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- 9.1. LE-AC-PCD8-001-1, Exhibit 1, Due Diligence Questionnaire for Lobbyists and Political Consultants

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- 9.2. LE-AC-PCD8-001-2, Exhibit 2, Assessment and Recommendation for Engagement of Lobbyist or Political Consultant
- 9.3. LE-AC-PCD8-001-3, Exhibit 3, Governmental Relations Consulting Agreement
- 9.4. LE-AC-PCD8-001-4, Exhibit 4, Lobbying/Political Consulting Firm Performance Review Assessment Form

10. **Development History**

Revision 0	Date: 07/01/2020
Writers/Reviewers/ Approvers	Kathleen Barron David Brown John Corse Carter Culver David Dardis Brad Fewell Tony Gay Dave Glockner Veronica Gomez Kris Keys Liz Murphy Alex Nunez Rodney Oddoye Judy Rader Wendy Stark Melissa Washington
Reason Written	New policy to due diligence and oversight of lobbyists and political consultants

Revision 1	Date: 01/15/2021
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Writer/Reviewer/Approver	Kris Keys
Reason Revised	Updated review cycle from 2 years to 1 year

<b>Revision 2</b>	<b>Date: 05/15/2021</b>
Writers/Reviewers/ Approvers	Kathleen Barron David Brown John Corse David Dardis Tony Gay Dave Glockner Veronica Gomez Kris Keys Liz Murphy Rodney Oddoye Judy Rader Clark Stalker Melissa Washington
Reason Revised	Confirms either Regulatory Affairs, or Corporate Affairs functions may also engage a political consultant; Requires Regulatory Affairs or Corporate Affairs functions to conduct monitoring and oversight for political consultants those departments have vetted and engaged; Directs functions to prepare a (NEW) Lobbying/Political Consulting Firm Performance Review Assessment Form (attached as Exhibit 4); Permits in-person or virtual performance review meetings; Requires delivery of completed Exhibit 4 to BU officer responsible for GA, BU GC, CEO, and Compliance; Incorporates new Exhibit 4, Lobbying/Political Consulting Firm Performance Review Assessment Form

<b>Revision 3</b>	<b>Date: 10/14/2021</b>
Writers/Reviewers/ Approvers	David Glockner Gayle Littleton Kathleen Barron

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	David Brown Kristopher Keys
Reason Revised	Modifies questions 9 and 10 in Exhibit 1 to ask about government employment more generically; Removes Attachment 2

<b>Revision 4</b>	<b>Date: 01/14/2022</b>
Writers/Reviewers/ Approvers	David Glockner Glenn Rippie Kristopher Keys
Reason Revised	Revised sections 2.3 and 2.8 to ensure consistent definitions across policies

<b>Revision 5</b>	<b>Date: 06/30/2022</b>
Writers/Reviewers/ Approvers	David Glockner Kristopher Keys
Reason Revised	Revised section 5.3.4.2 to reflect the Audit and Risk Committee of the Exelon Board will receive reports; updated Exhibit 3, paragraph 14 to require notice to the company should the third party receive a subpoena, or become aware of a cyber incident affecting its computer systems; enhanced Exhibit 4 by removing the cybersecurity question, requiring an explanation for the decision to either continue or end the contract, and specifying whether the evaluation occurred in person; and removed Constellation and Exelon Generation, LLC, from Attachment 1

<b>Revision 6</b>	<b>Date: 04/19/2024</b>
Writer	Cheryl Crumpton
Reviewer/Approver	David Glockner
Reason Revised	Revised section 5.1.1 to clarify that the due diligence steps specified must be conducted before engagement and then at least annually thereafter; revised section 5.1.2.1 to eliminate requirement that the BU CEO approve retention of a Covered Third Party initially and then annually thereafter; revised section 5.1.1.5 to clarify that decisions to discontinue a relationship with a Covered Third Party need only be reported to the Chief

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	<p>Compliance &amp; Ethics Officer and the BU General Counsel if the relationship is discontinued for ethical reasons; revised section 5.2.2 to replace the absolute prohibition of retention of a Covered Third Party using anything other than the standard template agreement with a requirement that Government Affairs seek and obtain approval of the Chief Compliance &amp; Ethics Officer to use a non-template agreement; revised section 5.3.1 to remove requirement that Government Affairs report potential violations of policy or law to the Chief Legal Officer in addition to the BU General Counsel and Chief Compliance &amp; Ethics Officer; revised section 5.3.2.2 to provide due dates for Performance Reviews for Covered Third Parties and removed requirement that the business unit General Counsel provide a certification in addition to the certification from the officer overseeing Government Affairs; revised section 5.3.3.3 to eliminate five-year retention requirement for DDQs for firms the company did not retain; and removed section 5.3.4 pending replacement with new reporting requirements anticipated in connection with court settlement.</p>
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## 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 where your company is considering doing business with Exelon. Exelon will maintain the confidentiality of the information you provide, unless the Company 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.

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:



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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 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 unit of government, or any executive branch agency or regulatory body at the federal, state or local level?
  - 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.

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- 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 unit of government, or executive branch agency or regulatory body at the federal, state or local level?
- 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.
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:

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- 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.
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 *Interactions with Federal, State, and Local Public Officials (LE-AC-POL8-001)*?
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 (LE-AC-POL8-001)*?
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 (LE-AC-POL8-001)*, 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 (LE-AC-POL8-001)*, applicable lobbying laws and regulations, and anti-corruption laws.

Signature \_\_\_\_\_

Position \_\_\_\_\_

Date \_\_\_\_\_

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## Exhibit 3

### GOVERNMENTAL RELATIONS CONSULTING AGREEMENT

This Governmental Relations Consulting Agreement (“Agreement”) is made as of the [date] day of [month], [year], between [insert legal name of Exelon Company] (“Company”) a subsidiary of Exelon Corporation (“Exelon”) with offices at [insert street address, city, state and ZIP code] and [insert legal name of Consultant] (“Consultant”), a government affairs firm with offices located at [insert street address, city, state and ZIP code].

WHEREAS, Consultant has experience in assisting clients at the federal, state and/or local level with lobbying and government relations advisory services, and

WHEREAS, Company desires to engage Consultant for the provision of lobbying and or government relations advisory services to support the Company’s governmental outreach efforts.

**NOW, THEREFORE**, in consideration of the mutual promises hereinafter contained, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

- 1. Advisory Services.** Consultant will advise Company on legislative issues affecting Company and its subsidiaries, work with and engage appropriate committees, leadership, and individual members to facilitate Company’s agenda (the “Services”) [as further described in Attachment “A” hereto.]. The Company expressly prohibits Consultant from subcontracting any portion of the scope of work. In this role, Consultant shall also assist Company in its legislative risk management activities and expanding its government outreach activities. Consultant agrees to perform the Services in a diligent, responsible and competent manner and to complete the Services on or before any completion dates specified by Company. Consultant further agrees to furnish Company, from time to time, with such reports regarding the status and progress of assignments and/or Consultant findings and conclusions with respect to the Services, and in such degree of detail, as may be requested by Company. Consultant shall take direction from [insert full name, title, mailing address, telephone number and email of Company officer or employee], or such other person as directed by the Company.
- 2. Standards of Professional Conduct.** Consultant will perform all Services assigned to it in a competent manner consistent with the ordinary degree of skill and care required for the applicable business, profession and trade. Consultant will fully comply with all Laws of any governmental authority that are applicable to the Services, including anti-corruption laws, as well as any of Consultant’s obligations under the Agreement. Consultant will comply with all policies and procedures of Company and any of its affiliates, including the Exelon Corporation Code of Business Conduct, which have been provided to Consultant.
- 3. Legal Filings.** If applicable, Consultant shall register under federal, state or local lobbying disclosure requirements, on behalf of itself or the Company. Thereafter Consultant will be required to file reports detailing



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its lobbying activities on the Company's behalf ("Lobbying Reports"). In addition, for Company to comply with its own reporting requirements, Consultant shall provide Company with accurate and timely information on its lobbying activities as further described below. Consultant will comply with all Federal, State and Local statutes, regulations, anti-corruption laws and ethics rules governing its activities on behalf of Company.

**Reporting.** The aforesaid Services to be performed and the hours Consultant should work on any given day will be entirely in the Consultant's control; provided, however Company will rely on the Consultant to put in such number of hours as is reasonably necessary to fulfill the spirit and purpose of the Agreement. Consultant shall keep Company well informed of activities conducted on its behalf. Any work product delivered to Company will be the sole and exclusive property of Company. In addition, Consultant shall submit monthly written reports, along with each invoice described in Section 9, detailing Services performed during the month including time, place, subject matter and name of contacted office holder or official of each such lobbying activity (the "Monthly Report"). The Monthly Report shall also include a confirmation that Consultant's answers to the Company's

4. Due Diligence Questionnaire for Lobbyists and Political Consultants submitted on [month] [date], [year], are still accurate, or describe any revisions thereto, and list any Lobbying Reports filed by Consultant in the last 30 days relating to work performed on behalf of the Company.
5. **Term.** Consultant's duties under this Agreement shall commence on [month] [date], [year] and continue until [month] [date], [year]; provided that the parties may renew this Agreement for an additional time period as may be further agreed in writing. Compensation is earned on a monthly basis.
6. **Independent Contractor Status.** It is understood that Consultant is an independent contractor and is not an employee, agent, partner, spokesperson or representative of Company, and shall not hold itself out to the public as an employee, agent, partner, spokesperson or representative of Company.
7. **Employees of Consultant.** Consultant personnel will maintain all professional qualifications, licenses, permits, certifications and skills and appropriately complete all training required by applicable laws or necessary for performance of the Services. Such persons shall not be deemed employees of Company. Consultant shall be solely responsible for all necessary insurance and payroll deductions for such persons, including, but not limited to, federal, state, and local income taxes, social security taxes, unemployment compensation taxes, and workers' compensation coverage, and any other fees, charges or licenses required by law.
8. **Comparable Services.** Consultant may engage in any other business with other clients and is not required to work exclusively for the benefit of Company. However, during the term of this Agreement, [at the (define) Federal, State, Local level] Consultant shall not, without Company's prior consent, provide government affairs services for an electric generation supplier, electricity supplier, or utility company other than Company or its affiliates, or for any other entity that advocates in a manner that is inconsistent with Company's interests.
9. **No Solicitation.** During the term of this Agreement and for a period of one year after its termination, Company

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will not for its purposes or its affiliates, solicit or attempt to employ any Consultant employee, unless Company has received the prior written approval of Consultant. Notwithstanding the above, generalized advertisement of employment opportunities and generalized employee searches by headhunter firms shall not be deemed to cause a breach of this non-solicitation restriction.

10. Nondiscrimination. No person on the ground of handicap, race, color, religion, sex, sexual orientation, age, or national origin, will be excluded from participating in, or be denied benefits of, or be otherwise subjected to discrimination in the performance of this contract, or in the employment practices of Consultant. Consultant shall, upon request, show proof of such non-discrimination and shall post in conspicuous places available to all employees and applicants, notices of non-discrimination. Consultant has (i) provided company with its written nondiscrimination policies and (ii) completed or shall complete, any nondiscrimination or sexual harassment training as required by the jurisdictions encompassing the Services. [See Exhibit \_\_\_ for any state specific requirements]
11. Compensation.
  - a) Monthly Fees. As consideration for the monthly services of Consultant, as described herein, Company shall pay Consultant [insert amount in words] dollars (\$[#,###.00]) per month, plus sales tax if applicable (the "Purchase Price"). Except for state sales or use taxes that apply, the Purchase Price is inclusive of any and all taxes, fees, excises, and charges which are now or hereafter imposed by federal, state, municipal or local public authority with respect to the prices set forth, and Company shall not be required or obligated to reimburse Consultant for any taxes or similar expenses which may arise or be incurred in connection with this Agreement. Compensation is earned on a monthly basis.
  - b) Expenses. Company shall reimburse Consultant for other reasonable and appropriate out-of-pocket costs such as travel, meals, accommodations, courier and shipping at cost, as incurred. Travel and costs greater than \$250 shall be pre-approved by Company.
12. Invoices; Payments Thereof. Consultant will submit invoices on a monthly basis to Company for costs and expenses incurred under the terms of this Agreement, along with the Monthly Report. Reimbursable costs must be submitted within 60 days from incurrence. Upon receipt of the monthly invoice and a satisfactory Monthly Report, payment will be made to Consultant within 45 days.
13. Insurance. Consultant shall maintain minimum insurance coverage with carriers authorized to conduct business in [location of Consultant] including: (a) Workers Compensation insurance with statutory limits; (b) Employer's Liability Insurance with a limit of not less than one million dollars (\$1,000,000); (c) Commercial general liability insurance with a limit of not less than one million dollars (\$1,000,000) per occurrence; and (d) excess or umbrella liability insurance coverage with a limit of not less than four million dollars (\$4,000,000.00). The liability limits hereunder may be met with any combination of primary and excess or umbrella insurance policy limits.

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14. Disclosure and Confidentiality. All non-public information provided to Consultant by Company will be considered Confidential Information and shall be maintained as such by Consultant until the same becomes known to third parties or the public without release thereof by Consultant, or unless Consultant is otherwise ordered by a court of law or governmental authority (e.g., via subpoena) to release such information, *provided*, that in such instance, Consultant shall notify Company as promptly as possible of such obligation to release Confidential Information. Consultant shall take all necessary steps to safeguard the confidentiality of such material or information. Consultant will give Company notice as set forth herein before making such disclosure of non-public information. Consultant agrees to notify Company immediately upon receiving reason to believe that persons or entities are seeking to obtain any Confidential Information from Consultant. Further, Consultant agrees to immediately notify the Exelon Security Operations Center at 1-800-550-6154 upon becoming aware of any indicator of compromise (e.g., business email compromise) or other cybersecurity event affecting Consultant's computer systems. Consultant will use Confidential Information only in connection with the performance of Services under this Agreement.
15. Governing Law. This Agreement shall be subject to and governed by the procedural and substantive laws of [insert name of Commonwealth or State], without regard to the conflict of law provisions thereof.
16. Termination of Agreement. This Agreement shall terminate upon the expiration of its term described in Section 3, subject to the right of either party to terminate this agreement without cause for any reason with 10 business days prior written notice, and such termination shall not be deemed a breach by the other party. For termination without cause, Consultant shall be compensated for all months worked prior to such termination, but not for months remaining in the original Term. In the case of a breach by Consultant, including but not limited to failure to adhere to the Standards of Professional Conduct as described in Section 2, or to provide Company satisfactory reports as described in Section 3, this Agreement may be suspended or terminated immediately. Within 5 business days of termination, or as otherwise required by law, Consultant shall notify any applicable regulatory or reporting agencies that the lobbying engagement has ended.
17. Notices. Whenever notices are required to be given under this agreement, such notices shall be sufficiently given or made if in writing and sent by certified mail, return receipt requested, or by a nationally recognized overnight courier to the address for the party as set forth below. The notice will be effective upon receipt. Each party may change its address for notification purposes by giving the other party written notice of the new address and the date upon which it will become effective.

In the case of Company:

[insert legal name of Exelon Company]  
Attn: [insert full name and title]  
Address [insert full mailing address]  
Tel: [insert telephone number]  
Email: [insert email address]

In the case of Consultant:

[insert legal name of Consultant]  
Attn: [insert full name and title]  
Address [insert full mailing address]  
Tel: [insert telephone number]  
Email: [insert email address]

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with a copy of Notices of default, dispute or legal action to

with a copy of Notices of default, dispute or legal action to

Exelon Corporation  
Attn: Vice President, Deputy General Counsel and Chief Compliance and Ethics Officer  
10 South Dearborn Avenue  
Chicago, Illinois 60603  
Tel: 800-483-3220  
Email: legalnotices@exeloncorp.com

18. Survival. Each covenant and agreement contained in this Agreement that by its terms contemplates performance after any termination, shall survive termination until such covenant or agreement has been fully performed in accordance with its terms.
19. Waiver. The waiver by either party of any covenant, obligation or breach of this Agreement shall not operate as, or be construed as, a waiver of any other such covenant, obligation or breach hereof.
20. Severability. If any terms and conditions of this Agreement are held to be invalid or unenforceable as a matter of law, the other terms and conditions hereof shall not be affected thereby and shall remain in full force and effect. To this end, the terms and conditions of this Agreement are declared severable.
21. Indemnification. Consultant agrees that it will indemnify and hold harmless Company, its officers, directors, employees, agents, subsidiaries and affiliates, from and against any and all losses, claims, damages, liabilities, costs or expenses (including reasonable attorney's fees) incurred which relate to or arise out of or are in connection with any act, omission, conduct, negligence or breach of the terms of this Agreement by Consultant.
22. Headings. The headings are inserted for convenience only and shall not be considered when interpreting any of the provisions or terms hereof.
23. Entire Agreement. This Agreement constitutes the entire agreement between the parties and supersedes all prior agreements or understandings between Company and Consultant regarding the matters related hereto. No change, modification or waiver of any term of this Agreement shall be valid unless it is in writing and signed by both parties.

*[Signature page follows]*

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In witness whereof, each of the parties hereto has executed this contract in duplicate originals; one of which is retained by each of the parties.

[CONSULTANT]

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

[COMPANY]

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

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EXHIBIT A  
SCOPE OF SERVICES

[Insert description of services if applicable only to a specific project]

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## Exhibit 4

### Lobbying/Political Consulting Firm Performance Review Assessment Form

**Business Unit:** BSC/Operating Company  
**Department:** BSC/Operating Company Department  
**Name of Firm:** ABC Consulting  
**Performance Period:** MM/DD/YYYY – MM/DD/YYYY

---

This Assessment is being completed as required in the Due Diligence and Monitoring Procedure for Third Parties Engaged in Political Consulting and Lobbying Activities (LE-AC-PCD8-001), Section 5.3.2.2, pertaining to Twice-Yearly Performance Reviews. The business unit officer responsible for Government Affairs shall receive and provide notification and evidence of completion of these reviews as noted in the procedure.

**1) Has this firm completed the Due Diligence Questionnaire for lobbying and political consulting firms pursuant to LE-AC-PCD8-001, Section 5.1.1.2?**

Yes/No – Date Completed/Path to Completion

**2) Has this firm identified any material changes to its Due Diligence Questionnaire since its most recent submittal?**

Yes/No – If Yes, provide explanation and actions taken

**3) Has this firm provided information on its invoices in compliance with company processes, and detailed the activities performed for the relevant time period?**

Yes/No

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- 4) Has the firm provided sufficient information regarding who from the firm had contacts with public officials, which public officials were contacted, and the subject and content of those contacts?**

Yes/No

- 5) Did the quality of services provided in the reporting period, including advice and expertise demonstrated by the firm, meet or exceed expectations?**

Yes/No

- 6) Has this firm completed the necessary reporting of lobbying activities at the federal, state or local level pursuant to their contractual agreement, and remained current with jurisdictional certification and training requirements?**

Yes/No - If No, please explain (including actions taken as a result)

- 7) Have any issues been raised, either internally or externally, regarding this firm pertaining to the performance of their activities or any other areas of concern (including facts that could affect the reputation of the Company by association)?**

Yes/No – If Yes, explain (including actions taken as a result)

- 8) In your opinion, has this firm adequately provided the services denoted in their contractual agreement, and were the activities commensurate with the compensation provided?**

Yes/No – If No, please explain (including actions taken as a result).

- 9) Do you recommend that this firm continue its engagement under their current contractual agreement?**

Yes/No – If Yes, please explain in two or three sentences the basis for the recommendation to continue engaging the firm.



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If No, please identify the reason(s) for terminating the contract (e.g., primary lobbyist left to join another firm, the company made a business decision to reduce the number of external lobbyists, different expertise required at this time, etc.) and actions taken as a result.

## Certification of Assessment Completion

Assessment Completed By: (Signature) \_\_\_\_\_

Print Name and Title: \_\_\_\_\_

Assessment Completion Date: MM/DD/YYYY

Manner in which Assessment Completed:  In-Person  
 Virtually (i.e., via conference call)

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## Attachment 1

- Atlantic City Electric Company
- Baltimore Gas & Electric Company
- Commonwealth Edison Company
- Delmarva Power & Light Company
- Exelon Business Services Company
- PECO Energy Company
- PHI Service Company
- Potomac Electric Power Company