



## **Exelon Group Tax Policy**

### **For the Financial Year Ended December 31, 2020**

**The following information is provided in compliance with Section 161 and Schedule 19, paragraph 16(2) of the U.K. Finance Act 2016 and applies to Exelon Generation Limited and all related UK based entities for the financial year ended December 31, 2020.**

Exelon Corporation (“Exelon” or the “Company”) serves more than ten million customers in the United States company that works in every stage of the energy business: power generation, competitive energy sales, transmission and delivery.

This strategy sets out the Company’s policies and approach to tax matters and is reviewed on an annual basis.

#### **1) Approach to Risk Management and Governance in Relation Tax**

Exelon is committed to maintaining the highest ethical standards to ensure we operate in full compliance with applicable laws and regulations.

Our approach to responsible risk management and governance in relation to tax affairs is to maintain integrity in all aspects of the Company’s tax obligations in pursuit of our business objectives. From a tax compliance and reporting perspective, this means paying the correct amount of tax under the law in a timely manner.

We also ensure that business decisions affecting tax matters are consistent with the Company’s overall risk management policies and governance frameworks, with oversight by the Exelon Board of Directors and the Audit and Risk Committee.

The day-to-day management of tax risks, tax planning and reporting functions are performed by Exelon’s internal tax department.

#### **2) Attitude Towards Tax Planning**

We work with relevant business constituents and stakeholders as part of an overall strategy in pursuit of our business objectives and from time to time, this may include certain tax planning guidance. While taxes may be considered as part of evaluating how a contemplated transaction may be structured, all transactions are undertaken with a valid commercial purpose.

Our approach to tax planning is focused on transparency, accurate reporting, and is supported by strong technical positions based on all relevant facts. The importance of the business transaction will in no circumstances override compliance with all applicable laws and will be conducted in a manner consistent with Exelon’s Code of Business Conduct

Due to the complex nature and continuous changes to tax laws in various jurisdictions, we may seek guidance and support from external tax advisers for certain complex transactions, however, responsibility for ultimate tax decisions remain with Exelon Tax.

### **3) Level of Acceptable Tax Risks**

The level of tax risks which Exelon is willing to accept is consistent with our Company's overall risk management policies. As part of our overall decision-making and acceptable risk assessment process, due consideration is given to Exelon's reputation, brand, corporate and social responsibilities when considering tax risks arising from all business transactions.

### **4) Approach of the Group towards dealings with HMRC**

We seek to build positive sustainable relationships with Her Majesty's Revenue & Customs ("HMRC") and other tax authorities and to undertake all such dealings in a professional, courteous and timely manner, including:

- Proactively managing relationships with tax authorities during audits, appeals, and other administrative processes;
- Striving to be transparent and proactive in all interactions with tax authorities while at the same time protecting all appropriate privileges and defenses; and
- Participating in industry- or issue-specific discussions with a taxing authority where it is expected that the issue(s) will have a material impact on Exelon's liability or tax compliance processes.