



# Important Information About Your Investment Options, Fees and Other Expenses for the Exelon Corporation Employee Savings Plan, Exelon Employee Savings Plan for Represented Employees at TMI and Oyster Creek and Exelon Employee Savings Plan for Represented Employees at Clinton—Annual Fee Disclosure Statement Effective as of January 1, 2016

This notice is being sent to you **to meet a federal annual notice requirement**. This notice provides plan-related information about the Exelon Corporation Employee Savings Plan, the Exelon Employee Savings Plan for Represented Employees at TMI and Oyster Creek and the Exelon Employee Savings Plan for Represented Employees at Clinton (each referred to individually as the “Plan”), as well as information about the Plan’s fees and expenses and the Plan’s investment options. To learn more about the Plan, please see the summary plan description available at [www.exelonbenefits.com](http://www.exelonbenefits.com).

## 1. General Plan Information

- **Circumstances under which participants and beneficiaries may give investment instructions.** You have the right to direct the investment of the assets in your Plan account. You may direct the investment of your account balance and future contributions by accessing the Plan’s website at [www.exelonbenefits.com](http://www.exelonbenefits.com). Go to 401(k) Savings > Manage Investments > Change Investments and follow the instructions on the website. You will need your user ID and password to access your account. You may also direct your investments by calling *myHRbenefits* at **1-877-7EXELON**. Representatives are available Monday through Friday between 7 a.m. and 6 p.m. Central time (8 a.m. to 7 p.m. Eastern time).
- **Limitations on Investment Instructions.** There are no restrictions, fees or expenses associated with transferring amounts between investment options. See “Shareholder-Type Fees and Investment Restrictions” contained in the table in Section 3 of this Notice.
- **Voting, tender and similar rights applicable to the designated investment alternatives.** You have the right to direct the Plan’s trustee on how to vote shares of the Exelon Corporation Stock Fund that are allocated to your account under the Plan. If you do not exercise your voting rights, the Plan’s trustee will vote the shares allocated to your account in proportion to the Common Shares voted by all Plan participants who elected to vote.

In the case of a tender offer of 5% or more of the outstanding Common Shares of Exelon Corporation, you have the right to direct the Plan’s trustee with respect to such offer. The Plan’s trustee will decline to tender any shares for which it does not receive valid directions.

- **Identification of the designated investment alternatives under the Plan.** The following is a list of the designated investment alternatives:

### Lifestyle/Premixed

- Target Retirement Income Fund
- Target Retirement 2005 Fund
- Target Retirement 2010 Fund
- Target Retirement 2015 Fund
- Target Retirement 2020 Fund
- Target Retirement 2025 Fund
- Target Retirement 2030 Fund
- Target Retirement 2035 Fund
- Target Retirement 2040 Fund
- Target Retirement 2045 Fund
- Target Retirement 2050 Fund
- Target Retirement 2055 Fund

### U.S. Equity

- U.S. Equity Fund
- Blackrock U.S. Equity Index Fund

### International Equity

- International Equity Fund
- Blackrock MSCI All Country World Index (ACWI) excluding U.S.

### Bonds/Fixed Income

- Fixed Income Fund
- Blackrock U.S. Debt Index Fund

### Money Market

- Northern Trust U.S. Government Short Term Investment Fund

### Company Stock

- Exelon Corporation Stock Fund

## 2. Fees and Expenses

The following describes the types of fees and expenses that may be charged to the Plan:

- Some fees, generally referred to as operating expenses, are charged to the Plan investment options and reduce your investment returns. Many of these operating expenses consist of **asset-based fees**, which are fees based on the amount of assets in each of the Plan's investment options and are expressed as a percentage. You will not see these operating expenses or asset-based fees directly because they are charged to the Plan investment options and reduce your investment earnings. These fees are shown in the table in Section 3 of this notice. Asset-based fees are used to pay for investment management services.
- The Plan is charged **administrative fees** for Plan services such as recordkeeping, legal and accounting services. These expenses are not reflected in the total operating expenses of any Plan investment option but are paid from Plan assets. They are deducted from participants' individual account balances on a monthly basis. The fee is \$8 per participant per month. The administrative fee will be deducted from your individual account within the first three business days of each month.
- You may also have **individual fees** resulting from transactions you requested. (See the box to the right to learn more about Additional Individual Fees.)
- There are no upfront sales loads or charges for any of the Plan's investment options.

### Individual Fees in the Plan

- Managed account service fee:** If you sign up for the Professional Management Program offered by Aon Hewitt Financial Advisors, you will be charged a fee that is based on the size of your account:

<u>Account Balance</u>	<u>Annualized Fee</u>
– First \$100,000	0.55% of assets
– Next \$150,000	0.45% of assets
– Above \$250,000	0.30% of assets

The fee is calculated based on the average amount of assets under management for the calendar quarter, and is debited from your account at the start of the following quarter.

- Loan fees:** You will pay a \$25 fee whenever you take a loan from the Plan. This fee is taken out of your loan proceeds.
- Domestic relations order fees:** You will pay a \$345 fee when a domestic relations order initial inquiry is made. You will also pay a \$345 fee when a qualified order is received and processed on your account. (This occurs when a court awards a portion of your account to another person due to a divorce or other domestic relations settlement.) The fee is deducted before the order is applied.
- Withdrawal fees:** If eligible for such a withdrawal, you will pay a \$50 fee when you take a PECO Company Match withdrawal from the Plan.

Learn more about applicable plan fees on the Plan's website.

Fees and expenses are important because they can substantially reduce the growth of your account over the long term. (You can find an example that illustrates this concept on the Department of Labor's website, [www.dol.gov/ebsa/publications/401k\\_employee.html](http://www.dol.gov/ebsa/publications/401k_employee.html).) But fees and expenses are only one of several factors to consider when making investment decisions. You also should carefully consider other key factors, including asset class and investment risk, investment objectives and historical performance when selecting investment options.

### 3. Investment-Related Information

The attached table provides you with information on the Plan's investment options. You'll find three things:

- a. General information about the type of investment option
  - b. Fee information, such as operating expenses, including asset-based fees<sup>1</sup> (often called the expense ratio)
  - c. Historical performance for the fund and one or more benchmarks for the same period<sup>3</sup>
- **Broad market benchmark**—A benchmark that represents the performance of a broad-based securities market index.
  - **Custom benchmark**—Where used, the custom benchmark represents index returns for the underlying asset classes at their target allocations as they have changed over time. The benchmark is used for comparison purposes against the fund's performance.

Keep in mind, however, that past performance does not guarantee how the investment option will perform in the future. Your investments in these options could lose money. Information about an option's principal risks is available on the Plan's website.

### Professional Management Services

To help you create an investment strategy Aon Hewitt Financial Advisors (AFA), an independent registered investment advisor, will provide fiduciary investment services to Plan participants. An online advice tool can help you fine-tune your investing strategy, and the Professional Management program offers personalized portfolio management from professional investment advisors. Individual fees apply for the Professional Management program. See the **Individual Fees** in the box in Section 2. AFA has hired Financial Engines Advisors LLC (FEA) to provide sub-advisory services. AFA is a federally registered investment advisor. FEA is a federally registered investment advisor and is an independent company that is not affiliated with AFA. Neither AFA nor FEA guarantees future results.

### 4. For More Information

To learn more about the investment funds offered under the Plan and to receive additional investment-related information regarding these funds, access *myHRbenefits* at [www.exelonbenefits.com](http://www.exelonbenefits.com). You can find fund facts, fund performance and other fund information. You can also receive more information about the funds, including free paper copies of the information that is provided online, by calling *myHRbenefits* at **1-877-7EXELON**. Representatives are available Monday through Friday between 7 a.m. and 6 p.m. Central time (8 a.m. to 7 p.m. Eastern time).

Some of the information you can find on the website or request copies of includes:

- a. Copies of fund summaries
- b. A statement of the value of a share or unit of each fund as well as the date of the valuation
- c. A list of the "plan assets" comprising the portfolio of each fund that is a "plan assets" fund
- d. A glossary of investment terms relevant to the investment options under the Plan. This glossary is intended to help you better understand your options.

**For definitions related to investments, go to the Plan's website. You will find definitions in 401(k) Savings > Plan Information.**

← General Information →	← Fee Information →			← Historical Performance →			
Fund Name/ Benchmark	Total Annual Operating Expenses as a % <sup>1</sup>	Total Annual Operating Expenses per \$1,000 Investment <sup>1</sup>	Shareholder-Type Fees and Investment Restrictions <sup>2</sup>	Average Annual Total Return as of 10/31/2015 (Fund and Benchmark) <sup>3</sup>			
				1 Year	5 Year	10 Year	Incept. to Date <sup>4</sup>
<b>Lifestyle/Premixed</b>							
Target Retirement Income Fund	0.37%	\$3.70	None	0.35	N/A	N/A	0.05
<i>Broad Market Benchmark: Barclays Aggregate Index</i>				1.96	3.03	4.72	2.34
<i>Custom Benchmark: Target Retirement Income Custom Index</i>				0.81	5.39	5.75	0.72
Target Retirement 2005 Fund	0.36%	\$3.60	None	0.32	N/A	N/A	0.01
<i>Broad Market Benchmark: Barclays Aggregate Index</i>				1.96	3.03	4.72	2.34
<i>Custom Benchmark: Target Retirement 2005 Custom Index</i>				0.80	5.57	5.84	0.70
Target Retirement 2010 Fund	0.37%	\$3.70	None	0.37	N/A	N/A	0.01
<i>Broad Market Benchmark: Barclays Aggregate Index</i>				1.96	3.03	4.72	2.34
<i>Custom Benchmark: Target Retirement 2010 Custom Index</i>				0.81	5.99	6.00	0.67
Target Retirement 2015 Fund	0.38%	\$3.80	None	0.57	N/A	N/A	0.17
<i>Broad Market Benchmark: S&amp;P 500 Index</i>				5.20	14.33	7.85	6.67
<i>Custom Benchmark: Target Retirement 2015 Custom Index</i>				0.98	6.64	6.18	0.81
Target Retirement 2020 Fund	0.39%	\$3.90	None	1.00	N/A	N/A	0.55

← General Information →	← Fee Information →			← Historical Performance →			
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				1 Year	5 Year	10 Year	Incept. to Date <sup>4</sup>
<i>Broad Market Benchmark: S&amp;P 500 Index</i>			None	5.20	14.33	7.85	6.67
<i>Custom Benchmark: Target Retirement 2020 Custom Index</i>				1.35	7.49	6.42	1.17
Target Retirement 2025 Fund	0.41%	\$4.10	None	1.42	N/A	N/A	0.87
<i>Broad Market Benchmark: S&amp;P 500 Index</i>			None	5.20	14.33	7.85	6.67
<i>Custom Benchmark: Target Retirement 2025 Custom Index</i>				1.70	8.27	6.62	1.44
Target Retirement 2030 Fund	0.42%	\$4.20	None	1.61	N/A	N/A	0.94
<i>Broad Market Benchmark: S&amp;P 500 Index</i>			None	5.20	14.33	7.85	6.67
<i>Custom Benchmark: Target Retirement 2030 Custom Index</i>				1.76	8.89	6.76	1.40
Target Retirement 2035 Fund	0.43%	\$4.30	None	1.72	N/A	N/A	0.95
<i>Broad Market Benchmark: S&amp;P 500 Index</i>			None	5.20	14.33	7.85	6.67
<i>Custom Benchmark: Target Retirement 2035 Custom Index</i>				1.72	9.30	6.86	1.30
Target Retirement 2040 Fund	0.43%	\$4.30	None	1.82	N/A	N/A	1.00
<i>Broad Market Benchmark: S&amp;P 500 Index</i>			None	5.20	14.33	7.85	6.67
<i>Custom Benchmark: Target Retirement 2040 Custom Index</i>				1.75	9.54	6.89	1.29
Target Retirement 2045 Fund	0.43%	\$4.30	None	1.91	N/A	N/A	1.04
<i>Broad Market Benchmark: S&amp;P 500 Index</i>			None	5.20	14.33	7.85	6.67

← General Information →	← Fee Information →		← Historical Performance →				
Fund Name/ Benchmark	Total Annual Operating Expenses as a % <sup>1</sup>	Total Annual Operating Expenses per \$1,000 Investment <sup>1</sup>	Shareholder-Type Fees and Investment Restrictions <sup>2</sup>	Average Annual Total Return as of 10/31/2015 (Fund and Benchmark) <sup>3</sup>			
				1 Year	5 Year	10 Year	Incept. to Date <sup>4</sup>
<i>Custom Benchmark: Target Retirement 2045 Custom Index</i>			None	1.79	9.64	6.94	1.29
Target Retirement 2050 Fund	0.44%	\$4.40		1.93	N/A	N/A	1.05
<i>Broad Market Benchmark: S&amp;P 500 Index</i>				5.20	14.33	7.85	6.67
<i>Custom Benchmark: Target Retirement 2050 Custom Index</i>			None	1.79	9.64	6.94	1.29
Target Retirement 2055 Fund	0.44%	\$4.40		1.95	N/A	N/A	1.07
<i>Broad Market Benchmark: S&amp;P 500 Index</i>				5.20	14.33	7.85	6.67
<i>Custom Benchmark: Target Retirement 2055 Custom Index</i>			None	1.79	9.64	6.94	1.29
<b>U.S. Equity</b>							
U.S. Equity Fund	0.28%	\$2.80		None	4.94	N/A	N/A
<i>Broad Market Benchmark: Russell 3000 Index</i>			None	4.49	14.14	7.94	5.48
<i>Custom Benchmark: U.S. Equity Fund Custom Index</i>				4.46	14.01	7.84	5.52
Blackrock U.S. Equity Index Fund	0.03%	\$0.30		None	5.18	14.31	7.90
<i>Broad Market and Custom Benchmark: S&amp;P 500 Index</i>			None	5.20	14.33	7.85	7.56
<b>International Equity</b>							
International Equity Fund	0.39%	\$3.90		None	-2.35	N/A	N/A
<i>Broad Market Benchmark: MSCI AC World ex U.S. Index (net)</i>			None	-3.89	2.81	4.41	-7.75
<i>Custom Benchmark: International Equity Fund Custom Index</i>				-2.70	3.37	4.75	-6.73
Blackrock All Cntry Wrld exUS	0.10%	\$1.00		None	-5.58	N/A	N/A
<i>Broad Market and Custom Benchmark: MSCI AC World ex USA Index (Net)</i>			None	-4.68	2.61	4.16	4.69

← General Information →	← Fee Information →			← Historical Performance →			
Fund Name/ Benchmark	Total Annual Operating Expenses as a % <sup>1</sup>	Total Annual Operating Expenses per \$1,000 Investment <sup>1</sup>	Shareholder-Type Fees and Investment Restrictions <sup>2</sup>	Average Annual Total Return as of 10/31/2015 (Fund and Benchmark) <sup>3</sup>			
				1 Year	5 Year	10 Year	Incept. to Date <sup>4</sup>
<b>Bonds/Fixed Income</b>							
Fixed Income Fund	0.23%	\$2.30	None	0.54	N/A	N/A	0.85
<i>Broad Market and Custom Benchmark: Barclays Aggregate Index</i>				1.96	3.03	4.72	2.34
Blackrock U.S. Debt Index Fund	0.05%	\$0.50	None	2.01	3.00	4.71	5.60
<i>Broad Market and Custom Benchmark: Barclays Aggregate Index</i>				1.96	3.03	4.72	5.64
<b>Money Market</b>							
Northern Trust U.S. Government Short Term Investment Fund	0.08%	\$0.80	None	0.02	0.05	1.34	3.14
<i>Broad Market and Custom Benchmark: BofA Merrill Lynch 3 Month US T-Bill</i>				0.02	0.07	1.31	3.12
<b>Company Stock</b>							
Exelon Corporation Stock Fund	0.02%	\$0.20	None	-20.77	-3.03	-2.33	10.20
<i>Broad Market Benchmark: S&amp;P 500 Index</i>				5.20	14.33	7.85	11.18
<i>Other Benchmark: Exelon Corporation Common Stock</i>				-20.86	-2.90	-2.20	10.36

<sup>1</sup> Total annual operating expenses, including asset-based fees, are the annual operating expenses and other asset-based charges that reduce the investment option's rate of return. These expenses may include management fees charged to the investment option, as well as custodial expenses, legal expenses and other administrative expenses of the investment option. The amount of operating expenses shown in this table are historical amounts charged against each investment option's assets. Future expenses and fees may vary based on various factors including, where applicable, underlying manager allocations, which may fluctuate due to market and liquidity conditions.

<sup>2</sup> Shareholder-Type Fees and Investment Restrictions relate to any fees paid directly from your investment in this option (e.g., redemption fees, withdrawal fees) and any restrictions (e.g. round-trip provisions) on trading that might exist for a specific investment option.

<sup>3</sup> In general, 1-year, 5-year and 10-year performance history is shown. The inception- to- date performance history ties to the inception date of the investment option. If full history is not available, a return since inception is provided. Performance history for the Blackrock U.S. Equity Index Fund, Blackrock MSCI All Country World Index (ACWI) excluding US, Blackrock U.S. Debt Index Fund, the Northern Trust U.S. Government Short Term Investment Fund and Exelon Stock Fund is based on performance history for a direct investment in those funds, adjusted by Exelon to be net of estimated investment management fees and other operating expenses that would have been borne by the Plan each month.

<sup>4</sup> The inception-to-date calculation is as of June 1, 1990 for the Northern Trust U.S. Government Short Term Investment Fund, April 1, 1997 for the BlackRock U.S. Equity Index Fund, October 1, 2012 for the Blackrock MSCI All Country World Index (ACWI) excluding US, August 1, 1996 for the Blackrock U.S. Debt Index Fund and December 1, 1984 for the Exelon Company Stock Fund. The inception-to-date calculation for all other investment options available under the Plan is as of July 1, 2014.