



## Charter of Compensation Committee

The Compensation Committee of Constellation Energy Group, Inc. (the "Company") shall consist of at least three directors. The Board of Directors shall appoint each Committee member. In addition to meeting the criteria for board membership set forth in the Corporate Governance Guidelines, each Committee member shall be independent as determined pursuant to the Corporate Governance Guidelines and shall meet such requirements, if any, as mandated by the New York Stock Exchange and relevant listing standards. Each Committee member shall also be an "outside director" as defined by Section 162(m) of the Internal Revenue Code and a "non-employee director" under Section 16 of the Securities Exchange Act of 1934. Committee members shall hold office for one year and until their respective successors are elected and qualified, or until their earlier resignation, removal or death. The Board shall fill all vacancies and have the right to remove members, as specified in the Company's bylaws and/or Charter. The Board shall designate one of the members to serve as Chairman of the Committee.

The Committee shall meet periodically, as deemed necessary by the Chairman of the Committee. The Chairman (or in the Chairman's absence, another member of the Committee designated by the Chairman) shall call and preside over meetings of the Committee. The Secretary of the Company shall serve as Secretary of the Committee. The Secretary shall provide notice personally or by mail, telephone, facsimile or electronically to each member of the Committee of all meetings, not later than 12:00 p.m. (Eastern Standard Time) on the day immediately preceding the scheduled meeting date, unless those members who are not able to attend such meeting waive in writing (either in advance or following such meeting) the right to such notice. Attendance at any meeting by a member shall also be deemed to constitute a waiver of the above notice requirement unless at the meeting such member clearly announces his or her objection to the failure to provide such advance notice and such member does not otherwise attend or participate in such meeting. A majority of the members of the Committee shall constitute a quorum for the transaction of business. The Secretary shall keep written minutes of the proceedings and actions of the Committee.

The Committee shall periodically report on its activities to the Board and make such recommendations and findings as it deems appropriate. Each Committee member shall perform an annual evaluation of the Committee, as administered by the Nominating and Corporate Governance Committee.

The Committee shall have the following authority and duties:

1) Senior Executives - the Committee shall review the recommendations of the Chief Executive Officer of the Company for candidates for positions as officers of the Company and its subsidiaries who are designated by the Board as "officers" for purposes of Section 16 of the Securities Exchange Act of 1934 and the rules and regulations promulgated pursuant thereto and the Committee shall recommend candidates to the Board.

2) Compensation and Benefits - the Committee shall:

- a. review and recommend to the Board all compensation for the Directors of the Company;
- b. establish the total compensation for each of the Chairman of the Board, President, Chief Executive Officer, and officers of the Company and its subsidiaries who are designated by the Board as "officers" for purposes of Section 16 of the Securities Exchange Act of 1934 and the rules and regulations promulgated pursuant thereto, and review and/or approve the total compensation, compensation structure design and base pay adjustments, and/or the annual and/or long-term incentive payouts for any other employee of the Company or its wholly owned subsidiaries that the Committee decides in its sole discretion to review and/or approve;

The Committee shall review and approve the goals and objectives relevant to the Chief Executive Officer's compensation, evaluate the Chief Executive Officer's performance in light of those goals and objectives and set the Chief Executive Officer's compensation level based on this evaluation. In determining the long-term incentive component of the Chief Executive Officer's compensation, the Committee will consider the Company's and the officer's performance and the value of similar incentive awards to chief executive officers at comparable companies. The Committee shall annually review the results of its Chief Executive Officer performance evaluation with the Board, and the Chairman of the Committee shall communicate the view of the Board to the Chief Executive Officer;

- c. establish the design of the director and executive benefit plans in which any of the following individuals participate: Directors, the Chairman of the Board, the President, the Chief Executive Officer, and the officers of the Company and its subsidiaries who are designated by the Board as "officers" for purposes of Section 16 of the Securities Exchange Act of 1934 and the rules and regulations promulgated pursuant thereto;

- d. establish and periodically review policies concerning perquisites and fringe benefits for each of the Chairman of the Board, President, Chief Executive Officer, and officers of the Company and its subsidiaries who are designated by the Board as "officers" for purposes of Section 16 of the Securities Exchange Act of 1934 and the rules and regulations promulgated pursuant thereto;
- e. approve the terms of any severance, change in control or employment contract for each of the Chairman of the Board, President, Chief Executive Officer, and officers of the Company and its subsidiaries who are designated by the Board as "officers" for purposes of Section 16 of the Securities Exchange Act of 1934 and the rules and regulations promulgated pursuant thereto and periodically review the status and key terms of such contracts;
- f. prepare the Compensation Committee Report on Executive Compensation included in the Company's proxy statements;
- g. review and discuss with management of the Company the Compensation Discussion and Analysis to be included in the Company's proxy statements, recommend inclusion of the Compensation Discussion and Analysis in the Company's proxy statements to the Board and review other material disclosure concerning executive compensation matters;
- h. review and discuss with management the Company's disclosure controls and procedures relating to executive compensation matters;
- i. administer all plans that require "disinterested administration" under Rule 16b-3 of the Securities Exchange Act of 1934;
- j. retain consultants, from time to time, to advise the Committee on executive compensation practices and policies, or any other matters within the charter of the Committee, and exercise sole authority to approve the consultant's fees and other retention terms;
- k. obtain through discussions with management of the Company a general understanding of the compensation philosophy and design used throughout the entire organization; and
- l. review and make recommendations to the Board with respect to executive incentive compensation plans and equity based plans.

3) Stock Ownership - the Committee shall approve and periodically review the Company's stock ownership guidelines for directors and each of the Chairman of the Board, President, Chief Executive Officer, and officers of the Company and its subsidiaries who are designated by the Board as "officers" for purposes of Section 16 of the Securities Exchange Act of 1934 and the rules and regulations promulgated pursuant thereto and periodically monitor compliance with such guidelines.

4) Succession Planning - the Committee shall:

- a. develop succession planning policies and criteria for the Chief Executive Officer and senior management, and confer periodically with the Board on succession planning; and
- b. establish specific criteria for successors to the Chief Executive Officer which shall include (but not be limited to):
  - i. demonstrated executive leadership ability;
  - ii. in-depth knowledge of the Company's business and issues affecting the Company;
  - iii. unquestioned personal integrity and ethics; and
  - iv. awareness of responsibilities to all of the Company's stakeholders.