

**CHARTER OF  
THE AUDIT COMMITTEE OF  
CONSTELLATION ENERGY GROUP, INC.**

**Membership**

The Audit Committee (the “Committee”) of the Board of Directors (the “Board”) of Constellation Energy Group, Inc. (the “Company”) shall consist of at least three directors. The Board shall appoint each Committee member. In addition to meeting the criteria for Board membership set forth in the Company’s 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 and in accordance with the requirements of applicable laws, rules and regulations. Each member of the Committee must be financially literate, as such qualification is interpreted by the Board in its business judgment, or must become financially literate within a reasonable period of time after his or her appointment to the Committee. In addition, at least one member of the Committee shall have accounting or related financial management expertise, as such qualification is interpreted by the Board in its business judgment and qualify as an “audit committee financial expert” as defined by the rules of the Securities and Exchange Commission.

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.

**Meetings/Reports**

The Committee shall meet periodically, as deemed necessary by the Chairman of the Committee, but in no event less frequently than once per calendar quarter. 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 (or in the Secretary’s absence, another individual designated by the Chairman or the Secretary) 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.

Periodically, the Committee will meet privately in separate executive sessions, with each of management, the internal auditors and the independent auditor.

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.

### **Purpose**

The purpose of the Committee is to assist the Board in fulfilling its oversight responsibility relating to: (i) the integrity of the Company's financial statements; (ii) compliance with legal and regulatory requirements; (iii) the independent auditor's qualifications and independence; (iv) the performance of the Company's internal auditors and independent auditor; (v) risk assessment; and (vi) risk management. In addition, the Committee shall prepare the Committee report required by the proxy rules of the Securities and Exchange Commission ("SEC") to be included in the Company's proxy statement. The Committee is responsible for maintaining free and open communication between the Committee, the independent auditor, the internal auditors, and management of the Company and resolving any disagreements between management and the independent auditor regarding financial reporting.

In discharging its responsibilities, the Committee is not itself responsible for the planning or the performance of audits, or for any determination that the Company's financial statements are complete and accurate, or prepared in accordance with generally accepted accounting principles. Management is responsible for the preparation, presentation and integrity of the Company's financial statements and for the appropriateness of the accounting principles and reporting policies that are used by the Company, and it is the responsibility of the Company's independent auditor to audit the Company's financial statements.

The Committee, without having to seek Board or management approval, has the authority to conduct or authorize investigations into any matters within its scope of responsibilities, with the power to retain, at the Company's expense, independent legal, accounting or other advisors if, in its judgment, that is appropriate. The Company shall make adequate provisions for the payment of all fees and other compensation approved by the Committee to the Company's independent auditor, or to any consultants or experts employed by the Committee.

### **Responsibilities**

#### *Engagement and Oversight of Independent Auditor and Annual Audit*

- The Committee shall be responsible for the appointment (subject to shareholder ratification, if such ratification is required or sought), evaluation, termination and replacement of the Company's independent auditor, including resolution of disagreements between management and the auditor regarding financial reporting and approval of engagement fees and terms. The independent auditor shall report directly to the Committee. The Committee shall pre-approve all audit services and permitted non-audit services to be performed for the Company

by the independent auditor. The Committee may adopt policies and procedures for the pre-approval of audit and permitted non-audit services (including pre-approval of fees), as permitted by applicable laws, rules and regulations.

- The Committee shall monitor the independence of the independent auditor. The Committee shall require that the independent auditor submit to the Committee on an annual basis the Auditor's Statement, as defined herein. The Committee shall review with the independent auditor any disclosed relationships or services that may impact the objectivity and independence of the independent auditor and take appropriate action in response to the independent auditor's report to satisfy itself of the independent auditor's independence.
- Prior to the performance of the independent auditor's annual audit, the Committee shall review the cost, scope and general plans for the audit and any attestations required to be provided by the independent auditor, including the adequacy of staffing and other factors that may affect the effectiveness and timeliness of such audit and/or attestation. At the conclusion of the audit and attestation, the Committee shall review the results of the audit and attestation and any comments or recommendations of the independent auditor, including management's responses. The Committee shall review with the independent auditor any difficulties the auditor encountered in the course of the audit/attestation work, including any restrictions on the scope of the independent auditor's activities or on access to requested information, and any disagreements with management. In addition, the Committee shall review with the independent auditor any accounting adjustments that were noted or proposed by the auditor but were not included in the financial statements, and any material written communication, including any "management" or "internal control" letters issued, or proposed to be issued, by the independent auditor to the Company.
- The Committee shall review and evaluate the qualifications, performance and independence of lead audit partners, discuss the timing and process for implementing the rotation of the lead audit partner, the concurring partner and any other active audit engagement team partner and consider whether there should be a regular rotation of the independent auditor. The Committee shall ensure the regular rotation of the lead audit partner, as required by law.

#### *Reports from Independent Auditor*

- Annually, the Committee shall review a report (the "Auditor's Statement") by the independent auditor describing: (i) the independent auditor's internal quality-control procedures; (ii) any material issues raised by the most recent internal quality-control review, or peer review, of the firm, or by any inquiry or investigation by governmental or professional authorities, within the preceding five years, respecting one or more independent audits carried out by the firm, and any steps taken to deal with any such issues; and (iii) the relationships between the independent auditor and the Company or any affiliate, including each non-audit service provided to the Company and the matters set forth in Independence Standards Board Standard No. 1.
- Quarterly and prior to the release of the Company's earnings for such quarter or the fiscal year, as appropriate, the Committee shall obtain from the independent auditor a report detailing: (i) critical accounting policies and practices to be used; (ii) alternative treatments

of financial information within generally accepted accounting principles that have been discussed with management of the Company, ramifications of the use of such alternative disclosures and treatments, and the treatment preferred by the independent auditor; (iii) a summary of fees and expenses in a format sufficient for the Company to meet its reporting obligations under applicable laws, rules and regulations; and (iv) other matters required to be communicated to the Committee by the independent auditor under generally accepted auditing standards, applicable laws, rules and regulations, and listing standards.

- Annually, the Committee shall obtain from the independent auditor a report on its compliance with Section 10A of the Securities Exchange Act of 1934.

#### *Accounting and Financial Reporting*

- The Committee shall meet to review and discuss with management and the independent auditor the Company's annual audited financial statements to be included in the Company's annual report on Form 10-K, including reviewing the specific disclosures under "Management's Discussion and Analysis of Financial Condition and Results of Operations" and (i) the independent auditor's opinion with respect to the clarity of disclosures in the financial statements, (ii) the independent auditor's judgment as to the quality of the accounting principles used in the preparation of the financial statements, (iii) any changes in the accounting policies or principles applied by the Company, (iv) the reasonableness of significant judgments, (v) any material correcting adjustments that have been identified by the independent auditor, and any material unadjusted differences, (vi) any major issues as to the adequacy of the Company's internal control over financial reporting, and (vii) any special steps taken in light of any material control deficiencies or weaknesses. The Committee shall also discuss the results of the annual audit and any required attestation and any other matters required to be communicated to the Committee by the independent auditor under generally accepted auditing standards, applicable law or listing standards, including matters required to be discussed by Statement on Auditing Standards ("SAS") No. 61, as it may be amended or supplemented from time-to-time including by SAS No. 90. Based on such discussion, the Committee shall make a determination whether to recommend to the Board of Directors that the audited financial statements be included in the Company's annual report on Form 10-K. The Committee shall also authorize the filing of the Company's annual report on Form 10-K.
- The Committee shall meet to review and discuss with management and the independent auditor the Company's quarterly financial statements to be included in the Company's quarterly reports on Form 10-Q, including reviewing the specific disclosures under "Management's Discussion and Analysis of Financial Condition and Results of Operations" and shall (i) discuss the independent auditor's opinion with respect to such financial statements to determine that management and the independent auditor are satisfied with the content and disclosures in the financial statements that are included in the Company's quarterly reports on Form 10-Q; (ii) discuss with the independent auditor the matters required to be discussed by SAS No. 61; and (iii) discuss the results of the independent auditor's review of the Company's quarterly financial information conducted in accordance with SAS No. 71.

- Quarterly, the Committee shall discuss any issues regarding critical accounting policies, accounting principles, practices and judgments, and any significant unusual non-operating or non-recurring items.
- Periodically, the Committee shall discuss with management, the internal auditors and the independent auditor the effect of new proposed regulatory and accounting initiatives, as well as off-balance sheet structures, on the Company's financial statements and other public disclosures.
- Review the Company's transactions with directors, director nominees, executive officers and five percent shareholders in accordance with policies established by the Nominating and Corporate Governance Committee.

#### *Earnings and Other Financial Information*

- The Committee shall discuss with management the Company's earnings press releases, as well as financial information and earnings guidance provided to analysts and rating agencies. Such discussions may be done generally (i.e., discussions of the types of information to be disclosed and type of presentation to be made). The Committee need not discuss in advance each earnings release or each instance in which the Company may provide earnings guidance.

#### *Proxy and Other Reports*

- The Committee shall prepare any report that is required to be prepared by the Committee and included in the Company's proxy statement or any other required report. The Committee shall review any public disclosures to be made by the Company regarding audit and non-audit services provided by the independent auditor.

#### *Internal Audit Function*

- Periodically, the Committee shall review the internal audit function of the Company, including the independence of its reporting obligations and the adequacy of the internal audit staffing.
- Periodically, the Committee shall review and approve the proposed internal audit plans, and review progress reports on the conduct of the internal audit plan, a summary of findings from completed internal audits, and the status of open recommendations from previously completed internal audits.
- The Chairman of the Committee shall be consulted prior to the appointment or removal of the head of internal audit.

#### *Internal Controls*

- Quarterly the Committee shall discuss with management, the independent auditor and the internal auditors the Company's disclosure controls and procedures and internal control over

financial reporting (as defined by the rules of the SEC and the Public Company Accounting Oversight Board) and management's evaluation of the effectiveness of such controls and procedures, as well as any required attestations to be provided by the independent auditor.

- Quarterly the Committee shall discuss with management any report or certification required to be included in the Company's quarterly reports on Form 10-Q or annual report on Form 10-K, including with respect to: (i) the design and operation of internal control over financial reporting; (ii) any fraud, whether or not material, that involves management or other employees who have a significant role in the Company's internal controls; and (iii) any change in internal control over financial reporting that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.
- Periodically, the Committee shall discuss with management, the independent auditor and the internal auditor, the adequacy and effectiveness of the Company's other internal controls, elicit recommendations for the improvement of such other internal controls and review management's responses thereto.

#### *Legal/Compliance*

- Periodically, the Committee shall meet with the Company's General Counsel to discuss any legal matters that could have a material impact on the Company's financial statements, and the Company's compliance with applicable laws, rules and regulations and listing standards. In addition, the Committee shall periodically meet with the General Counsel to receive and discuss a report on any material violations or potential material violations of law, breaches of duty to the Company and other substantial legal concerns, such as significant litigation and contingent liabilities, which have come to the attention of the General Counsel. The Committee shall meet at least annually in executive session with the General Counsel to review the foregoing matters.
- Periodically, the Committee shall meet with the Chief Compliance Officer and other management with respect to the Company's compliance program generally, and review: (i) the dissemination of the Company's Principles of Business Integrity; (ii) the Chief Compliance Officer's review of compliance communications and training sessions generally, including their effectiveness; (iii) the results of any audits relating to compliance with laws or standards of conduct; (iv) the reporting system established under the Company's compliance program; and (v) any recommendations made by the Chief Compliance Officer to management and implementation actions by management. The Committee shall meet at least annually in executive session with the Chief Compliance Officer to review the foregoing matters.
- The Committee shall provide direction to the Chief Compliance Officer, Chief Financial Officer and Chief Audit Officer regarding any reported concerns regarding accounting, internal accounting controls or auditing matters.

- The Committee shall report to the Board as needed with respect to the Committee's meetings with the General Counsel, Chief Compliance Officer and other management, and with respect to the compliance program generally.

#### *Risk Management*

- Periodically, the Committee shall review and discuss with management the Company's major risk exposures (whether financial, operating or otherwise) and the measures management has taken to monitor, measure and control such exposures, including the guidelines and policies that govern the process by which risk assessment and management is undertaken and elicit recommendations for the improvement of the Company's risk assessment and mitigation procedures.

#### *Receipt of Complaints*

- The Committee shall establish procedures for: (i) the receipt, retention, and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters; and (ii) the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.
- The Committee shall periodically review with management and the independent auditor any correspondence with, or action by, regulators or government agencies or published reports that raise concerns regarding the Company's financial statements, accounting or auditing matters.

#### *Employment of Former Audit Staff*

- The Committee shall approve guidelines for the Company's hiring of former employees of the independent auditor, which shall meet the requirements of applicable laws, rules and regulations and listing standards.

#### *Delegation*

- The Committee may delegate any of its responsibilities to one or more members of the Committee, to the extent permitted by applicable laws, rules and regulations and listing standards.