



CONSTELLATION ENERGY CORPORATION
CORPORATE GOVERNANCE PRINCIPLES

Effective as of [February 1, 2022]

The Board of Directors (the “**Board**”) of Constellation Energy Corporation (“**Constellation**” or the “**Company**”) has adopted these principles, which together with the articles of incorporation, bylaws, Committee charters, and other policies and practices, form the governance framework for the Company. The Board periodically reviews and updates these principles upon the recommendation of the Corporate Governance Committee.

I. BOARD RESPONSIBILITY AND ROLE

The Board is primarily responsible for overseeing the Company for the long-term benefit of the Company’s shareholders, employees, customers, and communities served by the Company and its subsidiaries. The Board’s responsibilities include, but are not limited to, oversight of the Company’s development and execution of strategy and long-range business plan; business operations and performance, including safety and reliability; capital structure and capital allocation, including financing and investments; enterprise risks, including commodity markets, market design, enterprise security (physical and cyber), operating risks, and financial performance; executive compensation; corporate citizenship, including sustainability and environmental stewardship, reputation, social responsibility, and ethical business practices; and governance practices. The Board and its committees (each, a “**Committee**”) select and oversee senior management, which is responsible for managing the business of the Company under the direction of the Board.

In fulfilling its responsibilities, members of the Board provide sound stewardship through informed business judgment and an exercise of good faith loyalty and care. In so doing, directors may rely upon the recommendations of Committees, subsidiary boards of directors, management, outside advisors, and independent auditors.

II. BOARD STRUCTURE

A. Board Size and Composition

The Board consists of such number of members as may be determined from time to time by resolution of a majority of the Board. The Board believes that the quality of the individuals serving on the Board, and overall capabilities and talents of the Board as a whole, are more important than the size of the Board. The Board, on the recommendation of the Corporate Governance Committee, will annually evaluate and determine the appropriate size and composition of the Board.

B. Director Qualification Standards

The Corporate Governance Committee periodically collaborates with the Board Chair and the Lead Independent Director (unless the position is vacant) to determine the appropriate mix of skills and characteristics that the Board requires. The Board believes that diversity, including with respect to personal backgrounds, skill sets, experience, thought, ethnicity/race, gender, age, and nationality, are

important considerations in selecting candidates. In addition, all director nominees should demonstrate the following attributes, among others, to qualify for Board service:

- Highest personal and professional ethics, integrity and values;
- An inquiring and independent mind, practical wisdom and mature judgment;
- Broad training and experience at the policy making level in business, government, education, or technology;
- Expertise that is useful to the enterprise and complementary to the background and experience of other Board members, so that an optimum balance of expertise among members on the Board can be achieved and maintained;
- Willingness to remain current with industry and other developments relevant to the Company's strategic direction;
- Willingness to devote the required amount of time to carrying out the duties and responsibilities of Board membership and a commitment to serve on the Board over a period of years to develop knowledge about the Company's principal operations;
- A commitment to representing the long-term interests of the shareholders, employees, customers, and communities served by the Company and its subsidiaries; and
- Involvement only in activities or interests that do not create a conflict with the director's responsibilities to the Company and its shareholders.

In addition, the Board as a whole should reflect diversity and a balance of short- and longer-term tenured members who possess core competencies in the following areas, among others: accounting and financial reporting; CEO or executive management leadership; talent management; innovation and technology; safety, physical security, and cybersecurity; industry experience; regulatory affairs, public policy or government experience; risk management experience; corporate governance; environmental and climate issues and sustainability practices; and business development and transformation. The Corporate Governance Committee applies these attributes, among others, and core competencies in recommending nominees for election to the Board. The Corporate Governance Committee periodically reassesses these criteria to ensure they appropriately reflect the issues to be considered in evaluating director nominees.

C. Board Independence

- (1) **Number of Independent Directors.** The Board believes a substantial majority of its directors should be independent. The Board determines the independence of each director, upon the recommendation of the Corporate Governance Committee, and discloses the determinations in the Company's annual proxy statement in accordance with regulatory requirements. Each director shall promptly notify the Board Chair, Chair of the Corporate Governance Committee, or Corporate Secretary of any change in relationship or other event, situation, or condition that may affect the Board's evaluation of a director's independence.
- (2) **Independence Standards for Directors.** The Board has adopted The Nasdaq Stock Market LLC ("**Nasdaq**") definition of "independent director" as one who is not an executive officer or employee of Constellation, and who, in the Board's opinion, has no relationship which would interfere with the exercise of independent judgement in carrying out director responsibilities. The Board, with the assistance of the Corporate Governance Committee, will consider all relevant facts and circumstances that would interfere with a director's exercise of independent judgment. Such relationships can include commercial, industrial, banking, consulting, legal, accounting,

charitable, and familial relationships (among others). The Board will assess any such relationship to Constellation (including its consolidated subsidiaries) both from the standpoint of the director and from that of organizations with which the director has an affiliation. The Corporate Governance Committee will also consider Board tenure when assessing independence to ensure that longer-tenured directors continue to fulfill their responsibilities effectively with an undiminished level of independence.

The Corporate Governance Committee assesses the independence of directors and director nominees and makes recommendations to the Board on matters related to independence. All members of the Corporate Governance Committee, Compensation Committee, and Audit and Risk Committee must be independent and meet the requirements set forth below.

Under Nasdaq listing rules, a director will not be independent under the following circumstances:

- i. **Employee or Paid Consultant.** The director is, or has been within the past three years, an employee of the Company or any of its consolidated subsidiaries, or a family member is, or has been within the past three years, an executive officer of the Company; the director has received, or a family member has received, during any twelve-month period within the past three years, more than \$120,000 in compensation from the Company or any of its consolidated subsidiaries (other than director and Committee fees, benefits under a tax-qualified retirement plan or other non-discretionary compensation).
- ii. **Auditing Relationship.** The director or a family member is a current partner of the Company's outside auditor or was a partner or employee of the Company's outside auditor who worked on the Company's audit at any time during any of the past three years.
- iii. **Compensation Committee Interlock.** The director or a family member is, or has been within the past three years, employed as an executive officer of another entity where any of the Company's or consolidated subsidiaries' present executive officers at the same time serves or served on that company's compensation committee.
- iv. **Relationships with Companies where Director serves as Employee or Executive Officer.** The director or a family member is a partner in (but not a limited partner), or a controlling shareholder or an executive officer, of an organization that has made payments to, or has received payments from, Constellation for property or services in an amount which, in any of the recipient's last three fiscal years, exceeds the greater of 5% of such recipient's consolidated gross revenues for such year or \$200,000 (other than payments arising solely from investments in Constellation's securities or payments under non-discretionary charitable contribution matching programs).

- (3) **Other Relationships; Categorical Standards of Independence.** From time to time, the Board may specify categories of relationships that do not interfere with a director's independence because such relationships are inconsequential in nature or amount or otherwise have little relevance to a director's independence and, as a result, specific details of such relationships need not be considered by the Board. In such cases, the Company will describe the categorical standards used in the annual proxy statement. The Board reviews the details of any relationships not included within those specified categories in which directors, nominees, or their family members may have a direct or indirect material interest to determine whether they could affect a director's independent judgment. For each director or nominee identified as independent in the annual proxy statement, the Company will describe any such other relationships that were reviewed by the Board in reaching an independence determination.
- (4) **Additional Independence Requirements for Membership on the Compensation Committee and Audit and Risk Committee.** Members of the Compensation Committee must qualify as a "non-employee director" as defined in Rule 16b-3 under the Securities Exchange Act of 1934. In addition, the Board must consider whether the director has a relationship to the Company or any of its consolidated subsidiaries which is material to that director's ability to be independent from management in connection with the duties of a member of the Compensation Committee, including, but not limited to, the source of compensation paid to the director, including any consulting, advisory or other compensatory fees paid to the director by the Company or any of its subsidiaries, and whether the director is affiliated with the Company, a subsidiary of the Company or an affiliate of a subsidiary of the Company.

Audit and Risk Committee members must not be an "affiliated person" with respect to Constellation as defined in Rule 10A-3 under the Securities and Exchange Act of 1934 and must not accept directly, or indirectly, any consulting, advisory or other compensatory fees from Constellation or any of its consolidated subsidiaries, other than fees for services rendered as a member of the Board, the Audit and Risk Committee, or any other Committee.

- (5) **Conflicts of Interest.** Directors must disclose any business relationships that may pose potential conflicts of interest with the Company or any of its consolidated subsidiaries. Directors must provide prompt notice of any such potential conflicts to the Board Chair, the Chair of the Corporate Governance Committee, or the Corporate Secretary. Potential conflicts of interest may include, but are not limited to, positions which directors and their family members hold as directors, officers, or employees of other companies with which the Company or any of its consolidated subsidiaries does business or proposes to do business and charitable and other tax-exempt organizations to which the Company or any of its consolidated subsidiaries makes contributions or proposes to make contributions. Directors may not enter into transactions with the Company or its consolidated subsidiaries (other than transactions generally available to utility customers or the public on similar terms) without first disclosing the transaction and obtaining advance approval by the Board. The director must recuse himself or herself from Board consideration and decision on such transactions.

D. Board Leadership – Board Chair, Lead Independent Director, and CEO Roles

Constellation's bylaws permit the independent members of the Board to determine the leadership structure of the Board including whether the roles of a Board Chair and CEO should be performed by the same individual or whether the roles should be performed by separate individuals. As a matter of policy, the Board believes that separation of these functions is not required, and whether to combine the roles or not is a matter for the Board's sole discretion, taking into consideration the current and anticipated circumstances of the Company, the skills and experiences of the individual or individuals in question, and the leadership composition of the Board. The Board reviews its leadership structure periodically and as circumstances warrant.

(1) **Board Chair.** If the Board determines that the roles of Board Chair and CEO should be held by separate individuals, the independent members of the Board will select one member of the Board to act as Board Chair. The Board Chair shall be elected to serve for a one-year period or until his or her successor is elected or his or her death, resignation, or removal. In addition to the responsibilities required of all Board members as set forth above, responsibilities set forth in the Company's bylaws, duties normally incidental to the position of Board Chair, and other responsibilities that may be delegated by the Board from time to time, the Board Chair shall perform the following responsibilities:

- Provide leadership to the Board, assuring the Board's discharge of its duties.
- Assist the Board in fulfilling its goals by overseeing the proper flow of timely information to support Board actions and, when appropriate, allocate specific tasks to members of the Board.
- Call regular and special Board meetings and preside over Board meetings and executive sessions and, if the Board Chair is independent under the Board's Independence Standards for Directors, provide input to the CEO following executive sessions.
- If the Board Chair is independent under the Board's Independence Standards for Directors, serve as principal liaison between the Board and management and assist the Corporate Governance Committee and the Compensation Committee in the annual evaluation of performance and compensation of the CEO.
- Oversee Board meeting schedules, agendas, and materials and collaborate with the Lead Independent Director (unless the position is vacant) and Committee Chairs to ensure coordination of Board and Committee meeting schedules, agendas, and materials.
- Work with the Corporate Governance Committee to maintain strong governance practices and assist the Corporate Governance Committee in the annual review and evaluation of Board and director performance.
- Represent the Company with various constituencies, when needed and appropriate.

(2) **Lead Independent Director.** Because the Board is committed to continued independent oversight at all times, the independent members of the Board shall select and elect a Lead Independent Director at all times when (a) the roles of Board Chair and CEO are held by the same individual or (b) the person holding the role of Board Chair is not independent under the Board's Independence Standards for Directors. At any time during which the position of Lead Independent Director may be required pursuant to the circumstances just described in clause (a) or (b) but is vacant, the

Chair of the Corporate Governance Committee shall serve as the Lead Independent Director and perform the responsibilities of the position as needed.

The Lead Independent Director shall be elected to serve for a one-year period or until his or her successor is elected or his or her death, resignation, or removal. The identity of the Lead Independent Director shall be included in the annual proxy statement along with a description of his or her responsibilities.

The responsibilities of the Lead Independent Director shall include, but not be limited to, the following:

- Assist the Board Chair in his or her duties as requested.
- Assume the duties of the Board Chair when the Board Chair is not available to perform his or her duties.
- Provide expertise and advice on Board meeting agendas and executive sessions.
- Call special Board meetings as appropriate.
- Lead, in conjunction with the Corporate Governance and Compensation Committees, the annual process for evaluating the performance and compensation of the CEO and communicate to the CEO the results of the evaluation.
- If the Board Chair is employed by the Company, lead, in conjunction with the Corporate Governance and Compensation Committees, the annual process for evaluating the performance and compensation of the Board Chair and communicate to the Board Chair the results of the evaluation.
- Lead, in conjunction with the Corporate Governance Committee, the process for annual review and evaluation of Board and director performance.
- Preside at executive sessions of the independent directors.
- Oversee Board meeting schedules, agendas, and materials and provide input to Committee Chairs on Committee schedules, agendas, and materials.
- Serve as principal liaison between the independent directors and management and between independent directors and the Board Chair, when needed.

(3) **Chief Executive Officer.** The Board selects the Company's CEO based on factors that include, among other things, visionary and strategic intellectual abilities, business and operational experience, experience and effectiveness in executing corporate strategy and priorities, and demonstrated ability to meet stakeholder needs. The CEO should demonstrate the Company's values including a dedication to safety, operational excellence and continuous improvement, integrity and accountability to communities and the environment, and a commitment to fostering an inclusive and diverse culture. In addition to the responsibilities set forth in the Company's bylaws and responsibilities delegated by the Board to the CEO from time to time, the CEO is responsible for developing the strategic plan, public policy positions, a strong and diverse executive management team, financial and operational results, and representing the Company to the public and to its investors.

III. DIRECTOR SELECTION AND EVALUATION AND OTHER EXPECTATIONS

A. Identification and Selection of Director Nominees

The Corporate Governance Committee is responsible for identifying and recommending director nominees for election to the Board consistent with the attributes and core competencies identified above. In fulfilling this responsibility, the Corporate Governance Committee considers the needs of the Board on an ongoing basis as well as the results of the annual Board and individual director evaluations. The Corporate Governance Committee reviews information received about Board candidates and undertakes any investigations deemed necessary to determine qualifications, eligibility and suitability for nomination. The Corporate Governance Committee will consider candidates proposed for election by shareholders or others using the same procedures and criteria used to evaluate other candidates. If the Corporate Governance Committee determines that a candidate is qualified and the candidate's election would be in the best interests of the Company, a recommendation will be made to the Board to extend an invitation to the candidate to join the Board. The Corporate Governance Committee has sole discretion to recommend a slate of candidates for the Board's approval. The Board ultimately determines who the Board will nominate.

Directors are typically recommended for election by shareholders at the annual meeting of shareholders. However, the Corporate Governance Committee may also recommend candidates for election by the Board between annual meetings as appropriate. The Board may approve any decrease or increase in its size and fill any vacancies created by an increase in size upon the Corporate Governance Committee's recommendation.

B. Annual Evaluations of Board, Committee, and Individual Director Performance

The Corporate Governance Committee consults with the Board Chair and the Lead Independent Director (unless the position is vacant) to review and recommend the process and criteria used for annual evaluations of the performance of the Board, its Committees, and individual directors including the Board Chair and Lead Independent Director (unless the position is vacant).

The annual evaluation process involves consideration and discussion of the performance of the Board as a group, the performance of its Committees, and the contributions and performance of each individual director using the director qualification standards and core competencies outlined above and any other criteria determined to be appropriate. Individual directors receive feedback from one of the Board Chair, the Corporate Governance Committee Chair, or the Lead Independent Director (unless the position is vacant).

In connection with the annual evaluation of Board performance, each Committee shall conduct an annual self-assessment of its performance and shall report the results and any recommended actions or enhancements to the Corporate Governance Committee.

The Board Chair, Corporate Governance Committee Chair, or Lead Independent Director (unless the position is vacant) shall review with the Corporate Governance Committee the results of the annual evaluation of the performance of the Board, its Committees and, as appropriate, the performance of individual directors. The Corporate Governance Committee may recommend changes or enhancements to the full Board for its consideration. The Board Chair, Corporate Governance Committee Chair, or Lead Independent Director (unless the position is vacant) will report to the full Board for its consideration the

results of the Board and Committee evaluations and any recommendations from the Corporate Governance Committee.

C. Board Chair and CEO Evaluations

The Corporate Governance Committee coordinates the Board's establishment of performance criteria and the process used to assess the performance of the Board Chair (if employed by the Company) and the CEO. The Board Chair (if employed by the Company) and the CEO shall submit annual self-assessments of their respective performance to the Lead Independent Director (unless the position is vacant) and Chair of the Corporate Governance Committee for review by the full Corporate Governance Committee.

The Compensation Committee reviews compensation data with the independent compensation consultant and develops a range of appropriate compensation for the Board Chair (if employed by the Company) and the CEO (if such positions are held by separate individuals).

The Board Chair, if independent under the Board's Independence Standards for Directors, shall, in consultation with the Chairs of the Corporate Governance and Compensation Committees, lead a discussion of the CEO's self-assessment with the independent members of the Board, who together evaluate the performance and establish compensation for the CEO.

If the Board Chair is employed by the Company, the Lead Independent Director shall consult with the Chairs of the Corporate Governance and Compensation Committees and lead the process for evaluating the performance and compensation of the Board Chair.

D. Director Retirement Age and Tenure

Each non-employee director must retire from the Board at or before the next annual meeting following the director's 80th birthday.

The Board has full discretion to decline a tendered resignation if it determines, based on the recommendation of the Corporate Governance Committee, that it is in the best interests of the Company and its shareholders to extend the director's continued service for an additional period of time.

The Board has not established term limits for director service but relies, instead, on the mandatory retirement age and annual director performance evaluations to assure a regular process of Board refreshment. The Board considers each director's experience and tenure in connection with the individual director performance evaluations, the assessment of director independence, and the nomination of directors for election. Term limits could deprive the Board of the valuable contributions of experienced directors who have extensive knowledge of the Company and its operations.

E. Limits on Other Board Memberships

The Corporate Governance Committee considers whether a potential candidate for director has the time available, in light of other business and personal commitments, to perform the responsibilities required to provide effective service on the Board. After election to the Board, it is expected that a director will discuss with the Corporate Governance Committee Chair any potential conflict that may arise from the prospect of joining another corporate board. Among the criteria used in evaluating director performance is whether the director demonstrates preparedness and engagement required for effective service to the Board.

1. A Constellation director who serves as the chief executive officer of a public company should not serve on more than two public company boards (including Constellation’s Board).
2. Other Constellation directors should not serve on the boards of more than four public companies (including Constellation’s Board).

For these purposes, a “public company” is a company with common equity securities registered under the Securities Exchange Act of 1934. In calculating service on a public company board, service on a board of a parent and its substantially owned subsidiary counts as service on a single board. The Corporate Governance Committee may waive these limitations if it determines that the scope of the director’s other commitments does not interfere with the director’s contributions to the Constellation Board and the director possesses specialized and valuable knowledge and experience and regularly demonstrates thorough preparation and effective engagement in Board and Committee meetings. Service on boards and/or committees of other organizations should follow the Company’s conflict of interest policies.

F. Required Offer of Resignation Upon Change of Employment Status

Directors who retire from or substantially change their principal position of employment or other significant change to their professional roles and responsibilities are required to offer to resign to the Corporate Governance Committee, normally to be effective at the next annual meeting of shareholders. The Corporate Governance Committee will consider whether to accept or reject the offer of resignation and make a recommendation to the Board. The Board will decide, in its sole discretion, whether to accept or reject such offer of resignation. The Board has no policy that would prohibit the continued service on the Board of a retiring officer of Constellation.

IV. BOARD OPERATIONS

A. Director Compensation

The Corporate Governance Committee periodically reviews the director compensation program and components and recommends any changes to the Board for its approval. In so doing, the Corporate Governance Committee benchmarks its director compensation program to peer company practices. The Corporate Governance Committee may retain the services of an outside compensation consultant when deemed appropriate to assist with its review. Employee directors shall receive no additional compensation for serving on the Board or its Committees.

B. Stock Ownership Requirement

All directors are required to beneficially own, within five years of their initial election to the Board, Company common stock equal to at least five times the annual director retainer fee.

C. Meetings and Board Calendar

The Corporate Governance Committee annually recommends the number of regular Board meetings and one meeting each year is devoted to matters of corporate strategy and planning. The Corporate Secretary, in consultation with the Board Chair, CEO, and Lead Independent Director (unless the position is vacant) prepares an annual agenda of Board and Committee meetings and submits it to the Board for review and approval. The Board Chair or Lead Independent Director (unless the position is vacant) may change a previously scheduled meeting or call a special meeting of the Board after providing notice as required under the bylaws.

D. Board Executive Sessions

The Board routinely holds executive sessions during each regularly scheduled Board meeting including regular executive sessions in which non-management directors meet without management participation. The Board Chair (if independent under the Board's Independence Standards for Directors) or the Lead Independent Director (if the Board Chair is not independent) shall preside and lead discussions during such executive sessions.

Executive sessions are held to discuss the annual self-assessments, performance evaluations, and compensation arrangements for the Board Chair (if employed by the Company) and CEO (if such positions are held by separate individuals). The Board also holds executive sessions annually and more frequently as needed to discuss succession planning for the CEO role and for other senior management roles. Directors may also meet in executive session at any time if a request is made of the Board Chair or Lead Independent Director (unless the position is vacant). Following each executive session of independent directors, the Board Chair (if not independent under the Board's Independence Standards for Directors) and the CEO may join the Board meeting for a discussion.

E. Agendas and Advance Distribution of Meeting Materials

The Board Chair, with input from the Lead Independent Director (unless the position is vacant) and the CEO (if such positions are held by separate individuals) establishes Board meeting agendas. The Corporate Secretary distributes copies of preliminary agendas sufficiently in advance of the meeting to apprise directors of the principal matters to be considered. Each director is free to suggest additional items for meeting agendas.

Information and data that are important to the Board's understanding of the business and of matters to be considered at the meeting should be distributed for review at least one week prior to the meeting, unless circumstances require a later distribution. Sensitive matters may be discussed at the meeting without the prior distribution of written materials.

F. Board Access to Senior Management

Board members shall have full and open access to senior management and other staff members. Any meetings or contacts that a director wishes to initiate may be arranged through senior management. Directors shall use good judgment to ensure contact is not distracting to the business operations of the Company. Generally, the Board Chair and the CEO will be advised of significant business contacts between directors and employees of the Company. The Corporate Secretary generally coordinates management communication to the Board. At the invitation of the Board, senior management regularly attends and makes presentations at Board meetings and at Committee meetings as requested by the Committee Chairs. A senior management liaison is assigned to each Committee.

G. Corporate Spokesperson

The Board believes that management should speak for the Company. Individual directors may, from time to time, meet or otherwise communicate with various constituencies that are involved with the Company. It is expected that Board members will safeguard the confidentiality of Company information and only speak for the Company with management's knowledge, and in most cases, at the request of management. Board members shall refer any requests for public comment to the Corporate Secretary.

H. Director Orientation and Training

Comprehensive director orientation shall be overseen by the Corporate Governance Committee and administered by the Corporate Secretary. Such orientation will enable new directors to become familiar with the Company's vision, strategic direction, financial matters, corporate governance practices, Code of Business Conduct, and other key policies and practices through background materials and meetings with senior management. The Company shall provide continuing education opportunities for incumbent directors on subjects that aid in their development and assist directors to effectively discharge their duties including regular programs on financial planning and analysis, compliance and corporate governance developments, business-specific learning opportunities, and briefing sessions on topics that present special risks and opportunities to the Company. The Corporate Governance Committee may recommend Committee member rotation if it determines that rotation would enhance the directors' education. Targeted educational programs will be offered to the Audit and Risk Committee or any other Committee, as needed.

Directors are encouraged to participate in educational opportunities offered by the Company or external organizations. The Corporate Secretary shall keep directors informed about educational opportunities on a periodic basis.

I. Communicating with Directors

Interested parties may communicate directly and confidentially with the Board Chair, the Lead Independent Director, or with the non-management directors as a group by writing to them, in care of the Corporate Secretary at Corporate Headquarters. The Corporate Secretary may initially review such communications and transmit a summary of them to the directors. The Corporate Secretary will directly forward communications raising substantial issues but has discretion to exclude from the transmittal communications that are commercial advertisements, other forms of solicitation or individual service or billing complaints (although all communications will be available to the directors upon request). Shareholder recommendations of nominees for director will be presented to the Corporate Governance Committee when the Corporate Governance Committee meets to consider nominees for director.

J. Board and Committee Access to Outside Advisors

The Board and each of its Committees shall have the right to retain outside financial, legal, compensation, or other advisors or consultants for any purpose related to the duties of the Board and its Committees. Expenses related to the use of such advisors or consultants shall be paid by the Company.

V. BOARD COMMITTEES

A. Standing Committees of the Board

There are four standing Committees of the Board: Audit and Risk, Compensation, Corporate Governance, and Nuclear Oversight. The Audit and Risk, Compensation, and Corporate Governance Committees are composed solely of independent directors.

All standing Committees have charters that outline the purpose and responsibilities of the Committees as recommended by the Corporate Governance Committee and approved by the Board. Each Committee reviews its charter annually. Any resulting recommendations for changes to Committee charters are presented to the Corporate Governance Committee for its review and recommendation to the Board for

its approval. The Corporate Governance Committee may recommend the formation of additional Committees, subject to the Board's approval.

B. Assignment of Committee Members

The Corporate Governance Committee shall consult periodically with the Board Chair, the Lead Independent Director (unless the position is vacant), and the CEO on the appropriate size and composition of the Committees and shall recommend changes for the Board's approval. The Corporate Governance Committee also recommends the designation of Committee Chairs to the Board for its approval. In general, directors are expected to serve on two Committees with exceptions made when deemed appropriate.

While Committee assignments are reviewed periodically for changes, rotation is not mandatory as the Board believes there are significant benefits to be derived from continuity, experience, and utilizing the individual talents of Board members.

C. Audit and Risk Committee Membership

In addition to being independent, Audit and Risk Committee members must be able to read and understand fundamental financial statements, including the Company's balance sheet, income statement and statement of cash flows.

In addition, at least one member of the Audit and Risk Committee must have accounting or related financial management expertise, which means a solid background in finance, accounting or auditing, acquired through past employment experience, professional certification in accounting, or any other comparable experience that results in the individual's financial sophistication, including being or having been a CEO or other senior officer with significant financial oversight responsibilities or a member of an audit committee. The Board may presume that a person who satisfies the definition of audit committee financial expert set out in Item 401(h) of Regulation S-K qualifies as financially sophisticated for the purposes of Nasdaq listing requirements.

D. Committee Meetings and Agendas

Committee meetings and annual agendas comprising regularly recurring items to be considered by each Committee are established on an annual basis when the Board calendar is developed. Each Committee Chair has authority to determine additional meeting topics on meeting agendas in consultation with appropriate members of management. Each Committee Chair may also consult with the Board Chair or the Lead Independent Director (unless the position is vacant) to place additional items on meeting agendas and to schedule special meetings as needed, subject to the requirements of notice and quorum.

Executive sessions of Committee meetings are regularly scheduled and may be held at the request of any Committee member, with the Committee Chair's approval. The Audit and Risk Committee shall meet routinely in executive session with the internal and external auditors. Executive sessions may be held with other members of management at the request of the Audit and Risk Committee Chair. All directors are welcome to attend the meetings of any Committee, even if not a member of the Committee, with the approval of the Committee Chair, Board Chair, or Lead Independent Director (unless the position is vacant) and may participate in executive session discussions with the approval of the Committee Chair.

Each Committee Chair reports to the Board at its next meeting with respect to matters considered and actions taken by the Committee.

VI. ADDITIONAL MATTERS

A. Succession Planning

The Corporate Governance Committee is responsible for reviewing succession planning for the positions of Board Chair (if employed by the Company), CEO, and President and for making any appropriate recommendations to the Board.

The Compensation Committee is responsible for reviewing succession planning for executive officers other than the CEO and President. The Compensation Committee shall elect all officers other than the Board Chair, CEO and President upon the recommendation of the CEO.

The CEO shall provide a report at least annually on the Company's program for executive career development and succession planning in an executive session of directors. The Board shall also annually review succession planning for contingencies, such as departures, death, or disability of the CEO or other key executives so that, in the event of an untimely vacancy, an emergency succession plan is in place to facilitate a transition to interim and longer-term leadership. The full Board is involved in succession planning decisions.

B. Executive Stock Ownership Requirement

To strengthen the alignment of executives' interests with those of shareholders, officers will be required to own stock in the Company in amounts as determined by the Compensation Committee from time to time. For purposes of this requirement, the following securities will be considered owned:

- Shares owned outright or by a family member, in street name or held in trust,
- Net shares from vested long-term performance share unit awards,
- Shares underlying unvested restricted stock unit awards,
- Shares held in the deferred compensation program or in retirement plan accounts; and
- Shares acquired and held through stock option exercise.

The ownership requirements may be equitably adjusted in the case of promotions at the discretion of the Senior Vice President and Chief Human Resources Officer.

C. Clawback Policy

The Board may seek to recoup incentive compensation paid or payable to current and former incentive plan participants if, in its sole discretion, the Board determines that:

- The incentive compensation was based on the achievement of financial or other results that were subsequently restated or corrected,
- The incentive plan participant engaged in misconduct that caused or contributed to the need for restatement or correction,
- A lower incentive plan award would have been made to the participant based on the restated or corrected results, and
- Recoupment is not precluded by applicable law or employment agreements.

The Board or the Compensation Committee may also seek to recoup incentive compensation paid or payable to current and former incentive plan participants if, in its sole discretion, the Board or the Compensation Committee determine that:

- The current or former incentive plan participant breached a restrictive covenant or engaged or participated in misconduct or intentional or reckless acts or omissions or serious neglect of responsibilities that caused or contributed to a significant financial loss or serious reputational harm to Constellation or its subsidiaries regardless of whether a financial statement restatement or correction of incentive plan results was required, and
- Recoupment is not precluded by applicable law or employment agreements.

This policy can be enforced by reducing or canceling outstanding and future incentive compensation and by legal process asserting a claim for repayment. This policy is in addition to any and all other rights the Company may have to pursue remedies against an employee or former employee for misconduct in the course of employment by the Company, all of which are expressly retained by the Company.