



Constellation Energy[®]

PRINCIPLES OF BUSINESS INTEGRITY

FEBRUARY 2009

DEAR COLLEAGUE:

Today I am sending you our Company's *Principles of Business Integrity*. Constellation Energy has adopted these Principles to help guide our behavior and to remind us all of the high ethical standards under which we operate.

This is one of the most important documents I will ever distribute to Constellation Energy employees. All employees should read and adhere to these principles and apply them to all business decisions made on behalf of Constellation Energy. Ethical conduct is an important performance expectation for all employees, and we are all held accountable for our actions. Constellation Energy is committed to adhering to the letter *and* spirit of the law. While no single document can address every situation, these principles provide direction on how to approach the complex business situations we face every day.

Call the Corporate Compliance Department at 410-470-5748 to seek advice, report concerns or ask questions.

Call the Business Integrity Helpline at 877-460-5700 24 hours a day, seven days a week to speak to someone anonymously about an issue, complaint or concern.

I want to stress that if you are ever in doubt regarding an appropriate course of action—**ask**. Constellation Energy employees should confidently question business decisions, and we encourage employees to discuss any concerns with management and/or to contact the Corporate Compliance Department or the Business Integrity Helpline. Constellation Energy's unwavering commitment to ethical behavior at all times has made us a leader in the industry and given us a reputation we should all strive to uphold.

I am counting on all employees to continue our strong tradition of both personal and business integrity. I commit to following these principles and expect that each and every Constellation Energy employee will do the same.

Regards,



Mayo A. Shattuck III

Chairman, President and Chief Executive Officer



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PRINCIPLES OF BUSINESS INTEGRITY

At Constellation Energy, we have a commitment to integrity and high ethical standards and to compliance with applicable governmental laws, rules and regulations. Our future success depends on maintaining the trust and confidence of the individuals and groups of people who rely on us and with whom we do business. We can accomplish this objective by conducting ourselves honestly, with consideration for others, with respect for our professional obligations, and with regard for legal and regulatory requirements.

In the course of conducting business in a competitive marketplace, we are presented with many challenges and pressures.

Conducting our business and ourselves with integrity enables us to create a supportive work environment, helps us attract and retain customers and employees, and promotes our financial success. When we act with integrity, we protect our individual reputations as well as the reputation of the company. Acting with integrity demonstrates our respect for our investors and shareholders and will help us avoid or reduce penalties, fines and liabilities.

These *Principles of Business Integrity* provide guidance on a wide range of conduct, conflict of interest and legal compliance issues and are applicable to all Constellation employees, officers and directors. All employees, officers and directors are responsible for following these Principles. Employees and officers are also responsible for complying with the policies, procedures, and standards of the department or operating unit in which they work.

In rare circumstances, waiver of these *Principles of Business Integrity* may be appropriate. For employees, waivers may be made only by the Chief Compliance Officer. For executive officers or directors, such waivers may be made only by the Nominating and Corporate Governance Committee of Constellation's Board of Directors and will be promptly disclosed as required by law or any other applicable rule and/or regulation. You should keep and refer to these *Principles of Business Integrity* whenever you have a question or concern about an ethical situation, a potential conflict of interest, appropriate conduct or legal compliance. Following these Principles will help you avoid inadvertent violations of Constellation's policies and may protect you from personal criminal and civil liability. Employees who violate these Principles are subject to corrective action, including termination.

By following these *Principles of Business Integrity*, you are demonstrating respect for yourself, your co-workers, and Constellation. Thank you for your continued commitment to these Principles and to the values of Constellation. In these *Principles of Business Integrity*, the terms "Constellation" and "company" refer to Constellation Energy Group, Inc. and its businesses. These Principles are not intended to create, nor do they create, any legal rights related to employment. Further, as used in these Principles, the term "personnel" includes Constellation employees, officers and directors. Some Constellation businesses are involved in joint ventures and partnerships with other companies. If you represent Constellation, including its businesses, in one of these enterprises, you must follow these *Principles of Business Integrity*.

BOOKS AND RECORDS: DISCLOSURE AND RETENTION PRACTICES

It is the policy of Constellation to fully and fairly disclose the financial condition of the company in compliance with applicable accounting principles, laws, rules and regulations. Books and records of Constellation Energy shall be kept in such a way as to fully and fairly reflect company transactions. Furthermore, the Constellation chief executive officer, chief financial officer, and controller or persons performing similar functions, shall ensure full, fair, accurate, timely and understandable disclosure in reports and documents that their respective entity files with or submits to the SEC and in such entity's other public communications.

Q: I have many documents that I no longer use and my department is low on storage space. The documents have not exceeded their retention date, but I know no one will need them again. Can I shred these records?

A: No. Employees must adhere to the retention periods dictated by the Records Retention Policy. These records must be retained. You should work with your supervisor to locate adequate storage space.

If you are involved in creating, transmitting or entering information into financial, operational or other business records, you are responsible for doing so fully, accurately, with sufficient detail, and with appropriate supporting documentation. You should neither hide, alter, disguise, omit or falsify the true nature of any transaction nor facilitate any unauthorized, improper, or illegal payments or transactions. In addition, you should not manipulate any financial accounts, records or reports. You should report any requests you receive to manipulate accounts, records or reports and any suspected misconduct regarding accounting, internal auditing controls or auditing matters, as noted in these *Principles of Business Integrity*.

Q: My supervisor asked me to record a transaction that I don't fully understand. How can I be sure that I am doing the right thing by recording it?

A: You should further discuss the transaction with your supervisor. If you are still unsure that what you have been asked to record is proper and accurate, then you should discuss with the next level of management or contact Corporate Compliance for guidance.

In addition, all books and records must be maintained in accordance with Constellation's Records Retention Policy and applicable law. Constellation records must not be destroyed outside the parameters of the Records Retention Policy. Questions about Constellation's Records Retention Policy should be directed to your supervision and/or Corporate Compliance.

FAIR DEALING

Constellation seeks to outperform our competitors in a fair and honest manner. We seek competitive advantages through superior performance, not through unethical or illegal business practices. Possessing trade secrets or other proprietary information that was obtained without the owner's consent or inducing such disclosures by past or present employees of other companies (or others affiliated with such companies) is prohibited. Each employee, officer and director should endeavor to respect the rights of and deal fairly with the company's customers, suppliers, business partners, competitors and employees. No company personnel should take unfair advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation of material facts or any other intentional unfair-dealing practice.

PROTECTION AND PROPER USE OF COMPANY ASSETS

Company assets such as equipment, supplies, materials, tools, facilities, vehicles, systems, information, intellectual property and employee time are valuable resources owned, licensed or otherwise belonging to the company and should be used for legitimate business purposes. Due care and common sense should govern the use of corporate assets. Theft, carelessness and waste have a direct impact on the company's profitability. Safeguarding company assets and ensuring their efficient use is the responsibility of all directors, officers and employees.

CONFIDENTIALITY

Information is one of our key corporate assets. In order to maintain our competitive advantage in an increasingly dynamic marketplace, employees, officers and directors should maintain the confidentiality of information entrusted to them by the company or its customers, suppliers, business partners or others in the course of conducting business with the company, except when disclosure is authorized or legally mandated. Confidential information includes nonpublic information that might be of use to competitors or harmful to the company or its customers if disclosed.

Q: I have information on prices some of my former customers received while I was working at a different energy company. Can I use this information in performing my job duties for Constellation?

A: Pricing information is generally considered confidential. Constellation expects you to abide by any confidentiality obligations to former employers and does not permit its employees to use the confidential information of other companies to further Constellation's interests.

Confidential information also includes material information, including transactions and legal proceedings relating to Constellation, which have not yet been made public. See the "Insider Trading" section of these *Principles of Business Integrity* for more information. Company employees must observe the restrictions on sharing information among company businesses. These restrictions may prohibit personnel from sharing certain information or discussing certain matters with colleagues in other departments or businesses. (e.g., pending transactions, matters related to litigation or potential litigation, personnel matters, etc.) You should not disclose confidential information to anyone, including co-workers, unless the person has a legitimate business need to know. See the "Interactions Among Employees in Different Businesses" section of these *Principles of Business Integrity* for more information.

Constellation expects all personnel to safeguard confidential and proprietary information, even after leaving Constellation. Likewise, new personnel of the company are expected to honor any continuing confidentiality obligations that they have with previous employers or other entities.

In order to protect Constellation's confidential information, all employees should:

- Refrain from discussing confidential information with family members or social acquaintances.
- Refrain from discussing confidential information in public areas, such as elevators, restaurants, on public transportation, or in other places where people may overhear the information.
- Exercise caution when discussing confidential information on speaker phones and do so only when you are sure that others cannot overhear the information.
- Secure confidential documents when not in use and never leave such documents unattended in communal or public areas.
- Protect the confidentiality of computer log-on information.

Q: Because of our job duties some employees in our department were made aware of some new potential acquisitions. I overheard a co-worker sharing this information over the phone with someone outside the company. What should I do?

A: Your co-worker may have inappropriately shared confidential information in violation of Constellation's policy. You should report the incident to your supervision or to Corporate Compliance so an investigation can be conducted.

DIVERSITY AND INCLUSION

Constellation is committed to maintaining a professional work environment in which all individuals are treated with respect and dignity. Constellation promotes equal employment opportunities and strives to employ a diverse work force. All personnel decisions, including hiring decisions, are based on merit and the principle of furthering equal opportunity in the workplace. Constellation does not discriminate in employment opportunities on the basis of race, color, religion, sex, age, marital status, disability, sexual orientation, gender identity or expression, veteran status, national origin or other bases protected by applicable law, rule or regulation. This policy applies to all terms and conditions of employment, including but not limited to recruitment, selection, job assignments, compensation, promotion and discipline. Constellation expects that every employee fully supports its efforts to foster a diverse workplace that is free of discrimination. By embracing diversity and inclusion into everything we do, Constellation will be a more valuable company for all its stakeholders.

If you would like to learn more about Constellation's diversity and inclusion efforts, please visit the Diversity Office Web site under myConstellation HR section and select "Diversity"

MAINTAINING A WORKPLACE FREE OF HARASSMENT AND DISCRIMINATION

Constellation has zero tolerance for harassment and discrimination, including sexual harassment or discrimination based on race, color, religion, sex, age, marital status, disability, sexual orientation, gender identity or expression, veteran status, national origin or other bases protected by applicable law, rule or regulation. All personnel must treat their colleagues with respect, fairness and dignity. Constellation personnel at every level have the right to work in an atmosphere that is free from harassment or such discriminatory behavior.



If you feel that you have witnessed discrimination or harassment, you must report it immediately to Human Resources and/or Corporate Compliance. Complaints of discrimination or harassment will be investigated promptly, thoroughly, and, to the extent possible, confidentially. Constellation does not tolerate any form of retaliation against employees who raise such concerns in good faith.

For further information, employees should refer to the Harassment Free Workplace Policy in the General Policies & Employee Relations section of the company's handbook or contact the Human Resources Department.

WORKPLACE VIOLENCE

Constellation is committed to providing a safe and secure environment for all employees and customers. Our environment must be free from any threat of workplace violence. Workplace violence is any direct or implied threat, intentional act or other unreasonable behavior that could create fear, hostility, intimidation or concern of harm in another person.

Q: A colleague has confided in me that they are afraid of another employee because that individual has been acting odd and mentioned they keep a weapon in their car. What should I do?

A: You should inform your supervisor, Security and/or Corporate Compliance and provide as many details about the individual's behavior as possible.

If you believe workplace violence is occurring or you believe anyone may be in imminent danger, immediately contact Constellation's Security Department at (800) 772-2455 and/or 911. If you have any knowledge of any direct or implied threats or other workplace violence issues not involving imminent danger, immediately report the matter to your supervision, Security, and/or Corporate Compliance.

Q: During a heated discussion, a colleague made a fist and shook it at me. What should I do?

A: You should inform your supervisor, Security and/or Corporate Compliance and provide as many details about the incident as possible.



AVOIDING CONFLICTS OF INTEREST

Employees, officers and directors are expected to conduct their work in an ethical and honest manner for the benefit of Constellation, its customers, and its shareholders. When acting on Constellation's behalf, it is paramount that we all make business decisions based on the best interests of Constellation—and not on personal considerations or relationships. Conflicts of interest with Constellation should be avoided. A conflict of interest arises when an individual's private interests interfere or appear to interfere, with the interests of Constellation. Conflicts of interest can undermine business judgment and threaten Constellation's reputation in the business community. Even the mere perception of a conflict of interest can cause the intent of your actions to be questioned.

Q: My spouse owns a company that provides services to Constellation businesses. Does this present a conflict of interest?

A: It could. You should report this potential conflict of interest to Corporate Compliance. Corporate Compliance will explore the situation to determine whether a conflict of interest exists. At minimum, you should excuse yourself from any discussions involving the services your spouse's company provides to Constellation to remove any appearance of a conflict of interest.

A conflict situation can arise when an employee, officer or director takes action or has interests that may make it difficult to perform his or her company work objectively and effectively. Loans to or guarantees of obligations to anyone must be approved in advance by the chief compliance officer. Conflicts of interest also arise when an employee, officer or director, or a member of his or her family receives improper personal benefits as a result of his or her position in the company.

Q: My son has just been hired by Constellation and is assigned to report to someone who reports to me. What should I do?

A: You should immediately notify your manager and Human Resources of the relationship. Constellation does not permit relatives to be in direct reporting relationships. Adjustments will be made to address the situation and avoid any perception of favoritism.

DIVERTING CONSTELLATION ENERGY OPPORTUNITIES

Company employees, officers and directors have a duty to Constellation to advance its legitimate interests when the opportunity to do so arises. You must not (a) take personal advantage of business opportunities that come to your attention through the course of business or use of company property, information or position; (b) use company property, information or position for personal gain or (c) compete with the company.

GIFTS OR OTHER BUSINESS COURTESIES AND IMPROPER PERSONAL BENEFIT

The giving and receiving of gifts, meals, services or entertainment can be effective and appropriate means of building and maintaining legitimate business relationships. However, in order to maintain trust and integrity with our customers, suppliers, business partners or others in the course of conducting business with the company, it is important to be prudent when accepting gifts. No Constellation employee, officer or director should accept a gift that might be intended to influence, or appears to influence, a business decision.

Q: A supplier that my department regularly uses has offered me some tickets to a sporting event here in town. Can I accept the tickets and attend the event?

A: It depends. If your department is currently reviewing potential bids for the services or materials provided by this supplier and considering a replacement, then the gift may be intended to influence that process. However, Constellation does recognize that, under certain circumstances, accepting such gifts can be in the company's best interest and help foster positive business relationships. Therefore, you should discuss with your supervisor and, if necessary, with Corporate Compliance prior to accepting the tickets.

Q: A supplier that I have business dealings with offered to let me use his company discount for some materials I need for a home improvement project. I will pay for all expenses, but will save some money using the discount. Can I accept this offer?

A: Constellation employees must decline any gifts that could even appear intended to influence business decisions. Even if the supplier's intent is innocent, this gift could create the perception that the discount was offered to influence you in your performance of Constellation duties. Gifts include not only material goods, but also services and discounts not generally available to the public. Therefore, you should decline the supplier's offer.

OUTSIDE EMPLOYMENT AND COMPENSATION FROM OUTSIDE SOURCES

You should not participate in outside employment activities that could interfere with your ability to perform your duties for Constellation, that are in competition with Constellation, that conflict with the business or interests of Constellation, or that could damage the company's reputation. Outside employment with a person or firm doing business or seeking to do business with Constellation must be disclosed and approved by your supervisor or management.

Q: I am a Constellation employee and am thinking about taking a part-time job elsewhere to increase my income. Is this allowed?

A: Yes. However, before doing so, you should consider whether the part-time job will conflict with your schedule at Constellation and whether you will be able to devote your best efforts to your primary job at Constellation and your part-time employment elsewhere.

SERVING NONPROFIT AND COMMUNITY ORGANIZATIONS

Constellation has a long-standing reputation for community service. Company employees are encouraged to participate in community activities and nonprofit organizations as long as that participation does not jeopardize the company's reputation or distract from performing job responsibilities.

Q: I am contemplating seeking elected office in my hometown. If elected, I may be placed in a position of having to vote on decisions involving Constellation and its interests. Can I still seek election and, if yes, how do I handle matters that may involve Constellation or its interests?

A: Constellation fully supports employees who wish to engage in civic activities and hold public office, as long as those endeavors do not interfere with their Constellation job duties. Therefore, you may seek elected office. However, if elected, you must abstain from discussing or voting on any issues involving Constellation and its interests.

You must be aware of and promptly resolve any potential conflicts of interest that may arise out of your service to nonprofit organizations. Additionally, if you serve on a nonprofit board, you must recuse yourself from decision-making where there is a potential conflict between the nonprofit organization's interests and the interests of Constellation.

COMPLYING WITH LAWS, RULES AND REGULATIONS

Constellation expects you to comply with applicable laws, rules and regulations issued by federal, state and local authorities. The following sections discuss the most common legal compliance issues you may encounter.

INTERACTIONS AMONG EMPLOYEES IN DIFFERENT BUSINESSES—“AFFILIATE RULES”

Constellation Energy Group, Inc. is a holding company that owns some or all of the stock of a number of subsidiary companies. Baltimore Gas and Electric Company (“BGE”), one of Constellation Energy Group, Inc.'s subsidiaries, is a utility regulated by the Maryland Public Service Commission (the “Commission”). The other subsidiaries of Constellation Energy Group, Inc. are sometimes referred to as “affiliates” of BGE because ultimately they and BGE are all controlled by the same parent company. Business interactions between BGE and the other affiliates are subject to a set of standards issued by the Commission and to a Cost Allocation Manual filed each year with the Commission.

These standards and cost-allocation requirements are sometimes referred to as the “Affiliate Rules.” They were issued to ensure that interactions between BGE and its affiliates are appropriate. They guard against BGE's acting in the interest of its affiliates at the expense of itself, inappropriately sharing certain information with other affiliates or inappropriately allocating costs incurred by these affiliates to BGE.

The Federal Energy Regulatory Commission also has rules that restrict the interactions between BGE's wholesale power and transmission service operations and the unregulated business units or businesses of the company. You should consult your organization's policies for more information on these rules and how they apply to your organization.



INSIDER TRADING

It is the company's goal to protect shareholder investments through strict enforcement of the prohibition against insider trading set forth in federal securities laws and regulations.

No director, officer or employee may buy or sell securities of the company at a time when in possession of "material nonpublic information." Information is generally considered "material" if there is a reasonable likelihood that an investor would consider the information important in determining whether to trade in a security or if the information, if made public, would significantly affect the market price of the security. The materiality of information depends on the facts and circumstances. Examples of information likely to be material include earnings; financial results or forecasts; unannounced dividends; business plans; possible mergers, acquisitions, divestitures or joint ventures; and key personnel changes. Information is nonpublic unless it has become public and sufficient time has passed for it to be digested by the financial markets. Generally, information is not considered digested by the public until after the close of business on the second trading day following the date of public disclosure.

Q: I overheard co-workers saying that Constellation will announce higher-than-expected earnings this quarter. Based on this information, I'd like to buy some more of our stock. Can I do so?

A: If the earnings are not yet reported to the public, then this information would be material nonpublic information and buying or selling based on this information would violate Constellation's Insider Trading Policy and could subject you to criminal and civil penalties. However, if the information is already publicly available, then trading would be permissible—unless you have previously been informed by Constellation that you are subject to the trading window provisions under the Insider Trading Policy and the trading window is then closed. If you are unsure, you should consult Corporate Compliance to ensure that the information has been made public and that you are not subject to the trading window provisions.

Passing such information to someone who may buy or sell securities is also prohibited. The prohibition on insider trading applies to the company's securities and to securities of other companies if the director, officer or employee learns of material nonpublic information about those other companies in the course of his or her duties for the company. This prohibition also extends to certain nonemployees who may learn about the "material nonpublic information" about the company, such as spouses, relatives and close friends of directors, officers or employees. Insider trading is both unethical and illegal, and anyone engaging in insider trading is subject to corrective action, including termination. Refer to Constellation's Insider Trading Policy for additional information and for specific employee-reporting procedures.

ANTITRUST

Antitrust laws promote fair competition among businesses. Activities that unfairly restrict free competition or allow a company or group of companies to dominate a market in a way that increases prices or excludes competitors may violate federal and state antitrust laws. These laws are intended to ensure that customer choices in the market are not impaired or obstructed by improper conduct or agreements that impact price, restrict volume, or reduce the number of suppliers.

Certain types of anticompetitive conduct, such as bid-rigging and agreements among competitors to allocate customers, otherwise divide markets, or to fix prices or terms of sale are always prohibited. Other types of conduct may violate the antitrust laws if the conduct harms competition more than it enhances competition. Even unilateral action by the company can raise antitrust issues. The antitrust laws prohibit monopolization, which is the misuse of a high market share through exclusionary or predatory conduct.



While Constellation does compete vigorously for business opportunities, we must all do so in a legitimate and lawful manner. Constellation expects all employees to refrain from conduct that may run afoul of antitrust laws. Employees should keep the following guidelines in mind as they pursue business opportunities:

- Do not discuss confidential information with competitors.
- Do not discuss or agree on prices or bids with competitors.
- Do not discuss or agree on how territories or customers should be allocated with competitors.
- Do not enter into an agreement for the sole purpose of harming a competitor or denying a competitor access to a market.

Because the consequences of violating the antitrust laws can be very serious for the persons involved as well as for the company and because such laws are complex, the Constellation Legal Department should always be consulted prior to committing the company to any activity about which there may be a question as to the competitive impact.

ENVIRONMENT, HEALTH AND SAFETY

We must protect the safety and health of our personnel and the public. You must comply with the company's safe work practices and rules, as well as applicable federal and state safety laws, rules and regulations. Violence and threatening behavior are prohibited. You must report unsafe conditions and take measures to protect yourself and others from those conditions.

Constellation must comply with applicable federal, state and local environmental laws, rules and regulations. You must follow the company's environmental policies, standards and procedures.

Report any spills or releases to your supervisor immediately. Furthermore, if you believe that an instance has occurred involving any noncompliance with environmental laws, regulations, ordinances, permit conditions or any other legal obligation, promptly notify your supervisor. Your supervisor will, in turn, notify the appropriate Constellation environmental personnel.

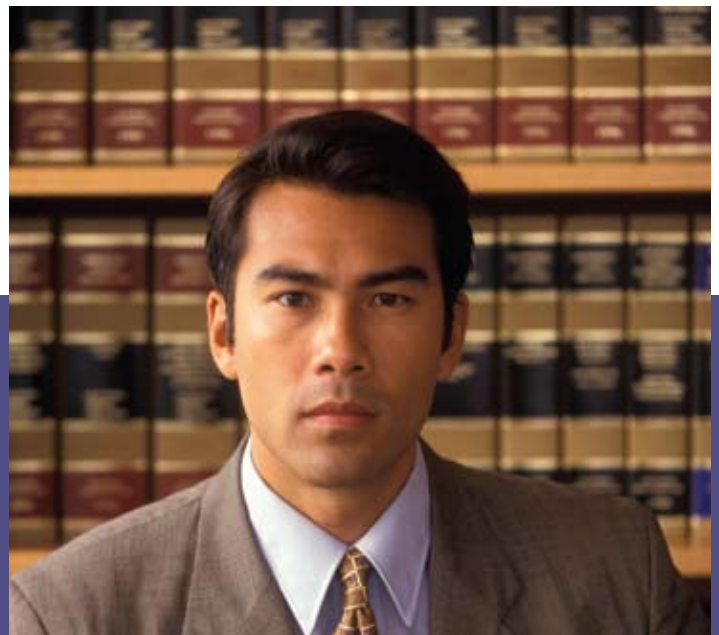
Q: Do I really have to report even minor safety issues?

A: Yes. You must report all accidents and safety issues to management, no matter how minor they may seem. Employee reporting is what enables Constellation to maintain a safe working environment.



INTELLECTUAL PROPERTY

Intellectual property includes trademarks, patents, copyrights, proprietary information or trade secrets, technological developments and designs, computer software, and customer or supplier lists. Constellation employees may not intercept, duplicate, or appropriate through electronic or other means, materials such as computer software, audio or video recordings, publications, or other protected intellectual property except by permission of the intellectual property right holder. Constellation actively monitors and aggressively protects its intellectual property against loss, theft, or other misuse. Constellation owns all intellectual property made, developed or conceived by an employee during the employee's term of employment through the use of company resources, time or facilities, or which in any way relates to the employee's employment or the energy field. No one working for Constellation may disclose to unauthorized individuals—whether inside or outside the company—any information that would tend to compromise proprietary technologies or trade secrets.



COPYRIGHTS AND LICENSES

Copyright laws protect newspapers, music, magazines, trade journals, books, videos, photographs, drawings, software and Web pages on the Internet. If a work is copyrighted, Constellation may be required to obtain permission from the owner of the work, usually the author or publisher, before the work or article can be copied. Impermissible use of copyrighted material can result in substantial legal liability for you and/or Constellation. Constellation has photocopy and electronic licensing agreements with the Copyright Clearance Center. The photocopy license allows employees of Constellation and its businesses to copy articles from numerous publications. The electronic license gives employees the freedom to lawfully download, e-mail and scan excerpts from various copyrighted works for use within Constellation.

Q: I want to use some pictures of characters from a popular TV show in my PowerPoint presentation. I found them on the internet, so I can use them, right?

A: Before using the images, you need to get permission from the copyright owner. You may need to obtain a license and pay a modest fee to use the images. Contact Corporate Compliance to determine whether a license is required and, if yes, how to obtain a license.

To determine if an article you want to copy is covered by either license, you can check the Copyright Clearance Center's Internet Web site at www.copyright.com. Not all publications are covered by the Copyright Clearance Center license. In those cases, Constellation may need to obtain permission directly from the copyright owner. Most publications will explain how to obtain permission, and many publications will charge a nominal fee for copying. Constellation also has licensing agreements for the computer software provided to employees. Check with your organization's information systems staff about licensing requirements and be sure to follow those requirements. Violations are illegal under the copyright laws and may result in a breach of our license. Also, be sure to review any copyright requirements for an Internet Web site. These requirements are usually located at the bottom of the site's home page.

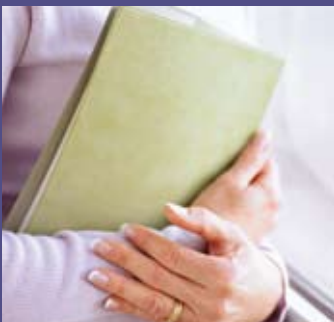
INTERACTION WITH GOVERNMENT OFFICIALS

Constellation is subject to regulation at various levels of government, and is profoundly impacted by decisions of elected and appointed government officials. Constellation is therefore engaged with and actively lobbies such government officials in the policy-making process in support of Constellation's business interests on various issues. It is important to our success that advocacy on behalf of Constellation be consistent, coordinated and focused on both our short-term and long-term interests. No Constellation personnel may engage in lobbying activities on behalf of Constellation without first obtaining the approval of Corporate Affairs. Corporate Affairs will also help ensure compliance with all lobbying registration, reporting and disclosure requirements. All Constellation lobbyists are expected to follow both the letter and spirit of the lobbying laws and to maintain the highest standards of professional integrity.

Q: May I pay for the lunch of a government official I am meeting with to discuss the meaning of certain energy-related regulations?

A: You need to contact Corporate Affairs prior to offering to pay for a government official's meal or any other type of expense.

The giving of gifts to government officials may be prohibited by law, create reporting obligations, or result in potential conflict of interests. Under no circumstances may a gift be offered to a government official for the purpose of influencing or rewarding such person with respect to his or her official actions or duties. Lobbying laws typically define "gift" as anything of value, including tangible items, meals, travel expenses, tickets to or attendance at events, and honoraria. Prior to offering or providing any gift to a government official, you must obtain and follow guidance from Corporate Affairs.



DOING BUSINESS OUTSIDE THE UNITED STATES

When Constellation employees conduct business outside the country, they are subject to federal, state or local laws of the United States and laws of any foreign country. In particular, personnel must comply with the Foreign Corrupt Practices Act (“FCPA”). The FCPA sets forth antibribery provisions and accounting provisions. The antibribery provisions make it unlawful for a company representative to offer anything of value, including payments, gifts or bribes, to a foreign official for the purpose of influencing that official. Promising, offering or authorizing a bribe violates the FCPA. Employees should not make payments or gifts to government officials without prior approval from the Corporate Compliance Department. No employee should retain a consultant or agent in a foreign country without legal review of the terms and conditions of the engagement to ensure compliance with the FCPA. The accounting provisions of the FCPA seek to curb bribery of foreign officials by preventing companies from creating “off-the books” funds and other means to conceal the use of corporate funds for wrongful purposes. The FCPA requires that Constellation keep accurate books and records that fairly reflect transactions and disposition of assets. Again, violation of the FCPA can result in criminal penalties (i.e. prison) for individuals and/or fines imposed on Constellation.

Q: My business unit is hosting a workshop at which representatives from several energy regulatory agencies from around the world will speak. We would like to take all the speakers to dinner and a baseball game to thank them for their participation. Does this raise any issues?

A: You may be able to entertain the speakers; however, the determination is very fact specific. You must seek pre-approval by submitting an FCPA Pre-Approval Form to Corporate Compliance detailing the proposed entertainment.

All Constellation businesses also must comply with economic sanctions and trade embargoes imposed or approved by the United States. Additionally, U.S. law prohibits U.S. persons from taking actions or entering into agreements that have the effect of furthering any unsanctioned boycott of a country that is friendly to the U.S. This prohibition applies to persons located in the

U.S. (including individuals and companies), U.S. citizens and permanent residents anywhere in the world, and many activities of U.S. subsidiaries abroad. Employees should be alert to the fact that boycott-related requests can be subtle and indirect, and may include requests to refuse to do business with other persons or companies, discriminate in employment practices, furnish information about race, religion, gender or national origin, furnish information about a person’s affiliations or business relationships with a boycotted country, or requests to include boycott provisions in contracts, letters of credit or similar documents. Constellation will abide by applicable anti-boycott laws and will promptly report any request for Constellation to participate in a boycott. Contact Corporate Compliance if you have questions.

HOW TO SEEK ADVICE, REPORT CONCERNS AND ASK QUESTIONS

The answers to some questions are not easy. If you need advice or assistance with these topics, we encourage you to contact the Corporate Compliance Department. Constellation recognizes that the decision to report a concern or problem is not always easy. However, you have a personal and professional responsibility to report in good faith any activity that violates the *Principles of Business Integrity* or any other laws, rules or regulations.

You should immediately report to Constellation any actual or potential conflicts of interest, questionable activities, violations and suspicions of a violation of the *Principles of Business Integrity*. In most instances, the first person you should go to with a question or concern about business integrity and compliance issues is your supervisor. If you wish to report a concern about activity that you believe may implicate the *Principles of Business Integrity*, or you are not sure how the *Principles of Business Integrity* apply to your situation, ask your supervisor. Your supervisor can contact the appropriate internal specialist to help clarify issues and resolve concerns.

If your supervisor does not address your concern or question to your satisfaction; if your concern involves your supervisor; or if for any other reason you are not comfortable addressing the concern with your supervisor, you should contact the company’s Corporate Compliance Department.

EMPLOYEES HAVE THREE OPTIONS

1. You can reach the company's Corporate Compliance Department by phone at **410-470-5748**. This number is answered by a Constellation employee in the Corporate Compliance Department. Messages can be anonymous, but there is no way for the company to respond to your question/concern if you do not leave your name or number.
2. You may send an e-mail to **corp.compliance@constellation.com**.
The Corporate Compliance Department will investigate reported matters as promptly and as confidentially as possible.
3. The Business Integrity Helpline

Some situations may be too sensitive for you to take to your supervisor or the company's Corporate Compliance Department. In certain situations, you may want to report an incident anonymously. In situations where you want to communicate your concerns anonymously, the Business Integrity Helpline is available at **1-877-460-5700**, 24 hours a day, seven days a week, every day of the year. The Helpline is operated for Constellation by an outside firm experienced in providing confidential reporting services. A person, not an automated answering service, will take your call. The call will not be recorded, and there is no caller ID system. If you identify yourself, every effort, within legal limits, will be made to keep your identity anonymous.

If you decide not to identify yourself, you will be given a case number and an agreed-upon callback date to allow you to follow up on the issue you raised. Your issue will be investigated and treated with sensitivity and confidentiality, except to the extent necessary to investigate and resolve the complaint.

NO RETALIATION FOR REPORTING CONCERNS

You can report concerns without fear of retribution. Constellation will not tolerate any form of retaliation or adverse action against any employee who in good faith has asked a question, raised a concern, or reported questionable activities or the misconduct of others. Employees found to have engaged in retaliation will be subject to corrective action, including termination.

Whether you choose to communicate with your supervisor or the company's Corporate Compliance Department or call the Business Integrity Helpline, you can do so without fear of retribution.

A FINAL NOTE: QUESTIONS TO ASK BEFORE YOU ACT

Sometimes you face difficult decisions where the correct course of action is not always clear. In these situations, you should use the guidance provided in the *Principles of Business Integrity* and your own judgment to make the best decision possible. Constellation expects all personnel to follow the *Principles of Business Integrity*.

Here are some questions that may help you determine whether your decision complies with the *Principles of Business Integrity*.

- Do I have all the information I need to make a good decision?
- Will my action be fair and honorable?
- Will my action comply with the intent of the *Principles of Business Integrity*?
- Can I defend my decision to my co-workers and my supervisor?
- Will this action appear dishonest or biased to others?
- Would I mind my action being reported in the newspapers?
- Is this action legal?
- If I am not sure, have I sought advice?

Remember: You can speak with your supervisor about situations, questions and concerns that may implicate business integrity and compliance issues. You can also address the situation, question or concern by contacting the company's Corporate Compliance Department by phone at **410-470-5748** or by e-mail at **corp.compliance@constellation.com**, or by contacting the anonymous Business Integrity Helpline at **1-877-460-5700**.



Call the Corporate Compliance Department at 410-470-5748 to seek advice, report concerns or ask questions.

Call the Business Integrity Helpline at 877-460-5700 24 hours a day, seven days a week to speak to someone anonymously about an issue, complaint or concern.



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