



**Part II** Organizational Action *(continued)*

**17** List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ▶ [SEE ATTACHED STATEMENT](#)

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**18** Can any resulting loss be recognized? ▶ [SEE ATTACHED STATEMENT](#)

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**19** Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶ [SEE ATTACHED STATEMENT](#)

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

**Sign Here**  
Signature ▶ Robert Kleczynski Date ▶ 02/04/2022  
Print your name ▶ **Robert Kleczynski** Title ▶ **SVP Tax**

<b>Paid Preparer Use Only</b>	Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
	Firm's name ▶				Firm's EIN ▶
	Firm's address ▶				Phone no.

**Exelon Corporation**  
**EIN: 23-2990190**  
**Attachment to IRS Form 8937**

**CONSULT YOUR TAX ADVISOR**

The information in this attachment represents the general understanding of Exelon Corporation (“Exelon”) as to the application of certain existing U.S. federal income tax laws and regulations relating to the Distribution (as defined below). It does not constitute tax advice and does not purport to be complete or to describe the consequences that may apply to particular categories of shareholders. You are urged to consult your own tax advisor regarding the particular consequences of the Distribution to you, including the applicability and effect of all U.S. federal, state and local and foreign tax laws. You are also urged to consult the Information Statement, as filed by Constellation Energy Corporation (“Constellation”), with the Securities and Exchange Commission on Form 10 on January 24, 2022 (the “Information Statement”), noting in particular the discussion under the heading “The Separation—Material U.S. Federal Income Tax Consequences of the Separation.”

Certain Exelon shareholders that owned 5% or more of Exelon common stock (by vote or value) and that received shares of Constellation common stock in the Distribution (including any cash in lieu of a fractional share of Constellation common stock) are also required to include a statement related to the Distribution in their U.S. federal income tax returns for the tax year in which the Distribution occurred. Any shareholder in this position should consult their tax advisor regarding the statement that is required pursuant to Treasury Regulation section 1.355-5(b).

**Part II**

***Line 14—Describe the organizational action and, if applicable, the date of the action or the date against which shareholders’ ownership is measured for the action***

On February 1, 2022 (the “Distribution Date”), Exelon distributed all of the outstanding shares of common stock of Constellation on a pro rata basis to Exelon shareholders of record as of 5:00 p.m. Eastern time on January 20, 2022 (the “Record Date,” and such distribution, the “Distribution”). In the Distribution, each shareholder who held Exelon common stock on the Record Date and did not sell them in the “regular way”<sup>1</sup> before the Distribution Date received one share of Constellation common stock for every three shares of Exelon common stock owned on the Record Date.

No fractional shares of Constellation common stock were issued. All fractional shares of Constellation common stock that Exelon shareholders otherwise would have been entitled to receive as a result of the Distribution were aggregated into whole shares and sold on the open

---

<sup>1</sup> Shares of Exelon common stock that traded in the “regular-way” market on NASDAQ until the close of business on the Distribution Date traded with an entitlement to shares of Constellation common stock distributed on the Distribution Date.

market at prevailing market prices, and the resulting cash proceeds of the sale were paid to such shareholders.

***Line 15—Describe the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share or as a percentage of old basis***

As a result of the Distribution, Exelon shareholders will be required to allocate their aggregate tax basis in their Exelon common stock held immediately before the Distribution among (i) the shares of Constellation common stock received in the Distribution (including any fractional shares of Constellation common stock you were treated as having received), and (ii) the shares of Exelon common stock in respect of which such Constellation common stock was received in proportion to their relative fair market values immediately following the Distribution.

***Line 16—Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of securities and the valuation dates***

U.S. federal income tax laws provide that the allocation of the aggregate tax basis discussed under Line 15 above shall be allocated in the Distribution based on the fair market values of the resulting Exelon and Constellation shares received. The tax laws do not, however, specifically prescribe how to determine the fair market values of the Exelon common stock and the Constellation common stock for purposes of allocating basis. You should consult your tax advisor to determine the appropriate fair market values.

One method for determining the fair market values is to use the average of the high and low trading prices on NASDAQ of the Exelon common stock and the Constellation common stock on February 2, 2022, the first day of trading after the Distribution. Using this method, the fair market value of a share of Exelon common stock on February 2, 2022 was \$41.95 and the fair market value of a share of Constellation common stock on February 2, 2022 was \$53.02. Based on these fair market values and the distribution ratio of one share of Constellation common stock per three shares of Exelon common stock held, a shareholder's pre-Distribution tax basis should be allocated 70.36% to their Exelon common stock and 29.64% to their Constellation common stock.

For example, if an Exelon shareholder owned a single block of 1,000 shares of Exelon common stock with a basis of \$40 per share and received 333 shares of Constellation common stock in the Distribution as well as cash for the 0.333 Constellation fractional share, 70.36% of the aggregate tax basis of \$40,000, or \$28,144.00, would be allocated to the 1,000 shares of Exelon common stock, resulting in a tax basis of \$28.14 per share of Exelon common stock. The remaining 29.64% of the aggregate tax basis, or \$11,856.00, would be allocated to the 333.333 shares of Constellation common stock. This results in a tax basis of approximately \$35.57 per share, with approximately \$11,844.16 allocated to the 333 shares received of Constellation common stock and approximately \$11.84 allocated to the Constellation fractional share in respect of which cash is received.

Exelon shareholders who acquired blocks of Exelon common stock at different times or at different prices should perform the foregoing allocation separately with respect to each such

block of Exelon common stock in consultation with their own tax advisors. Other valuation methodologies may exist, and shareholders are urged to consult their tax advisors regarding these basis allocation calculations. Exelon shareholders are not bound by the approach illustrated above and may, in consultation with their own tax advisors, use another approach in determining fair market values for Exelon common stock and Constellation common stock.

***Line 17—List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based***

The applicable Internal Revenue Code sections upon which the tax treatment is based are sections 355, 358, 368, 1001, 1221, 1222 and 1223.

***Line 18—Can any resulting loss be recognized?***

Generally, no gain or loss will be recognized for tax purposes as a result of the Distribution. However, all Exelon shareholders who receive a cash payment for a fractional share of Constellation common stock will recognize a reportable gain or loss equal to the difference between the amount of cash received and the tax basis in the fractional share. The deductibility of capital losses is subject to limitations.

***Line 19 – Provide any other information necessary to implement the adjustment, such as the reportable tax year***

The Distribution occurred on February 1, 2022. As a result, the basis adjustments in the shares of Exelon common stock and Constellation common stock should be reported in the taxable year that includes this date. In the case of shareholders who are calendar year taxpayers, the reportable tax year is 2022.

Certain Exelon shareholders (*i.e.*, those who, immediately before the Distribution, owned 5% or more of Exelon common stock) who received Constellation common stock in the Distribution are required to include a statement related to the distribution in their U.S. federal income tax return for the year in which the distribution occurs. Any shareholder in this position should consult their tax advisor regarding the statement that is required pursuant to Treasury Regulation section 1.355-5(b).