Board of Managers
Master Charter and Committee Charters

As of May 2026

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PJM BOARD OF MANAGERS
Board Committee Master Charter

I. PURPOSE:

The primary function of the Board of Managers (the "PJM Board") of PJM Interconnection, L.L.C. ("PJM" or "the Company") is to oversee the Company in the discharge of its duties and responsibilities as set forth in PJM's Operating Agreement in a manner consistent with the safe and reliable operation of the Interconnection, the creation of a robust, competitive, and non-discriminatory electric power market in the PJM Region and the principle that a Member or group of Members shall not have undue influence over the operation of the Interconnection.

The following committees are standing committees (the "Committees"), which are composed of members of the PJM Board:

1. Competitive Markets Committee
2. Governance Committee
3. Human Resources Committee
4. Regulatory Committee
5. Reliability & Security Committee
6. Risk & Audit Committee

Members of the PJM Board also participate in the following committees, which are constituted pursuant to the Operating Agreement ("Joint Committees"):

1. Finance Committee
2. Nominating Committee

To the extent not inconsistent with the provisions of the Operating Agreement, the principles and procedures set forth in this Master Charter shall apply to the members of the PJM Board in their service on Joint Committees.

II. ADMINISTRATIVE:

The function of each Committee is to provide oversight for the activities of PJM in its particular subject matter area of competence. Any initiative or new activity requested by a Board member that requires more than a minimal time commitment of PJM staff will be undertaken only by approval of the Committee having oversight authority over the subject matter. Such approval will include consideration of the scope of the examination or review to be undertaken, the staff resources to be assigned to the project, a likely cost/benefit analysis of the project, and the expected time frame for completion of the examination or review. Consistent with the foregoing, it is management's responsibility to deploy PJM staff and, therefore, no individual Board member will direct PJM staff to commence any activity, other than normal committee coordination and scheduling.

In addition to the specific Scope of Activities delineated in each Committee's charter, each Committee will promote meaningful and broad participation in the assessment and development of recommendations brought before the PJM Board that are related to each Committee's scope of activities.

III. ANNUAL OPERATING COST:

The annual operating cost of direct support to the Committees will be estimated each year and included within the overall PJM budget. The Committees may, in any given year, require specific budget allocations to include (a) dispute resolution matters, (b) compliance and enforcement matters, and (c) the hiring of specialists and/or consultants to assist in the implementation of the Committees' official duties. Prior to contracting with specialists or consultants, each Committee shall, in consultation with the President, make recommendations with respect thereto to, and receive approval from, the PJM Board. The Risk & Audit Committee will follow appropriate good governance rules in contracting for a consultant. All specialists and consultants shall be retained in accordance with PJM's normal procedures for contracts and procurement.

IV. ESTIMATED NUMBER AND FREQUENCY OF MEETINGS; ATTENDANCE:

Unless otherwise specified in Attachments A through F, the Committees are expected to meet at least on a quarterly basis in alignment with meetings of the PJM Board, and at other such times and places as the Committees deem appropriate, to undertake their duties and responsibilities. A Committee meeting may be conducted using telephonic or video conferencing technology.

PJM Board members who are not members of a Committee may attend meetings thereof (other than executive sessions) but may not vote thereat. Committees may also invite to their meetings such other persons as they deem necessary or desirable in order to carry out their responsibilities and duties.

V. COMMITTEE ORGANIZATION:

Unless otherwise specified in Attachments A through H, each Committee's members and each Joint Committee's PJM Board representatives shall be appointed annually by the PJM Board (such annual appointments occurring on or about the time of the Annual Meeting of the PJM board). Nothing herein limits or restricts the ability of the PJM Board to make appointments in the event of any removals, resignations, or other changes in composition of the PJM Board for the remainder of the annual period.

Chairpersons shall be appointed by a majority vote of the PJM Board. The Committee Chairperson shall call and preside at all regular meetings of the Committee, set the agenda for each meeting and vote.

VI. COMPENSATION:

No member of a Committee shall receive compensation excepting only the compensation paid to members of the PJM Board for service as a member of the PJM Board, including the specific compensation for serving on a Committee or as its Chairperson.

VII. REMOVAL:

A Member of a Committee or a Joint Committee who is a member of the PJM Board may be removed, with or without cause, by a majority vote of the PJM Board.

VIII. AGENDA, ACTION ITEMS, MINUTES, AND INFORMATION REQUESTS BETWEEN MEETINGS:

Each Committee will have a member of the Executive Team serve as the Secretary of the Committee, who may use delegates to assist with the preparation of meeting materials and secretary functions. The Chairperson of the Committee and the Committee Secretary should work together to prepare an Agenda for each Committee meeting. Any follow-up requested by the Committee or action items should be recorded in the minutes. The Committees will keep regular minutes of their meetings and periodically report material matters to the PJM Board. Each Committee's minutes will be kept by the respective Committee's Secretary with a copy retained in the Company's records. Between Committee meetings, it is important that company management be afforded the opportunity to manage the company and to prepare for the next Committee meeting. Accordingly, except for exigent circumstances or Board-initiated investigations, proposed workstreams and information requests arising between meetings should be escalated to the Chairperson of the appropriate Committee with subject matter oversight and, if deemed appropriate by the Chairperson for the Committee, added to a future Committee agenda. Additional workstreams or informational requests arising between meetings that cannot wait until the next meeting should be further escalated by the Committee Chair to the Board Chair (or Lead Independent Manager) and to the President and CEO to determine the appropriateness of such workstreams or information requests between meetings and to assess the impact on staff work load, as well as whether exigent circumstances exist. The Board Chair or Lead Independent Manager shall determine the appropriateness of any information requests to management between meetings.

IX. CHARTER, RESOURCES AND REPORTING:

Additionally, each Committee will fulfill the following:

A. ***Annual Review and Performance Evaluation:*** Pursuant to guidance from the Governance Committee, review and evaluate, at least annually, the performance of the Committees and its members and the Committees compliance with the provisions of this Charter; reassess, at least annually, the adequacy of this Charter; and recommend to the PJM Governance Committee any modifications thereto that the Committees consider necessary or desirable.

B. ***Cost Estimate:*** Estimate each year, for inclusion in PJM's overall budget, the cost of any professional advisors that the Committee may determine are necessary or appropriate to retain to assist the Committee in the implementation of its responsibilities and duties.

C. ***Annual Goals***: Review and comment upon and make recommendations regarding proposed Company-wide annual goals related to each Committee's scope of activities for the consideration of the HRC and the PJM Board. Monitor performance against established Company-wide goals related to each Committee's scope of activities and provide input on goal achievements, as appropriate, to the HRC for annual performance evaluation purposes.

D. ***Reporting***: Report to the PJM Board with respect to the discharge of its responsibilities and duties and make such recommendations as the Committee (or the PJM Board's representatives on the Joint Committees) may deem appropriate.

E. ***Other Duties:*** Perform such other functions as are assigned by law, the Operating Agreement, the Bylaws, the PJM Governance Committee, or the PJM Board.

In the performance of their responsibilities, the members of each Committee and Joint Committee shall be entitled to rely on information reasonably believed to be accurate and provided in the ordinary course of business by consultants, professional advisors, and PJM employees; and neither the Committee nor the PJM Board or its members shall be liable for errors and omissions, if any, related to such information except as provided in the limited exceptions set forth in the Operating Agreement.

PJM BOARD OF MANAGERS
Competitive Markets Committee Charter

I. Purpose:

The Competitive Markets Committee (the Committee) shall exercise oversight with respect to PJM's performance of its market-related responsibilities and duties, as set forth in the Operating Agreement and Tariff, in a manner consistent with creation and operation of a robust, competitive and non-discriminatory electric power market in the PJM region, which in turn enhances reliability of the interconnection, and avoidance of Members' undue influence over the operation thereof.

II. Composition:

The Committee shall be comprised of three or more members of the PJM Board, none of whom shall be an officer or employee of PJM.

III. Responsibilities and Duties:

To discharge its responsibilities and duties, the Committee shall:

A. Periodically review market matters affecting the PJM region and report thereon to the Board;

B. Propose changes to the Operating Agreement and/or Tariff, if necessary, to address market issues;

C. As may be necessary with (i) the PJM Board's approval, (ii) the assistance of appropriate consultants and economists, and (iii) advice and assistance as required from PJM's Independent Market Monitor, conduct independent reviews of the electric power market in the PJM control area for the purpose of advising PJM and the PJM Board;

D. Make recommendations as to positions to be taken by PJM on market-related matters in connection with filings submitted to the Federal Energy Regulatory Commission (FERC) and other regulatory bodies;

E. Oversee (i) PJM's process for resolving members' grievances related to market matters; (ii) securing Members' compliance with PJM's market directives; (iii) imposing sanctions for noncompliance; (iv) addressing appeals of market directives and sanctions; and (v) mitigating members' exercise of market power;

F. Periodically review and evaluate the market analytical activities of the PJM Independent Market Monitor and oversee administrative matters for the PJM Independent Market Monitor contract;

G. Obtain periodic reports from PJM staff with respect to pending market matters likely to result in controversy or litigation;

H. Review and comment on substantive matters brought forward by PJM Management, the Independent Market Monitor and/or PJM Stakeholders for Board attention; and

I. In coordination with the Risk & Audit Committee, provide oversight of PJM's market-related risks and associated risk mitigation strategies.

PJM BOARD OF MANAGERS
Governance Committee Charter

I. Purpose:

The Governance Committee (the "Committee") exercises oversight responsibility with respect to governance matters affecting the PJM Board of Managers (the "PJM Board"); makes recommendations on Board organization and procedures; provides oversight with respect to PJM's performance in connection with specific strategic concepts previously approved by the PJM Board; and periodically facilitates the evaluation of the performance of the PJM Board, its Committees, and its members.

II. Composition:

The Committee shall be comprised of three or more members of the PJM Board, none of whom shall be an officer or employee of PJM.

III. Responsibilities and Duties:

To fulfill its responsibilities and duties, the Committee shall:

A. Review periodically, in consultation with the PJM Board, the skills, experience and characteristics required of PJM Board members in the context of PJM's regulatory mandate, organizational objectives and strategic direction;

B. Manage the process whereby the PJM Board periodically evaluates its own performance and report the results of that evaluation to the PJM Board;

C. Provide advice to incumbent members of the PJM Board who wish to serve an additional term concerning the procedures for nomination by the Nominating Committee and election by the Members Committee;

D. Investigate and address any regulatory concerns and any potential conflict of interests to which any PJM Board member is or may be subject as a result of non-PJM activities;

E. Oversee an orientation program for new members of the PJM Board and a continuing education program for existing members of the PJM Board;

F. On or about 60 days prior to the Annual Meeting of Members, request the Chairperson of the PJM Board to solicit comments from the Board on committee assignments, suggestions for rotation of committee assignments, and appointment of committee Chairpersons. In consultation with the PJM President and Board Chairperson, and taking into account the responses and the capabilities and preferences of individual members of the PJM Board, recommend committee assignments, including committee Chairpersons, to the full PJM Board for approval following the Annual Meeting. The Committee shall also propose any assignments in the event of any resignations, or other changes in composition of the PJM Board;

G. Ensure direct and open communication with the regulatory and corporate compliance leadership, and review and approve the appointment and replacement of the Company's compliance leadership team, including the Chief Compliance Officer and Regulatory Compliance Officer.

H. Exercise oversight of the Company's regulatory and corporate compliance programs, including its compliance line, and Regulatory Oversight and Compliance Committee (ROCC) process; compliance initiatives; and litigation involving allegations of non-compliance by receiving updates on such compliance matters from management;

I. Periodically review the PJM Board Governance Guidelines, organization structure, the PJM Code of Conduct, the Board Code of Conduct, and Committee Charters to accommodate applicable regulatory requirements and current developments relevant to corporate governance, and review any proposed revisions thereto;

J. Approve revisions to the PJM Code of Conduct, the Board Code of Conduct, and Committee Charters. Endorse for approval by the PJM Board revisions to the PJM Board's Governance Guidelines and By-Laws;

K. Exercise oversight of the organization culture and core values, including, but not limited to, matters relating to organization independence, undue influence, compliance with law, compliance with PJM's governing documents (specifically the Operating Agreement, the Tariff, the Consolidated Transmission Owners Agreement, and Reliability Assurance Agreement), and stakeholder governance, recognizing that the matters relating to employee engagement and employee relations are the responsibility of the Human Resources Committee;

L. In coordination with the PJM President and the Chairperson of the PJM Board, identify any special or emerging matters to be addressed at meetings of the PJM Board and provide guidance as to the conduct of meetings of the PJM Board;

M. Oversee common legal interest agreements entered into by the Company;

N. Ensure that Executive Sessions of the Committee are periodically conducted with the President, the General Counsel, and Compliance Officer/ROCC Chair and address or elevate to the PJM Board any governance issues raised in such sessions;

O. Act as a sounding board for members of the PJM Board and for PJM's President and senior management in developing and implementing ideas and initiatives affecting the conduct of meetings of the PJM Board or the governance of PJM;

P. Review at least biannually PJM's strategic planning activities;

Q. In coordination with the Risk and Audit Committee, provide oversight of PJM's compliance, governance, culture, and strategic risks, as well as associated risk mitigation strategies; and

R. If there is a Lead Independent Manager, collaborate with the Lead Independent Manager on matters related to PJM Board independence, interim President performance, and Company management.

PJM BOARD OF MANAGERS
Human Resources Committee Charter

I. Purpose:

The Human Resources Committee (Committee) shall assist the Board of Managers ("PJM Board") of PJM Interconnection, L.L.C. ("PJM") to discharge its responsibilities and duties regarding total compensation of PJM's President and Chief Executive Officer (President) other executives, and general employee populations, employee benefits, management development and succession, and other significant human resources issues.

II. Composition:

The Committee shall be comprised of three or more independent members of the PJM Board, none of whom shall be an officer or employee of PJM.

III. Responsibilities and Duties:

To fulfill its responsibilities and duties, the Committee shall perform the recurring functions set forth below in addition to those it undertakes in response to changing business, legislative, regulatory, and legal conditions and mandates of the PJM Board. In so doing, the Committee may study or investigate any relevant matter of interest or concern and shall have the authority to retain outside counsel or experts for this purpose, including the authority to approve the fees payable to such counsel or experts and other terms of engagement. The Committee shall:

A. Periodically review, supervise, oversee, update and approve PJM's compensation philosophy and policies applicable to executives and the general employee population, which shall address, inter alia, target compensation levels/total rewards (inclusive of benefits, base pay, annual incentive compensation, and, if applicable, long-term incentive compensation) necessary to attract and retain highly qualified employees and executives capable of achieving PJM's organizational goals and objectives;

B. In coordination with the PJM Board, including appropriate input from other committees, annually review and oversee Corporate goals;

C. In coordination with the Risk & Audit Committee, provide oversight of PJM's human capital and workforce risks, as well as associated risk mitigation strategies;

D. Annually approve the evaluation of PJM's organizational performance and the associated compensation (including both base and incentive elements thereof) payable to executives (except PJM's President) and the general employee population;

E. Utilizing input from the other Board members, annually facilitate the evaluation of the performance of PJM's President, and based on that evaluation, recommend to the PJM Board for approval the compensation payable to the President (including both base and incentive elements thereof) for the ensuing fiscal or calendar year, as the case may be, together with such benefits, if any, as may be indicated in connection therewith.

F. Annually review PJM's succession plan for its President and other executives and recommend to the PJM Board such changes therein, if any, as it shall deem necessary or desirable;

G. Review and make recommendations to the PJM Board, as appropriate, with respect to compensation payable to members of the PJM Board;

H. Review and make recommendations to the PJM Chairman of the Board any contracts between PJM and current or former executive officers thereof, if any, as it shall deem necessary or desirable;

I. Review reports of the Benefits Administration Committee regarding performance of PJM's qualified and non-qualified pension and savings plans and assist the Audit Committee in connection with its annual review of such plans;

J. Monitor PJM's compliance with applicable human resources laws, including, without limitation, the Americans with Disabilities Act, Equal Employment Opportunity Act, Family Medical Leave Act, and Occupational Safety and Health Act and review, in conjunction with the Vice President, Human Resources and Corporate Client Services, annual compliance statements filed by PJM;

K. Annually review PJM's social responsibility, community relations and related corporate programs; and

L. Exercise oversight of the organization's Culture and Community program, including but not limited to, annual review of organization metrics.

PJM BOARD OF MANAGERS
Regulatory Committee Charter

I. Purpose:

The Regulatory Committee (Committee) shall provide oversight with respect to PJM's development and maintenance of state and federal regulatory and legislative relationships and strategy for addressing regulatory and legislative matters affecting PJM.

II. Composition:

The Committee shall be comprised of three or more independent members of the PJM Board, none of whom shall be an officer or employee of PJM.

III. Responsibilities and Duties:

To fulfill its responsibilities and duties, the Committee shall:

A. Receive reports from PJM management regarding state or federal regulatory and legislative matters and state and federal policy development;

B. Receive reports from PJM management regarding interest, perspective or position of individual states or the Organization of PJM States, Inc. on issues under discussion in the stakeholder process;

C. Report to the PJM Board on evolving regulatory or legislative matters and, when necessary, provide recommendations;

D. Oversee PJM's relationships with state and federal administrations, regulators, and legislatures; the Organization of PJM States, Inc. and other key associations of state officials;

E. Oversee the development and implementation of PJM management's regulatory and legislative strategy;

F. Make recommendations as to positions to be taken or strategies to be employed by PJM with respect to state regulatory and legislative or federal legislative matters; and

G. In coordination with the Risk & Audit Committee, provide oversight of PJM's federal and state regulatory risk, as well as associated risk mitigation strategies.

PJM BOARD OF MANAGERS
Reliability & Security Committee Charter

I. Purpose:

The Reliability and Security Committee (the "Committee") is appointed by the Board of Managers ("Board") of PJM Interconnection, L.L.C. ("PJM") to provide oversight of PJM's performance of its (i) reliability-related and security related responsibilities and duties as they affect the safe and reliable operation of its system, pursuant to regulatory requirements and agreements, including oversight of past and current performance, (ii) technical developments related to safe and reliable operation of the PJM system, and (iii) development and implementation of plans for continued reliable electric service to consumers served by its system within the PJM Region, including all planning-related activities. In addition, the Committee shall provide oversight of matters relating to information technology ("IT"), physical security, cybersecurity, and the appropriate development and implementation of advanced technologies ("AT") as well as related efforts supporting the PJM strategy.

II. Composition:

The Committee shall be composed of three or more members of the PJM Board, none of whom shall be anofficer or employee of PJM.

III. Responsibilities and Duties:

To fulfill its responsibilities and duties, the Committee shall:

A. Periodically review the adequacy of generation supply within the PJM balancing authority area and the capacity of the PJM transmission grid to serve all load reliably;

B. Periodically review operating performance within the PJM balancing authority area to determine whether such performance meets established standards of safety and reliability;

C. Periodically review balancing authority area load forecasts and generation supply plans to determine whether adequate resources will be available to meet customers' needs, including as provided in the Reliability Assurance Agreement;

D. Periodically review PJM's plans for enhancements and expansions of its transmission grid to determine whether such plans are consistent with established reliability criteria and economic efficiency as appropriate;

E. Exercise oversight over the PJM Regional Transmission Expansion Plan (RTEP) and endorse the plan and revisions thereto;

F. Review and endorse the cost allocation for transmission enhancements and expansions identified as part of the RTEP processes;

G. Exercise oversight over the PJM Interconnection queue and study processes;

H. In coordination with the Risk and Audit Committee, provide oversight of PJM's operations, reliability, and business continuity risks, as well as associated risk mitigation strategies.

I. Review, for consistency with a robust, competitive and non-discriminatory market, the Office of the Interconnection's assessment of the Transmission Owner proposed changes to PJM rate design and non-rate terms and conditions.

J. In coordination with the Risk and Audit Committee, provide oversight of PJM's Physical and Cyber Security programs and posture, key performance metrics, risks and PJM's associated risk mitigation strategies, including:

1. Oversee the delivery of an annual Cyber Security briefing to the full PJM Board;
2. Review periodic threat intelligence updates and inform the PJM Board regarding material threats;
3. Review periodic external penetration and other third party security assessments;
4. Review periodic updates to the cybersecurity and physical security strategy;
5. Review updates to the Business Continuity Program and associated incident response plans and exercises to prepare to respond effectively to emergencies or unanticipated disasters.
6. Provide oversight of the Information Technology strategy, including:
    - Review and endorse PJM's strategic IT plan, inclusive of security and AT, and make recommendations to the PJM Board with respect thereto; and
    - Review major IT, security and AT proposed capital investments and provide oversight for their delivery and performance;
7. Periodically review PJM's compliance with NERC Standards and other applicable operating agreements and regulations;
8. Periodically review technology developments that can impact the operations of the bulk power transmission system;
9. Periodically review the efforts and developments concerning reliability by the various industry working groups, both domestic and international;
10. Review relevant technological developments and review recommendations with respect thereto;
11. Require presentation of significant reliability and security issues to the Committee and review recommendations with regard thereto; and
12. Periodically review PJM's plans for business continuity to ensure the organization is prepared to respond effectively to emergencies or unanticipated disasters.

PJM BOARD OF MANAGERS
Risk & Audit Committee Charter

I. Purpose:

The Risk and Audit Committee (the "Committee") is appointed by the Board of Managers ("Board") of PJM Interconnection, L.L.C. ("PJM" or "Company") to assist the Board in overseeing the following areas: (a) the quality and integrity of the financial statements of PJM; (b) the system of internal controls established and implemented by management and the adequacy thereof for financial accounting purposes; (c) the Company's risk management strategy, policies, procedures and mitigation efforts, including insurance programs; (d) the strategy, design and performance of the Company's risk management practices in regards to cash and forward, physical and financial market products including specifically the associated market participant credit risk; (e) the Company's response to credit and financial risks and its compliance with risk management policies; (f) the independence, qualifications and performance of PJM's independent auditors; (g) the progress and completion of the annual Statement on Standards for Attestation Engagements No. 18 (System and Organization Controls 1 [SOC 1]) report; and (h) the performance of PJM's internal audit function.

II. Composition:

The Committee shall be composed of not less than three members who shall be selected by the Board from its own members, none of whom shall be an officer or employee of PJM. The members of the Committee shall satisfy the independence and experience requirements of the Securities and Exchange Commission.

III. Meetings:

A. The Committee shall meet from time to time, in connection with regular meetings of the Board or as otherwise may be necessary to fulfill its duties and responsibilities. The Committee shall meet at least four times each year.

B. The Committee's Chairperson, a majority of the Committee members or the President may call a meeting of the Committee at any time and at any place they deem it proper for the transaction of the Committee's business.

C. A majority of the Committee's members shall constitute a quorum. The acts of a majority of the members present at a meeting at which a quorum is present shall constitute action by the Committee.

D. The Committee may adopt rules and procedures for the conduct of its affairs that it deems necessary and which are consistent with this Charter and PJM's Bylaws.

E. The Committee may invite to its meetings such persons as it deems necessary or desirable to carry out its responsibilities and duties. The Committee may meet periodically with key personnel, including the Chief Financial Officer, the Chief Risk Officer, the Auditor (as defined below), and the Chief Audit Executive (as defined below), in separate executive sessions, as the Committee deems necessary.

IV. Responsibilities and Duties:

The Committee will:

A. General

1. Review and assess the adequacy of the Committee's Charter at least annually, and submit any changes to the Board for approval.
2. Review and assess the Committee's performance annually.
3. Have the authority to retain special legal or other consultants to advise the Committee, and to secure funding therefor, and to request any officer or employee of PJM, or PJM's outside counsel or other consultants, to attend a meeting of the Committee or to meet with any members of, or consultants to, the Committee.
4. Periodically receive, review and consider any input from the Members Audit Advisory Committee.
5. Report regularly to the Board, both with respect to the activities of the Committee generally and with respect to any issues that arise regarding the quality or integrity of the Company's financial statements, the Company's compliance with legal and regulatory requirements, the performance and independence of the Auditor, the performance of the internal audit function, or the Company's risk management program.

B. Financial Statements and Reporting

1. Review with management and the independent auditor ("Auditor") PJM's annual audited financial statements and its quarterly interim financial statements prior to public dissemination thereof, together with major issues regarding accounting and auditing principles and practices, the adequacy of controls that could significantly affect PJM's financial statements and PJM's financial statement disclosures under "Management Discussion and Analysis of Financial Condition and Results of Operations." The Committee's Chairperson may represent the entire Committee for purposes of the review of interim statements prior to their public dissemination.
2. Review with management and the Auditor significant financial reporting issues and judgments made in connection with the preparation of PJM's financial statements, including an analysis of the effect of alternative GAAP methods on PJM's financial statements and any issues or judgments relating to significant conflict of interests or related party transactions, and make recommendations with respect to any matters pertaining to auditing PJM as the Committee shall deem desirable.
3. Review with the Auditor any issues raised in the course of the audit process (including, without limitation, restrictions on the scope of the Auditor's activities or access, significant disagreements with management, and any management or internal control letter issued or proposed by the Auditor) and management's response, and discuss any disagreements between the Auditor and management regarding financial reporting.
4. Oversee the Auditor's and management's reviews of any illegal acts or fraud perpetrated by or against PJM.

5. Oversee the implementation and results of the SOC 1 audits, and assure that areas requiring additional attention are followed to completion.

C. Administration

1. Review with management and the Auditor the effect of regulatory and accounting initiatives.
2. Meet periodically with management to review PJM's disclosure controls and procedures, its major financial risk exposures and the steps management has taken to monitor and control such exposures, to discuss PJM's policies with respect to risk assessment and risk management and to review and make recommendations with respect to PJM's insurance coverage as the Committee deems appropriate.
3. Review changes and proposed changes to PJM's accounting principles.
4. Review changes to PJM's auditing practices as suggested by the Auditor, internal auditor or management.
5. Review any material reports or inquiries received from regulators or governmental agencies related to financial or tax audits of PJM, or other financial or tax inquiries, made by any governmental agency or independent auditor employed for that purpose, and make recommendations to the Board with respect thereto as the Committee shall deem desirable.
6. Review periodically with PJM's counsel any legal matters that could significantly affect PJM's financial statements.

D. Risk Management

1. Review and approve the appointment and replacement of, and provide input into the performance evaluation of, the Chief Risk Officer.
2. Review the Chief Risk Officer's scope of responsibilities including the Company's risk management strategy, work plan, staffing level, organization and other matters that may affect the effectiveness of the Chief Risk Officer.
3. Review the overall effectiveness of the Company's enterprise risk management process through review of metrics and dashboards on a periodic basis.
4. Review the rules, policies, processes and controls established by management to assess, monitor, manage and control material risk exposure, including, but not limited to forward market products and credit.
5. Periodically review the development of Company policies, processes and controls relating to risk assessment, risk management and reporting, including limits and tolerances, risk roles and responsibilities, risk valuation and modeling, risk-related assumptions and risk mitigation actions.
6. Review financial risk exposures, including, but not limited to, forward market products and credit against established risk management methodologies and the steps management has taken to monitor and control such exposures.

7. Review the steps management has taken or identified implementation to address failures in compliance with established risk management policies and procedures.
8. Engage directly with the Chief Risk Officer at each Committee meeting to receive reports on any matter relevant to risk and compliance.
9. Review significant reports to management prepared by the Chief Risk Officer.
10. Engage consultant experts where considered necessary or desirable to carry out its duties and rely on the advice of such experts.

E. Auditor Relations

1. Review the experience and qualifications of the senior members of the Auditor's team, and require the rotation of each of the lead partner and the reviewing partner of the Auditor at least every ten years.
2. Require the Auditor to report directly to the Committee and, each year, evaluate the performance of the Auditor (including the lead partner of the Auditor), and, as determined by the Committee, directly reappoint, retain, compensate and/or terminate and replace the Auditor.
3. Receive reports from the Auditor, at least annually, regarding the Auditor's objectivity and independence, delineating all relationships between the Auditor and PJM, discuss such reports with the Auditor, and, if so determined by the Committee, after consultation with the Board, take appropriate action to ensure the objectivity and independence of the Auditor.
4. Determine that any non-audit services performed by the Auditor are compatible with maintaining the Auditor's independence, and pre-approve the use of the Auditor for any non-audit services; provided, however, that the independent auditor shall not be retained to render the following non-audit services: (i) bookkeeping or other services related to PJM's accounting records or financial statements; (ii) financial information systems design and implementation; (iii) appraisal or valuation services, including provision of fairness opinions or contribution-in-kind reports; (iv) actuarial services; (v) internal audit outsourcing services; (vi) services related to PJM's management or human resources functions; (vii) broker/dealer, investment adviser or investment banking services; and (viii) legal and expert services unrelated to audit matters; and provided further that pre-approval shall not be necessary for minor non-audit services if (i) the aggregate amount of all such non-audit services constitutes not more than 5% of the total amount of fees paid by PJM to its independent auditor during the fiscal year in which the non-audit services are provided; (ii) such services were not recognized by PJM at the time of the engagement to be non-audit services; and (iii) such services are promptly brought to the attention of and approved by the Committee prior to completion of the audit.
5. Meet with the Auditor prior to the audit to review the planning and staffing of the audits (including SOC 1 audits).
6. Discuss with the Auditor the matters relating to the scope, conduct and results of the audit, as set forth in American Institute of Certified Public Accountants (AICPA) authoritative guidance.

7. Obtain and review a report from the Auditor, at least annually, describing: (a) the audit firm's internal quality control procedures and (b) any material issues raised by the most recent internal quality control review, or peer review, of the firm or by any inquiry or investigation by governmental or professional authorities within the preceding five years, respecting one or more independent audits carried out by the firm, and any steps taken to deal with such issues.
8. Ensure that management has established clear hiring policies for employees or former employees of the Auditor.

F. Internal Audit Function

1. Review the appointment and replacement, and provide input into the performance evaluation, of the leader of the Company's internal audit function ("Chief Audit Executive") and have general supervision over the internal audit function in all matters subject to the approval of the Board.
2. Oversee the internal audit function's scope of responsibilities including the audit plan, staffing level, organization and other matters that may affect the effectiveness of the internal audit function. Any additions to the audit plan must be approved by the Committee, with consideration of staffing and resources available to the internal audit function as well as whether items should be eliminated from the audit plan.
3. Review significant reports prepared by the internal audit function in accordance with the audit plan or otherwise at the direction of the Committee in consultation with the Board.

G. Other

The Committee shall also perform such other functions as it deems appropriate from time to time with respect to and within the scope of its specified duties and responsibilities and such other duties as the Board may assign to it.

PJM JOINT COMMITTEE
Finance Committee Charter

(Operating Agreement – Article 7.5.1)

I. Mission

The Finance Committee (FC) is established under the Operating Agreement of PJM Interconnection, L.L.C. (Operating Agreement) and advises the Board of Managers on matters pertaining to PJM's budgets.

The members of the FC shall serve in an advisory capacity and shall not be responsible for the financial decisions of PJM.

II. Responsibilities

A. Per sections 7.7 and 11.1 of the Operating Agreement, avoid (1) undue influence by any Member of group of Members on the operation of PJM and (2) Member management of the business of PJM.

B. Review annual PJM operating and capital budgets prepared and submitted by PJM.

C. Provide comments and recommendations to the Board on annual PJM operating and capital budgets.

D. Review and comment upon any additional or amended budgets prepared by PJM at the request of the Board or the Members Committee (MC).

PJM JOINT COMMITTEE
Nominating Committee Charter

I. The purpose of the Nominating Committee, which is established pursuant to section 7.1 of the Amended and Restated Operating Agreement of PJM Interconnection, L.L.C. ("PJM"), is to identify and nominate qualified candidates for election to the Board of Managers (the "Board") by the Members Committee.

The Nominating Committee is comprised of eight persons, as follows:

A. Three members of the Board other than the President, none of whom has both a term set to expire within the coming election year and the intention to seek re-nomination ("Board Representatives"); and

B. One representative elected annually from each one of the five sectors of the Members Committee ("Member Representatives").

C. Each member of the Nominating Committee is entitled to vote except for one of the Board Representatives, who shall be designated by the Board as the Non-Voting Board Representative.

D. The Non-Voting Board Representative shall be the Chair of the Nominating Committee. The Nominating Committee shall meet as often as it deems necessary. Meetings may be conducted in-person or by video conference as determined in the discretion of the Nominating Committee Chair. Meetings may be called by either:

1. The Nominating Committee Chair or
2. Any four voting Representatives.

II. Participation by any five voting Nominating Committee members, one of which shall be a voting Board Representative, will constitute a quorum. All actions shall be taken by vote of a majority of those Nominating Committee Members entitled to vote. Nominating Committee members are expected to participate in meetings in-person when conducted in-person. However, the Nominating Committee Chair may permit one or more members to participate by tele/videoconference.

III. The President of PJM may attend Nominating Committee meetings as an ex officio non-voting participant.

IV. Attendance at Nominating Committee meetings is restricted to members of the Nominating Committee, the President of PJM, representatives of the independent consulting firm and such other persons as the Nominating Committee shall invite by unanimous decision. The Secretary of PJM shall attend to serve as the secretary of the Nominating Committee. The Assistant to the President and to PJM Board shall attend for the purpose of scheduling meetings.

V. The Chair of the Nominating Committee or a majority of the Nominating Committee may call executive sessions of the Nominating Committee.

VI. The Secretary shall provide education on the Board of Managers qualification requirements as set forth in the Operating Agreement Section 7.2, as well as a compliance chart setting forth the qualifications of the existing Board members. In addition, the Secretary shall provide education on the independence requirements set forth in the Operating Agreement and in FERC regulations, as well as on other conflicts of interest, and on interlocking directorates.

VII. Nominating Committee members will abide with both the letter and the spirit of the Nominating Committee Code of Conduct.

VIII. To fulfill its responsibilities, the Nominating Committee will:

A. Develop and maintain appropriate criteria for selecting qualified Managers to the Board; periodically review with the Board the criteria and qualification requirements for Board membership; and ensure that such requirements comply with any applicable rules of FERC.

B. Unless in the Nominating Committee's discretion it is not required with respect to a Board Member desiring to serve an additional term, authorize the retention of the independent consulting firm to be used to identify Manager candidates and otherwise to provide such advice as the Nominating Committee shall deem necessary to the discharge of its responsibilities and duties.

C. Review any financial affiliations and existing business relationships between the independent consulting firm and PJM Members to access the independence of the consulting firm and the consultants working on the search.

D. Not later than 30 days prior to the Annual Meeting of the Members, distribute to the Members Committee information about the candidate the Nominating Committee nominates for each open position on the PJM Board, including the candidate's identity and a brief description of the candidate's background, experience and expertise (for example, in the form of a resume or curriculum vitae).

E. Monitor compliance with this Charter and the Nominating Committee Code of Conduct.

F. The Nominating Committee may undertake such other matters as necessary to the discharge of the responsibilities and duties set forth in this Charter or as otherwise determined by the Board.

G. At each PJM Annual Meeting, the Nominating Committee shall make a report to the Members describing *generally the process followed in making the nominations and other matters of interest relating to nominations to the PJM Board of Managers as the Nominating Committee shall determine to be appropriate for the membership.*

Nominating Committee
Code of Conduct

It is the policy of PJM Interconnection, L.L.C. ("PJM") to operate in a fair and nondiscriminatory manner and to implement such rules and regulations in the governance of the organization as are necessary to prevent control, or the appearance of control, of the decision-making process by any member or group of members of PJM.

It further is the policy of PJM to attract the best qualified candidates to serve on the PJM Board. In order to fulfill that goal, it is the policy of PJM to employ nominating procedures that strictly maintain the confidentiality of the identity of potential Board candidates and that ensure that those involved in the nomination process strictly follow procedures that maintain such confidentiality.

In furtherance of these policies, the PJM Nominating Committee established pursuant to section 7.1 of the Amended and Restated Operating Agreement of PJM Interconnection, L.L.C. ("Operating Agreement") has adopted the following Code of Conduct to govern the actions of the members of the Committee:

1. The members of the Nominating Committee shall undertake and fulfill their duties in furtherance of the best interests of PJM without regard to the individual or affiliated company interests of any member of the Nominating Committee and without regard to the interests of any other PJM Member or group of PJM Members.
2. Information that the members of the Nominating Committee receive in undertaking and performing their duties regarding the identity, qualifications, and evaluation of candidates shall be deemed confidential information of PJM and shall not be disclosed in any manner to any other Member of PJM or any other person, except as specifically permitted by this Code of Conduct; provided that nothing herein shall limit discussions regarding desired qualifications of a nominee by a Member Representative with a sector so long as the qualifications are not so specific as to indirectly identify a candidate.
3. The Nominating Committee may solicit written suggestions for candidates from the PJM members and may, but only upon agreement of the Nominating Committee, suggest such candidates to the consulting firm. All suggestions by PJM members shall be submitted only in writing and only to the Nominating Committee. The Nominating Committee may solicit candidates by announcing a position description setting forth the desired qualification and requesting candidates submit directly to the independent consultant for evaluation and possible consideration by the Nominating Committee. The members of the Nominating Committee shall not discuss any candidates, including candidates suggested by PJM members, with any person not on the Nominating Committee or the Board.
4. Members of the Nominating Committee may suggest individuals that the independent consultant should consider, including but not limited to those suggested by PJM Members and endorsed by the Nominating Committee, provided, however, that the Nominating Committee may not independently consider any external candidate for nomination that has not been recommended by the independent consultant.
5. The Nominating Committee in its discretion may nominate, without retaining an independent consultant, a Board member whose term is expiring and who desires to serve an additional term. Nothing herein shall limit or restrict the Board from discussing the performance of an incumbent Board member. The

Chair of the Nominating Committee shall provide a report regarding whether an incumbent candidate has been endorsed by the Board of Managers prior to a vote by the Nominating Committee.

6. Nothing herein shall restrict Board Representatives from discussing Nominating Committee status and candidates with the PJM Board so as to maintain compliance with Operating Agreement 7.2, to establish committee assignments, to conduct succession planning, and to exercise their fiduciary duties.
7. The Nominating Committee shall select candidates identified by the consulting firm for interviews and request that the independent consultant conduct initial interviews with such individuals. The consultant shall report to the Nominating Committee about such interviews. Following such reports, the Nominating Committee may determine to, but shall not be required to, interview such candidates virtually, in-person, or both. No member of the Nominating Committee shall communicate in any manner with any such candidate regarding their candidacy or potential service, except in a formal Nominating Committee meeting.
8. Upon the nomination of a candidate by the Nominating Committee and completion of the appropriate background check and conflicts check, the Committee Chair or the President shall inform the candidate, the Board, and the Members Committee.
9. The Nominating Committee in its discretion may nominate, without retaining an independent consultant, a Board member whose term is expiring and who desires to serve an additional term.
10. The candidates identified by the consulting firm and provided to the Nominating Committee shall remain strictly confidential, and the members of the Nominating Committee shall not disclose such names to any other person within the companies by which they are employed, to any representative of any other PJM member, or to any other person, except in the form of a formal nomination from the Nominating Committee.