

**PEPCO HOLDINGS, INC.**

**EXECUTIVE INCENTIVE COMPENSATION PLAN**

**PARTICIPATION AGREEMENT FOR \_\_\_\_\_ PLAN YEAR**

This Agreement is made by and between \_\_\_\_\_ (the "Participant") and Pepco Holdings, Inc. (the "Company").

The Parties agree to and acknowledge the following:

- A. The Participant has been designated as a Participant on the Pepco Holdings, Inc.'s Executive Incentive Compensation Plan for the \_\_\_\_\_ Plan Year, has received a copy of the Plan and is familiar with the terms and conditions of the Plan, all of which are hereby incorporated into this Agreement.
- B. 1. In the event that an incentive award becomes payable to the Participant for the \_\_\_\_\_ Plan Year, the Participant hereby irrevocable elects:
- a. That \_\_\_\_\_ % of the award is paid in a lump sum upon determination of the award.
  - b. That \_\_\_\_\_ % of the award is deferred as set forth below.
- C. PAYMENT OF AMOUNT DEFERRED (This section should be completed only if the Participant has elected to defer all or part of the award.)
1. Commencement of Payment. Any amount deferred under paragraph B.1.b. above shall be paid to the Participant (or, if applicable, to the Participant's Beneficiary) in the manner described in paragraph C.2., commencing at the time selected below (check one):
- a. \_\_\_\_\_ On the date of commencement of benefits under the General Retirement Plan.
  - b. \_\_\_\_\_ On January 31 of the year following commencement of benefits under the General Retirement Plan.
  - c. \_\_\_\_\_ On the first day of the month following the Participant's separation from the Company's service.

- d. \_\_\_\_\_ On January 31 of the calendar year following the Participant's separation from the Company's service.
- e. \_\_\_\_\_ On January 31 of the calendar year following the later of the Participant's attainment of age \_\_\_\_\_ or separation from the Company's service.
- f. \_\_\_\_\_ On January 31 of \_\_\_\_\_. (Note: The designated year may not be earlier than \_\_\_\_\_.)

2. Manner of Payment. Benefits deferred under the Plan shall be paid to the Participant (or, if applicable, the Participant's Beneficiary) in the following manner (check one):

- a. \_\_\_\_\_ In a lump sum.
- b. \_\_\_\_\_ In annual installments over \_\_\_\_\_ (two through fifteen) years.
- c. \_\_\_\_\_ In monthly installments over \_\_\_\_\_ (twenty-four through one-hundred and eighty) months.

D. BENEFICIARY

The Participant designates the following Beneficiary (or beneficiaries) to receive any benefits due under the Plan in the event of the Participant's death (specify full name, relationship and address):

Primary:

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

Contingent:

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

Signed this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

By: \_\_\_\_\_  
 Participant

PEPCO HOLDINGS, INC.

By: \_\_\_\_\_