

AXCAN PHARMA INC
Form SC 13G
October 08, 2004

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

SCHEDULE 13G

Under the Securities Exchange Act of 1934
(Amendment No.)

Axcn Pharma Inc.
(Name of Issuer)

Common Stock, no par value
(Title of Class of Securities)

054923107
(CUSIP Number)

September 30, 2004
(Date of Event Which Requires Filing of this Statement)

Check the appropriate box to designate the rule pursuant to which this Schedule is filed:

Rule 13d-1(b) Rule 13d-1(c) Rule 13d-1(d)

*The remainder of this cover page shall be filled out for a reporting person's initial filing on this form with respect to the subject class of securities, and for any subsequent amendment containing information which would alter the disclosures provided in a prior cover page.

The information required in the remainder of this cover page shall not be deemed to be "filed" for the purpose of Section 18 of the Securities Exchange Act of 1934 ("Act") or otherwise subject to the liabilities of that section of the Act but shall be subject to all other provisions of the Act (however, see the Notes).

1. NAME OF REPORTING PERSON

S.S. OR I.R.S. IDENTIFICATION NO. OF ABOVE PERSON (entities only)

Franklin Resources, Inc. (13-2670991)

2. CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP

(a) (b) X

3. SEC USE ONLY

4. CITIZENSHIP OR PLACE OF ORGANIZATION

Delaware

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH:

Edgar Filing: AXCAN PHARMA INC - Form SC 13G

5. SOLE VOTING POWER

(See Item 4)

6. SHARED VOTING POWER

0

7. SOLE DISPOSITIVE POWER

(See Item 4)

8. SHARED DISPOSITIVE POWER

0

9. AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

4,793,893

10. CHECK IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES []

11. PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW 9

10.5%

12. TYPE OF REPORTING PERSON

HC (See Item 4)

1. NAME OF REPORTING PERSON

S.S. OR I.R.S. IDENTIFICATION NO. OF ABOVE PERSON (entities only)

Charles B. Johnson

2. CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP

(a) (b) X

3. SEC USE ONLY

4. CITIZENSHIP OR PLACE OF ORGANIZATION

USA

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH:

5. SOLE VOTING POWER

(See Item 4)

6. SHARED VOTING POWER

0

Edgar Filing: AXCAN PHARMA INC - Form SC 13G

7. SOLE DISPOSITIVE POWER

(See Item 4)

8. SHARED DISPOSITIVE POWER

0

9. AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

4,793,893

10. CHECK IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES []

11. PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW 9

10.5%

12. TYPE OF REPORTING PERSON

HC (See Item 4)

1. NAME OF REPORTING PERSON

S.S. OR I.R.S. IDENTIFICATION NO. OF ABOVE PERSON (entities only)

Rupert H. Johnson, Jr.

2. CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP

(a) (b) X

3. SEC USE ONLY

4. CITIZENSHIP OR PLACE OF ORGANIZATION

USA

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH:

5. SOLE VOTING POWER

(See Item 4)

6. SHARED VOTING POWER

0

7. SOLE DISPOSITIVE POWER

(See Item 4)

8. SHARED DISPOSITIVE POWER

0

9. AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

Edgar Filing: AXCAN PHARMA INC - Form SC 13G

4,793,893

10. CHECK IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES []

11. PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW 9

10.5%

12. TYPE OF REPORTING PERSON

HC (See Item 4)

1. NAME OF REPORTING PERSON

S.S. OR I.R.S. IDENTIFICATION NO. OF ABOVE PERSON (entities only)

Franklin Templeton Investments Corp.

2. CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP

(a) (b) X

3. SEC USE ONLY

4. CITIZENSHIP OR PLACE OF ORGANIZATION

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH:

5. SOLE VOTING POWER

4,642,899 (See Item 4)

6. SHARED VOTING POWER

0

7. SOLE DISPOSITIVE POWER

4,793,893 (See Item 4)

8. SHARED DISPOSITIVE POWER

0

9. AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

4,793,893

10. CHECK IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES []

11. PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW 9

10.5%

Edgar Filing: AXCAN PHARMA INC - Form SC 13G

12. TYPE OF REPORTING PERSON

IA

Item 1.

(a) Name of Issuer:

Axcan Pharma Inc.

(b) Address of Issuer's Principal Executive Offices:

597 Laurier Boulevard
Mont-Saint-Hilaire, PQ
Canada J3H 6C6

Item 2.

(a) Name of Person Filing:

(i): Franklin Resources, Inc.
(ii): Charles B. Johnson
(iii): Rupert H. Johnson, Jr.
(iv): Franklin Templeton Investments Corp.

(b) Address of Principal Business Office:

(i), (ii), and (iii):
One Franklin Parkway
San Mateo, CA 94403

(iv):
1 Adelaide Street East, Suite 2101
Toronto, Ontario, Canada M5C 3B8

(c) Place of Organization or Citizenship:

(i): Delaware
(ii) and (iii): USA (iv): Ontario, Canada

(d) Title of Class of Securities:

Common Stock, no par value

(e) CUSIP Number:

054923107

Item 3. This statement is filed pursuant to Rule 13d-1(b) or 13d-2 and the persons filing are: Franklin Resources, Inc., a parent holding company in accordance with Section 240.13d-1(b)1(ii) (G); Charles B. Johnson, a control person in accordance with Section 240.13d-1(b)1(ii) (G); Rupert H. Johnson, Jr., a control person in accordance with Section 240.13d-1(b)1(ii) (G); and Franklin Templeton Investments Corp., an investment adviser in accordance with Section 240.13d-1(b)1(ii) (E). (Note: See Item 4)

Item 4. Ownership

Edgar Filing: AXCAN PHARMA INC - Form SC 13G

The securities reported on herein are beneficially owned by one or more open or closed-end investment companies or other managed accounts which are advised by direct and indirect investment advisory subsidiaries (the "Adviser Subsidiaries") of Franklin Resources, Inc. ("FRI"). Such advisory contracts grant to such Adviser Subsidiaries all investment and/or voting power over the securities owned by such advisory clients. Therefore, such Adviser Subsidiaries may be deemed to be, for purposes of Rule 13d-3 under the Securities Exchange Act of 1934, the beneficial owner of the securities covered by this statement.

Beneficial ownership by investment advisory subsidiaries and other affiliates of FRI is being reported in conformity with the guidelines articulated by the SEC staff in Release No. 34-39538 (January 12, 1998) relating to organizations, such as FRI, where related entities exercise voting and investment powers over the securities being reported independently from each other. The voting and investment powers held by Franklin Mutual Advisers, LLC ("FMA"), formerly Franklin Mutual Advisers, Inc., an indirect wholly owned investment advisory subsidiary of FRI, are exercised independently from FRI and from all other investment advisor subsidiaries of FRI (FRI, its affiliates and investment advisor subsidiaries other than FMA are collectively referred to herein as "FRI affiliates"). Furthermore, FMA and FRI internal policies and procedures establish informational barriers that prevent the flow between FMA and the FRI affiliates of information that relates to the voting and investment powers over the securities owned by their respective advisory clients. Consequently, FMA and the FRI affiliates are each reporting the securities over which they hold investment and voting power separately from each other.

Charles B. Johnson and Rupert H. Johnson, Jr. (the "Principal Shareholders") each own in excess of 10% of the outstanding Common Stock of FRI and are the principal shareholders of FRI. FRI and the Principal Shareholders may be deemed to be, for purposes of Rule 13d-3 under the 1934 Act, the beneficial owner of securities held by persons and entities advised by FRI subsidiaries. FRI, the Principal Shareholders and each of the Adviser Subsidiaries disclaim any economic interest or beneficial ownership in any of the securities covered by this statement.

FRI, the Principal Shareholders, and each of the Adviser Subsidiaries are of the view that they are not acting as a "group" for purposes of Section 13(d) under the 1934 Act and that they are not otherwise required to attribute to each other the "beneficial ownership" of securities held by any of them or by any persons or entities advised by FRI subsidiaries.

(a) Amount Beneficially Owned:

4,793,893

(b) Percent of Class:

10.5%

(c) Number of Shares as to which such person has:

(i) Sole power to vote or to direct the vote

Franklin Resources, Inc.:	0	
Charles B. Johnson:	0	
Rupert H. Johnson, Jr.:	0	
Franklin Templeton Investments Corp.:		4,642,899

(ii) Shared power to vote or to direct the vote:

0

Edgar Filing: AXCAN PHARMA INC - Form SC 13G

(iii) Sole power to dispose or to direct the disposition of

Franklin Resources, Inc.:	0
Charles B. Johnson:	0
Rupert H. Johnson, Jr.:	0
Franklin Templeton Investments Corp.:	4,793,893

(iv) Shared power to dispose or to direct the disposition of:

0

Item 5. Ownership of Five Percent or Less of a Class If this statement is being filed to report the fact that as of the date hereof the reporting person has ceased to be the beneficial owner of more than five percent of the class of securities, check the following [].

Not Applicable

Item 6. Ownership of More than Five Percent on Behalf of Another Person

The clients of the Adviser Subsidiaries, including investment companies registered under the Investment Company Act of 1940 and other managed accounts, have the right to receive dividends from as well as the proceeds from the sale of such securities reported on in this statement.

Item 7. Identification and Classification of the Subsidiary Which Acquired the Security Being Reported on By the Parent Holding Company

Franklin Templeton Investments Corp.	3(e)
(See also Item 4)	

Item 8. Identification and Classification of Members of the Group

Not Applicable (See also Item 4)

Item 9. Notice of Dissolution of Group

Not Applicable

Item 10. Certification

By signing below, we certify that, to the best of our knowledge and belief, the securities referred to above were acquired in the ordinary course of business and were not acquired for the purpose of and do not have the effect of changing or influencing the control of the issuer of such securities and were not acquired in connection with or as a participant in any transaction having such purposes or effect.

This report shall not be construed as an admission by the persons filing the report that they are the beneficial owner of any securities covered by this report.

After reasonable inquiry and to the best of our knowledge and belief, we certify that the information set forth in this statement is true, complete and correct.

Dated: October 8, 2004

Franklin Resources, Inc.
Charles B. Johnson
Rupert H. Johnson, Jr.

Edgar Filing: AXCAN PHARMA INC - Form SC 13G

By: /s/BARBARA J. GREEN

Barbara J. Green
Vice President, Deputy General Counsel,
and Secretary, Franklin Resources, Inc.

Attorney in Fact for Charles B. Johnson pursuant to Power of Attorney
attached to this Schedule 13G

Attorney in Fact for Rupert H. Johnson, Jr. pursuant to Power of Attorney
attached to this Schedule 13G

Franklin Templeton Investments Corp.

By: /s/POONAM (PAM) THADANI

Poonam (Pam) Thadani
Chief Compliance Officer, Canada
Franklin Templeton Investments Corp.

JOINT FILING AGREEMENT

In accordance with Rule 13d-1 (f) (1) under the Securities Exchange Act of 1934,
as amended, the undersigned hereby agrees to the joint filing with each other of
the attached statement on Schedule 13G and to all amendments to such statement
and that such statement and all amendments to such statement is made on behalf
of each of them.

IN WITNESS WHEREOF, the undersigned hereby execute this agreement on October 8,
2004.

Franklin Resources, Inc.
Charles B. Johnson
Rupert H. Johnson, Jr.

By: /s/BARBARA J. GREEN

Barbara J. Green
Vice President, Deputy General Counsel,
and Secretary, Franklin Resources, Inc.

Attorney in Fact for Charles B. Johnson pursuant to Power of Attorney
attached to this Schedule 13G

Attorney in Fact for Rupert H. Johnson, Jr. pursuant to Power of Attorney
attached to this Schedule 13G

Edgar Filing: AXCAN PHARMA INC - Form SC 13G

Franklin Templeton Investments Corp.

By: /s/POONAM (PAM) THADANI

Poonam (Pam) Thadani
Chief Compliance Officer, Canada
Franklin Templeton Investments Corp.

POWER OF ATTORNEY

CHARLES B. JOHNSON hereby appoints BARBARA J. GREEN his true and lawful attorney-in-fact and agent to execute and file with the Securities and Exchange Commission any Schedule 13G, any amendments thereto or any related documentation which may be required to be filed in his individual capacity as a result of his position as an officer, director or shareholder of Franklin Resources, Inc. and, granting unto said attorney-in-fact and agent, full power and authority to do and perform each and every act and thing which he might or could do in person, hereby ratifying and confirming all that said attorney-in-fact and agent, may lawfully do or cause to be done by virtue hereof.

/s/CHARLES B. JOHNSON

POWER OF ATTORNEY

RUPERT H. JOHNSON, JR. hereby appoints BARBARA J. GREEN his true and lawful attorney-in-fact and agent to execute and file with the Securities and Exchange Commission any Schedule 13G, any amendments thereto or any related documentation which may be required to be filed in his individual capacity as a result of his position as an officer, director or shareholder of Franklin Resources, Inc. and, granting unto said attorney-in-fact and agent, full power and authority to do and perform each and every act and thing which he might or could do in person, hereby ratifying and confirming all that said attorney-in-fact and agent, may lawfully do or cause to be done by virtue hereof.

/s/RUPERT H. JOHNSON, JR.

p; 31.21 05/24/2012 2,764,283,393 600,000 600,000 21,650² 39.63 02/26/2014 17,478,737³ 50.96 02/24/2015 16,480 75.85 02/22/2017

E.F. Smith

812,500 812,500

T.V. Brooks

31,983⁶ 28.81 05/02/2013 38,223,918,799 3,250,000 3,250,000 69,286² 39.63 02/26/2014 65,533,767³ 50.96 02/24/2015 102,330 58.85 02/22/2017

F.J. Dawson

5,000⁷ 25.08 11/12/2011 40,186,120,271 2,170,000 2,170,000 14,900⁶ 28.81 05/02/2013 158,970 75.85 02/22/2017

G.E. Persky

Edgar Filing: AXCAN PHARMA INC - Form SC 13G

14,900⁶ 28.81 05/02/2013 40,186,120,271 2,170,000 2,170,000 158,970⁸ 75.85 02/22/2017

Notes to Outstanding Equity Awards Table:

¹ Represents the target awards of performance units (each unit is worth \$1) that were made for the three-year performance periods that began January 1, 2005 and January 1, 2007 pursuant to Constellation Energy's Executive Long-Term Incentive Plan. Grant values were for Mr. Shattuck: 2005 \$2,550,000 and 2007 \$4,000,000; for Mr. Collins: 2005 \$200,000 and 2007 \$400,000; for Mr. Brooks: 2005 \$750,000 and 2007 \$2,500,000. Messrs. Dawson and Persky received no performance units in 2005 and each received \$2,170,000 in 2007. As discussed in the *Compensation Discussion and Analysis* and *Resignation of Named Executive Officer*, the performance units for Ms. Smith are prorated based on her time employed during the performance period. The performance units are paid out only if Constellation Energy meets performance objectives established by the Compensation Committee. The primary performance criterion is three-year total shareholder return (TSR) relative to investment grade large- and mid-cap companies in the combined Dow Jones Electricity and Multiutilities Indexes. If Constellation

Table of Contents

- Energy's TSR is below a minimum threshold during the performance period, then Constellation Energy's TSR will be measured against the TSR of investment grade companies in the S&P 500 Index. Constellation Energy's actual 2005-2007 TSR performance resulted in a maximum payout of 200% of target grant amounts and the performance units were paid out in cash in March 2008.
- Options were granted on February 26, 2004 and were fully vested as of February 26, 2007.
- Represents unexercised options granted on February 24, 2005. The option grant vests and becomes exercisable in three equal annual installments beginning on February 24, 2006. See *Potential Post-Employment Payments* beginning on page 39 for a description of the treatment of the unvested options in the event that employment is terminated.
- Represents unexercised replacement options granted on December 21, 2005 following the exercise of all vested options held by such executive officers at the request of the Compensation Committee for the purposes of minimizing the potential amount of excise taxes and tax gross-up payable by Constellation Energy on behalf of the executive officers pursuant to Section 4999 of the Internal Revenue Code. The number of replacement options is equal to the actual options exercised, less the number of shares of common stock actually delivered to the executive officer net of tax withholding. The replacement options were fully vested at grant and retained the expiration date of the options they replaced.
- Options were granted on May 24, 2002 and were fully vested as of May 24, 2005.
- Options were granted on May 2, 2003 and were fully vested as of May 2, 2006.
- Options were granted on November 12, 2001 and were fully vested as of November 12, 2004.
- Represents unexercised options granted on February 22, 2007. The option grant vests and becomes exercisable in three equal annual installments beginning on February 22, 2008. See *Potential Post-Employment Payments* beginning on page 39 for a description of the treatment of these options in the event that employment is terminated.
- Represents unexercised options granted on July 19, 2007 in connection with Mr. Collins' promotion to Chief Financial Officer. The option grant vests and becomes exercisable in three equal annual installments beginning on February 22, 2008. See *Potential Post-Employment Payments* beginning on page 39 for a description of the treatment of these options in the event that employment is terminated.
- Represents 55,295 fully vested stock units granted on February 26, 2004 that are subject to transfer restriction until February 2009 and 26,963 fully vested stock units granted on February 22, 2007 that were subject to transfer restriction until February 2008.
- Represents 2,764 fully vested stock units granted on February 26, 2004 that are subject to transfer restriction until February 2009.
- Represents the following: (i) 8,714 shares of service-based restricted stock granted on February 24, 2005 (including reinvested dividend shares) that vested on February 24, 2008; (ii) 13,823 fully vested stock units that are subject to transfer restriction until February 26, 2009; and (iii) 15,684 fully vested stock units that are subject to transfer restriction until February 24, 2010.
- Represents the following: (i) 13,524 shares of service-based restricted stock granted on February 24, 2005 (including reinvested dividend shares) that vested on February 24, 2008; (ii) 9,676 fully vested stock units that are subject to transfer restriction until February 26, 2009; and (iii) 16,986 fully vested stock units that were subject to transfer restriction until February 22, 2008.

Table of Contents**Option Exercises and Stock Vested**

The following table provides information regarding amounts realized by each named executive officer due to the vesting or exercise of equity compensation during the year.

Name	Option Awards		Stock Awards	
	Number of Shares Acquired on Exercise(#)	Value Realized On Exercise(\$)	Number of Shares Acquired On Vesting(#)	Value Realized on Vesting(\$)
(a)	(b)	(c)	(d)	(e)
M.A. Shattuck III			50,000 ¹	3,430,750
J.R. Collins	10,000 ²	696,599		
E.F. Smith	404,523 ³	16,725,019	17,384 ⁴	1,436,371
T.V. Brooks			8,585 ⁵	651,215
F.J. Dawson			36,727 ⁶	3,168,800
G.E. Persky			36,727 ⁶	3,168,800

Notes to Option Exercises and Stock Vested in 2007 Table (all values are based on the fair market value of Constellation Energy common stock on the exercise/vesting date):

- ¹ Represents shares of service-based restricted stock that vested on January 2, 2007 (the shares were valued at \$68.615).
- ² Represents stock options that were exercised on December 6, 2007. The value realized is equal to the market price upon exercise (\$100.87) less the option exercise price (\$31.21) multiplied by the number of shares acquired.
- ³ Represents stock options that were exercised on May 22, 2007. The value realized is equal to the market price upon exercise (\$94.805) less the option exercise price multiplied by the number of shares acquired. The options exercised on May 22 include the following: 21,113 options granted May 2, 2003 with an option exercise price of \$28.81 per share; 46,193 options granted February 26, 2004 with an option exercise price of \$39.63 per share; 65,533 options granted February 24, 2005 with an option exercise price of \$50.96 per share; and 271,684 options granted December 21, 2005 with an option exercise price of \$58.33 per share.
- ⁴ Represents the following: (i) 2,925 shares of service-based restricted stock (including reinvested dividend shares) that vested on February 23, 2007 (the shares were valued at \$75.285); (ii) 3,433 shares of service-based restricted stock (including reinvested dividend shares) that vested on February 24, 2007 (the shares were valued at \$75.855); (iii) 4,540 shares of service-based restricted stock (including reinvested dividend shares) that vested on February 26, 2007 (the shares were valued at \$75.855); and (iv) 6,486 shares of service-based restricted stock (including reinvested dividend shares) for which vesting was accelerated on May 21, 2007 as discussed in *Compensation Discussion and Analysis and Resignation of Named Executive Officer* (the shares were valued at \$94.26).
- ⁵ Represents shares of service-based restricted stock (including reinvested dividend shares) that vested on February 24, 2007 (the shares were valued at \$75.855).
- ⁶ Represents the following: (i) 13,324 shares of service-based restricted stock (including reinvested dividend shares) that vested on February 24, 2007 (the shares were valued at \$75.855); and (ii) 23,403 shares of service-based restricted stock (including reinvested dividend shares) that vested on June 1, 2007 (the shares were valued at \$92.215).

Table of Contents

Pension Benefits

Pension Equity Plan

The Pension Equity Plan is a tax qualified employee pension plan under which a lump sum benefit amount is computed based on covered earnings multiplied by a total credit percentage. Covered earnings are equal to the average of the highest three of the last five years' base pay plus annual incentive, but covered earnings may not exceed the Internal Revenue Service compensation limitations. The total service credit percentage is equal to the sum of the credit percentages based on the following formula: 5% per year of service through age 39, 10% per year of service from age 40 to age 49, and 15% per year of service after age 49. No benefits are available under the Pension Equity Plan until a participant has at least three years of service. Benefits payable under the Pension Equity Plan are paid in periodic installments unless a participant elects a lump sum.

Benefits Restoration Plan

The Benefits Restoration Plan is a nonqualified employee pension plan. Benefits under the Benefits Restoration Plan accrue in accordance with the benefit formula of the Pension Equity Plan, but without regard to Internal Revenue Service compensation limitations. No benefits are available until a participant has at least three years of service. For Mr. Brooks, the short-term incentive included in covered earnings is capped at 200% of base pay with respect to short-term incentives paid beginning with the 2007 performance year. For Messrs. Dawson and Persky, the short-term incentive included in covered earnings is capped at \$200,000 for all performance years. Lump sum benefits under the Benefits Restoration Plan will be offset by the benefits under the Pension Equity Plan, but will not be offset by Social Security.

As of December 31, 2007, Messrs. Brooks, Collins, Dawson, Persky and Shattuck were eligible to receive benefits under the Benefits Restoration Plan. If Mr. Shattuck terminates employment for any reason prior to meeting the eligibility requirements for benefits under the Senior Executive Supplemental Plan that is described below (i.e., before reaching age 55 with 10 or more years of vesting service or experiencing an entitlement event), he would be eligible to receive benefits under the Benefits Restoration Plan calculated in the manner described above. As of December 31, 2007, Mr. Shattuck's Benefits Restoration Plan accrued benefit was \$3,404,700 and is included in the Supplemental Plan amounts shown in the *Pension Benefits* table on page 37. Accrued benefits under the Benefits Restoration Plan for Messrs. Brooks, Collins, Dawson and Persky are reported in the *Pension Benefits* table.

Senior Executive Supplemental Plan

Mr. Shattuck participates in the Senior Executive Supplemental Plan (Supplemental Plan) which is a nonqualified employee pension plan. Under the Supplemental Plan, a participant must be at least age 55 with 10 or more years of vesting service to retire and be entitled to benefits. A participant who experiences an entitlement event is also eligible for benefits. Once a participant becomes entitled to benefits under the Supplemental Plan, benefits are in lieu of any benefits under the Benefits Restoration Plan. Benefits paid upon retirement before age 62 are reduced for early receipt. Mr. Shattuck's normal retirement annuity benefit under the Supplemental Plan, which is available at age 62 with five or more years of vesting service, will be computed at 60% of covered earnings. At December 31, 2007, based on his current age of 53 and six years and two months of vesting service, Mr. Shattuck was not eligible for benefits under the Supplemental Plan as he did not meet the age and service requirements.

Table of Contents

Covered earnings are equal to the average of the highest two of the last five years' base pay amounts plus the average of the highest two of the last five years' short-term incentive award amounts and are determined without regard to the Internal Revenue Service compensation limitations. Benefits payable under the Supplemental Plan are paid in periodic installments unless a participant elects a lump sum. Plan participants are entitled to a 50% survivor annuity benefit at no cost, which applies once a participant has vested in the qualified pension plan, regardless of whether the participant was eligible for a benefit under the Supplemental Plan. The benefits computed under the Supplemental Plan are offset by benefits under the Pension Equity Plan, but are not offset by Social Security.

Vesting of accrued benefits under the Supplemental Plan accelerates when any of the following events occur: employment termination, demotion or loss of benefit eligibility without cause; a change of control of Constellation Energy followed within two years by the executive's demotion, employment termination or loss of benefit eligibility; or reduction of previously accrued benefits. As a result of such accelerated vesting, the executive would be entitled to a lump sum payout of the vested amount from the Supplemental Plan after employment termination as described in *Potential Post-Employment Payments* beginning on page 39.

The table below sets forth the present value of accumulated benefits as of December 31, 2007 for each of the named executive officers under the plans described above other than Ms. Smith who ceased to participate in the plans upon her resignation in May 2007. As of December 31, 2007, Mr. Shattuck was not vested in the Supplemental Plan.

Name	Plan Name	Pension Benefits		Payments During Last Fiscal Year(\$)
		Number of Years of Credited Service(#) ¹	Present Value of Accumulated Benefit(\$) ²	
(a)	(b)	(c)	(d)	(e)
M.A. Shattuck III	Pension Equity Plan	6.2	178,300	
	Supplemental Plan		22,794,200	
	Total		22,972,500	
J.R. Collins	Pension Equity Plan	19.6	345,700	
	Benefits Restoration Plan		756,200	
	Total		1,101,900	
E.F. Smith ³	Pension Equity Plan			127,178
	Benefits Restoration Plan			1,224,121
	Total			1,351,299
T.V. Brooks	Pension Equity Plan	6.8	139,200	
	Benefits Restoration Plan		2,625,900	
	Total		2,765,100	
F.J. Dawson	Pension Equity Plan	6.8	84,600	
	Benefits Restoration Plan		82,100	
	Total		166,700	

Edgar Filing: AXCAN PHARMA INC - Form SC 13G

	Total		166,700
G.E. Persky	Pension Equity Plan	6.8	73,700
	Benefits Restoration Plan		68,200
	Total		<u>141,900</u>

Table of Contents

Notes to Pension Benefits Table:

- ¹ For all named executive officers, credited service is equal to actual years of service with Constellation Energy. In February 2008, the Compensation Committee approved a modification to the Supplemental Plan to allow non-employee director service to Constellation Energy to count toward the Supplemental Plan's service requirement. As a result, Mr. Shattuck was credited with an additional two years and six months of service beginning in 2008. For more information see *Supplemental Retirement Benefits* in the *Compensation Discussion and Analysis*.
- ² The present value of Mr. Shattuck's Supplemental Plan benefits was calculated by converting an annuity payable at age 62 (earliest retirement age without reduction to benefit) to a lump sum as of December 31, 2007 using the same assumptions described in *Note 7* of Constellation Energy's 2007 Form 10-K which includes a discount rate of 6.25% and the applicable mortality table pursuant to Internal Revenue Service Revenue Ruling 2001-62. The Pension Equity Plan and Benefits Restoration Plan benefits are computed as lump sums that are immediately payable and there is no discounting required. However, since the Supplemental Plan benefits are offset for benefits payable from the Pension Equity Plan, Mr. Shattuck's Pension Equity Plan lump sum amount was projected to age 62 using 4% interest (pursuant to the Pension Equity Plan) and then converted to an annuity using a discount rate of 6.25%.
- ³ Ms. Smith ceased to participate in the plans upon her resignation in May 2007 and vested accumulated benefits were distributed to her.

Nonqualified Deferred Compensation

Constellation Energy sponsors the Nonqualified Deferred Compensation Plan that provides the opportunity for eligible employees, including the named executive officers, to defer certain compensation including base salary and short-term incentive awards. Under the Plan, eligible employees may defer up to 15% of base salary below the Internal Revenue Service compensation limit (applicable to qualified employee 401(k) plans), up to 85% of base salary above the Internal Revenue Service compensation limit and up to 100% of annual incentives. Under the plan, Constellation Energy matches base salary deferral amounts for salary over the Internal Revenue Service compensation limit using the same matching formula as under the Constellation Energy qualified 401(k) savings plan (match of 50% up to the first 6% of employee salary deferral).

Nonqualified Deferred Compensation Plan participants may elect to invest their plan account balances in investment options that substantially mirror the qualified employee 401(k) plan options. However, unlike the 401(k) plan, there is no option to invest in Constellation Energy common stock in the Nonqualified Deferred Compensation Plan.

Plan participants do not pay income taxes on amounts deferred, company contributions, or earnings thereon, until those amounts are distributed from the Nonqualified Deferred Compensation Plan. A participant's benefits under the Nonqualified Deferred Compensation Plan always are fully vested and are payable after employment termination. Benefits are paid in a lump sum unless a participant elects annual installments.

Table of Contents

The named executive officers' Nonqualified Deferred Compensation Plan accounts are summarized below:

Name	Nonqualified Deferred Compensation				
	Executive Contributions in Last Fiscal Year(\$) ¹	Company Contributions in Last Fiscal Year(\$) ²	Aggregate Earnings in Last Fiscal Year(\$)	Aggregate Withdrawals/ Distributions During 2007(\$)	Aggregate Balance as of 12/31/2007(\$) ³
(a)	(b)	(c)	(d)	(e)	(f)
M.A. Shattuck III	58,615	29,308	645,519		6,909,068
J.R. Collins					
E.F. Smith	2,596	1,298	23,570		697,453 ⁴
T.V. Brooks					
F.J. Dawson			23,342		449,700
G.E. Persky					

Notes to 2007 Nonqualified Deferred Compensation Table:

- ¹ For Mr. Shattuck and Ms. Smith, the total amount of executive contributions is reflected in the *Salary* column of the *2007 Summary Compensation Table*.
- ² Company contributions are also included in the *Company Matching Contributions* column in footnote 8 to the *2007 Summary Compensation Table*.
- ³ All the amounts shown in this column, other than earnings on deferred compensation, were included in compensation amounts reported in this proxy statement or in prior years' proxy statements for those executives who were named executive officers in such prior years.
- ⁴ As discussed in *Compensation Discussion and Analysis* and *Resignation of Named Executive Officer*, in connection with Ms. Smith's resignation, her entire plan balance was distributed in January 2008.

Potential Post-Employment Payments

Constellation Energy has entered into certain agreements and maintains certain plans that provide compensation to named executive officers in the event of a termination of employment or a change in control transaction. Generally under our plans, a change in control is deemed to have occurred upon:

a change in the composition of the Board of Directors such that the existing Board or persons who were approved by two-thirds of directors or their successors on the existing Board no longer constitute a majority;

the acquisition by a person of 20% or more of Constellation Energy's voting securities; or

the approval by shareholders of an acquisition or liquidation of Constellation Energy.

Employment Termination or Change in Control Scenarios

Voluntary/involuntary with cause. There would be no accelerated vesting or incremental payments if the named executive officer separates from service in this manner.

Involuntary without cause. Generally, if a named executive officer separates from service in this manner, he or she would receive a cash severance benefit, a pro rata cash payout of his or her short-term incentive award and a pro rata payout of certain outstanding service-based restricted stock and/or performance units. Computation of these benefits is described in more detail beginning on page 42.

Table of Contents

Additionally, pursuant to the terms of the Supplemental Plan, separation in this manner is an entitlement event for Mr. Shattuck, and he would receive the net accrued supplemental benefit as of the date of the entitlement event. Without this entitlement event, no payment would be made until he was eligible to retire.

Change in control. Pursuant to the terms of Constellation Energy's long-term incentive plans, vesting of outstanding equity awards will accelerate as described in *Treatment of outstanding long-term incentive awards* on page 42.

Change in control with qualifying termination. Each of Messrs. Shattuck, Collins and Brooks is a party to a change in control agreement with Constellation Energy.

If Mr. Shattuck's employment terminates at any time during the two-year period following completion of a change in control transaction and it is a qualifying termination (which is termination of employment by Constellation Energy without cause or resignation by Mr. Shattuck with good reason), he would become entitled to receive the following additional payments and benefits:

a lump-sum cash severance payment equal to three times the sum of (i) his then-current annual base salary or his annual base salary at the time of the change in control transaction, whichever is higher, plus (ii) his average annual incentive bonus (calculated as the average of his two highest annual incentive bonus amounts in the past five years, measured from the date of the change in control transaction or the date of termination of employment, whichever is higher);

a lump-sum cash payment in respect to enhanced supplemental retirement benefits under Constellation Energy's Supplemental Plan, calculated as of the date of termination or change in control transaction, whichever is greater, by (a) waiving any age and service eligibility requirements, (b) using a deemed average annual incentive bonus amount in lieu of any other annual incentive bonus amount, (c) adding three years of executive level service to his actual service, and (d) for the purposes of computing the present value of the benefit that otherwise would be paid to him at age 62, adding three years to his age; and

health and life insurance benefits for three years and thereafter health coverage at prevailing retiree medical rates.

If Mr. Collins' employment terminates at any time during the two-year period following completion of a change in control transaction and it is a qualifying termination, he would become entitled to the following additional payments and benefits:

a lump-sum cash severance payment equal to two times the sum of (i) his then-current annual base salary or his annual base salary at the time of the change in control transaction, whichever is higher, plus (ii) his average annual incentive bonus (calculated as the average of his two highest annual incentive bonus amounts in the past five years, measured from the date of the change in control transaction or the date of termination of employment, whichever is higher);

a lump-sum cash payment in respect to enhanced supplemental retirement benefits under Constellation Energy's Benefits Restoration Plan, calculated as of the date of termination or change in control transaction, whichever is greater, by (a) waiving any age and service eligibility requirements, (b) using a deemed average annual incentive bonus amount in lieu of any other annual incentive bonus amount, and (c) adding two years of executive level service to his actual service; and

Table of Contents

health and life insurance benefits for two years and thereafter health coverage at prevailing retiree medical rates.

If Mr. Brooks' employment terminates at any time during the two-year period following completion of a change in control transaction and it is a qualifying termination, Mr. Brooks would become entitled to a lump-sum cash severance payment equal to the lesser of \$5,000,000 or two times the sum of (i) his then-current annual base salary or his annual base salary at the time of completion of the change in control transaction, whichever is higher, plus (ii) his average annual incentive bonus (calculated as the average of the two highest annual incentive bonus amounts in the past five years, measured from the date of the change in control transaction or the date of termination of employment, whichever is higher).

If a named executive officer who is party to a change in control agreement would be subject to the excise tax as a result of Section 280G of the Internal Revenue Code, and is required to make a payment due to the application of this section, the named executive officer will receive a gross-up payment such that he or she is placed in the same after-tax position as if no excise tax had been imposed. In addition, Constellation Energy has the right to delay payments to comply with Section 409A of the Internal Revenue Code and the obligation to notify the named executive officer if a payment would be subject to Section 409A, as well as to negotiate reasonably and in good faith to amend the terms of the arrangements between the named executive officer and Constellation Energy to comply with Section 409A of the Internal Revenue Code. Constellation Energy has also agreed not to take actions (without the named executive officer's written consent) that would expose any benefits or payments to the named executive officer to additional taxes under Section 409A of the Internal Revenue Code and to hold the named executive officer harmless for any action Constellation Energy may take in violation of these obligations.

Under the terms of their change in control agreements, the named executive officers would receive a grant of replacement options to purchase a number of shares of Constellation Energy common stock equal to the number of shares subject to options that the named executive officer holds and that are actually cancelled upon completion of a change in control transaction. The replacement options would be subject to the same vesting terms and expiration dates as options that were canceled, except that (a) the exercise price of the replacement options would be the higher of the exercise price of the canceled options or the fair market value of the Constellation Energy common stock at the time the replacement options are granted and (b) the replacement options would have the same vesting terms that the canceled options had prior to any vesting acceleration as a result of the change in control transaction. The replacement options would automatically vest if, within two years following the completion of a change in control transaction, Constellation Energy terminates the named executive officer's employment without cause or the named executive officer resigns for good reason (in each case, as defined in the change in control agreement).

Messrs. Dawson and Persky, who are not parties to change in control agreements, would receive payments pursuant to the change in control provisions contained in benefit plans that address such an event. In general, they would receive a cash severance benefit, a pro rata cash payout of their annual incentive award and a payout of outstanding service-based restricted stock and/or performance units. Computation of these benefits is described in more detail below where the applicable provisions of the benefit plans are summarized.

Table of Contents

Death. Generally, if a named executive officer terminates in this manner, the only incremental payments relate to life insurance benefits and outstanding long-term incentive awards.

Disability. Generally, if a named executive officer terminates in this manner, the only incremental payments relate to disability benefits and outstanding long-term incentive awards.

Normal retirement. None of the named executive officers are eligible for normal retirement as of December 31, 2007.

Early retirement. None of the named executive officers are eligible for early retirement as of December 31, 2007.

Benefit Plan Provisions Related to Employment Termination or Change in Control

Severance plan. The plan provides a cash severance benefit equal to two weeks of eligible pay per year of service with a minimum of 26 weeks and a maximum of 52 weeks. Eligible pay includes (i) the named executive officer's then current weekly base salary, plus (ii) the named executive officer's average annual incentive bonus (calculated as the average of the executive's two most recent incentive bonus amounts paid) expressed as a weekly amount. The cash severance benefit is payable in biweekly installments. Since Messrs. Dawson and Persky are not parties to a change in control agreement, they would become entitled to a severance benefit under this plan upon a qualifying termination following a change in control transaction. Messrs. Shattuck, Collins and Brooks are not entitled to a severance benefit under this plan in the event of a change in control since they would receive a severance benefit pursuant to their change in control agreements.

Treatment of outstanding long-term incentive awards. The named executive officers have outstanding long-term incentive awards under Constellation Energy's long-term incentive plans. These plans include provisions for treatment of outstanding awards under employment termination or change in control scenarios as summarized below. Refer to *Resignation of Named Executive Officer* on page 45 for a discussion of the treatment of certain outstanding long-term incentives awards of Ms. Smith following her resignation in May 2007, which may be different than the treatment described below.

Stock Options. Under most termination scenarios, unexercisable (unvested) options would be forfeited. Under a change in control with or without a qualifying termination, vesting would accelerate and unvested options would become exercisable and, under certain plans, paid out in cash.

Service-Based Restricted Stock. Under a termination that is voluntary or involuntary with cause, unvested awards would be forfeited. Under a termination that is involuntary without cause, awards would vest on a pro rata basis. Under a change in control with or without a qualifying termination, awards would vest immediately.

Performance Units. Under a termination that is voluntary or involuntary with cause, unvested performance units would be forfeited. Under a change in control with or without a qualifying termination, performance units would vest on a pro rata basis based on months of service during the performance period and the vested units would be paid out assuming maximum performance. Under other scenarios, performance units

Edgar Filing: AXCAN PHARMA INC - Form SC 13G

would vest on a pro rata basis, but would be paid out assuming target performance if actual performance through the termination date is at or above target.

Table of Contents

Supplemental long-term disability plan. If the named executive officer elects disability insurance coverage under the standard employee disability insurance plan, he or she will be covered under the supplemental long-term disability plan for that part of eligible pay that exceeds \$200,000 (which is the maximum eligible pay under the standard employee plan) based on the coverage level in the employee plan. Unlike the employee plan which provides tax-free benefits, the supplemental plan benefit is taxable. Beginning in 2007, the maximum benefit under this plan was capped at \$25,000 per month.

In-service death benefit. In addition to the company-paid insurance offered under Constellation Energy's employee life insurance program (one times base salary), the named executive officers are provided with a supplemental death-related benefit. If a named executive officer's death occurs while an active employee, a lump sum payment equal to annualized base salary at the time of death grossed-up to cover federal and state income tax withholding will be paid to the executive's beneficiary.

Health benefits. As discussed in *Compensation Discussion and Analysis*, the Compensation Committee agreed to provide Mr. Shattuck a one-time payment of approximately \$19,000, which is equal to the present value of the retiree health subsidy he might have received had he met the retiree health plan's eligibility criteria, if he is not eligible for retiree health coverage at the time of separation for any reason, which would include voluntary or involuntary termination, death or disability.

Supplemental benefits plan. Each executive is also entitled to personal financial, tax and estate planning benefits that continue during the year of death plus the next two calendar years. The planning benefit is grossed-up to cover federal and state income tax withholding.

Table of Contents

The amount of incremental compensation payable to each named executive officer under the employment termination and change in control scenarios is summarized in the following table:

	Potential Post-Employment Payments								
	Cash Severance (\$) ¹	Acceleration of Equity Awards (\$) ²	Enhanced Non-qualified Pension (\$) ³	Health and Welfare Benefits (\$) ⁴	Supplemental Disability Benefits (\$) ⁵	In Service Death Benefits (\$) ⁶	Perquisites (\$) ⁷	Tax Gross-up on Benefits/Perquisites (\$) ⁸	280G Tax Gross-up (\$) ⁹
M.A. Shattuck III									
Voluntary/Involuntary with cause				19,000					
Involuntary without cause	3,000,000	6,448,148	25,034,000	19,000					
Change in Control		21,358,589							
Change in Control with qualifying termination	18,000,000	21,358,589	29,626,000	48,000					16,050,000
Death		6,448,148		19,000		1,250,000	30,000	1,017,600	
Disability		6,448,148		19,000	600,000				
J.R. Collins									
Voluntary/Involuntary with cause									
Involuntary without cause	1,038,462	534,815							
Change in Control		1,910,072							
Change in Control with qualifying termination	2,700,000	1,910,072	209,000	58,900					
Death		534,815				400,000	30,000	341,850	
Disability		534,815			600,000				
T.V. Brooks									
Voluntary/Involuntary with cause									
Involuntary without cause	3,195,000	2,342,593							
Change in Control		9,761,421							
Change in Control with qualifying termination	5,000,000	9,761,421							
Death		2,342,593				265,000	30,000	234,525	
Disability		2,342,593			600,000				
F.J. Dawson									
Voluntary/Involuntary with cause									
Involuntary without cause	2,750,000	731,370							
Change in Control		5,704,060							
Change in Control with qualifying termination	2,750,000	5,704,060							
Death		731,370				250,000	30,000	222,600	
Disability		731,370			600,000				
G.E. Persky									
Voluntary/Involuntary with cause									
Involuntary without cause	3,000,000	731,370							
Change in Control		5,704,060							
Change in Control with qualifying termination	3,000,000	5,704,060							
Death		731,370				250,000	30,000	222,600	
Disability		731,370							

(See Notes to table on next page)

Table of Contents

Notes to Potential Post-Employment Payments Table:

- ¹ Reflects cash payout of eligible pay calculated pursuant to the severance plan described on page 42 or the change in control agreements described beginning on page 40.
- ² Reflects the value of equity where vesting is accelerated by the triggering event as described beginning on page 42. For stock options, this represents the in-the-money value and for stock awards, this represents the fair market value of shares using \$102.53 (closing price per share of Constellation Energy common stock on December 31, 2007).
- ³ For involuntary termination without cause, reflects Mr. Shattuck's accumulated benefits that are incremental to his vested Benefits Restoration Plan benefits described on page 36. Benefits are calculated using a discount rate of 4.49%. The discount rate is the average of the monthly 30 year treasury rates for July, August, and September 2007 less 0.50% pursuant to the provisions of the Supplemental Plan. For change in control with qualifying termination, the same assumptions are used except that the total benefit entitlement reflects three years added to age and service as of December 31, 2007.
- ⁴ Reflects the cost of continuation of health and dental benefits during the period specified in the change in control agreements. For Mr. Shattuck, also reflects lump sum payment toward health care costs in the event that Mr. Shattuck terminates prior to obtaining eligibility for retiree health.
- ⁵ Reflects the named executive officer's estimated supplemental long-term disability benefit that is incremental to the standard employee long-term disability plan and which is capped at \$25,000 per month. Value was estimated assuming continuation of eligible pay for 24 months.
- ⁶ In-service death benefit of one times base salary, as described on page 43.
- ⁷ Reflects estimate of three years of personal financial, tax and estate planning benefits that may be paid pursuant to the supplemental benefits plan described on page 43.
- ⁸ Reflects the tax gross-up on in-service death benefit and the tax gross-up on three years of personal financial, tax and estate planning benefits.
- ⁹ Assumes change in control with qualifying termination on December 31, 2007. Value of accelerated equity was determined using \$102.53 (closing price per share of Constellation Energy common stock on December 31, 2007).

Resignation of Named Executive Officer

Under the terms of separation agreed to by Ms. Smith and Constellation Energy on May 18, 2007, Ms. Smith acted as a consultant to Constellation Energy until February 2008 to ensure an orderly transition and may not compete with Constellation Energy until May 2009. In exchange for these agreements and her prior service to Constellation Energy, Ms. Smith has received the following as of the date of this proxy statement:

2007 annual incentive award	\$ 937,500 ¹
2005-2007 long-term incentive award	\$ 1,208,334 ²
2006 long-term incentive award	\$ 1,328,125 ³
Accelerated vesting of restricted stock	\$ 611,370 ⁴

- ¹ Represents cash payment prorated for the number of months Ms. Smith was employed by Constellation Energy during 2007. This award is also disclosed in the *Non-Equity Incentive Plan Compensation* column of the *2007 Summary Compensation Table*.
- ² Represents cash payment prorated for the number of months Ms. Smith was employed by Constellation Energy during the performance period. This award is also disclosed in the *Outstanding Equity Awards* table.

Table of Contents

- ³ Represents pro-rata payment of the 75% deferred portion of Ms. Smith's 2006 cash-based long-term incentive award, which was disclosed in last year's proxy statement.
- ⁴ Represents accelerated vesting of 6,486 shares of outstanding unvested service-based restricted stock prorated for the number of months Ms. Smith was employed during the applicable vesting period. The shares are valued at \$94.26 per share, the average of the high and low price for the trading day prior to May 21, 2007, which is the date on which vesting was accelerated. These vested shares are also disclosed in the *Option Exercises and Stock Vested* table.

In addition, Ms. Smith will be entitled to receive any cash payment due under her 2007-2009 long-term incentive performance unit award, prorated for the number of months Ms. Smith was employed during the performance period. Any cash payment due Ms. Smith will be paid to her when such cash payment is generally paid to other Constellation Energy employees. This award is also disclosed in the *2007 Grants of Plan-Based Awards* table.

Director Compensation

Constellation Energy does not pay directors who are also employees of Constellation Energy or its subsidiaries for their service as directors.

On a biannual basis, the Compensation Committee has retained Hewitt to benchmark our outside directors' mix of compensation and amount of each element of compensation to the outside director compensation of various peer groups. In conformance with corporate governance best practices, for future director compensation benchmarking the Committee will retain Exequity because the firm exclusively provides executive compensation consulting services to the Committee and provides no other consulting services to Constellation Energy.

In the fall of 2006, Hewitt performed the biannual director compensation benchmark study using the following benchmark groups:

a peer group of 13 energy companies (Energy Peers);

a peer group of 41 companies (Selected Peers) that represent the market for director talent across multiple functions and industries (this group was recommended by Hewitt and Constellation Energy management and endorsed by the Compensation Committee because it represents well-managed companies in the market for director talent, and also includes energy companies and Baltimore area headquartered companies with which we also compete for director talent); and

a peer group of 14 companies (Cross-Board Peers) where Constellation Energy directors are or were either executives, consultants or board members.

Table of Contents

Energy peers

Allegheny Energy, Inc.	Exelon Corporation	Public Service Enterprise Group Inc.
American Electric Power Company, Inc.	FirstEnergy Corporation	Sempra Energy
Dominion Resources Inc.	FPL Group, Inc.	TXU Energy Company LLC
Duke Energy Corporation	PPL Corporation	
Entergy Corporation	Progress Energy, Inc.	

Selected Peers

Air Products and Chemicals, Inc.	Duke Energy Corporation	Lockheed Martin Corporation
American Electric Power Company, Inc.	E. I. du Pont de Nemours and Company	Marriott International, Inc.
Archer-Daniels-Midland Company	Emerson Electric Co.	McCormick & Company, Incorporated
Arrow Electronics, Inc.	Entergy Corporation	PPG Industries, Inc.
Bank of America Corporation	First Data Corporation	PPL Corporation
BellSouth Corporation	General Dynamics Corporation	Public Service Enterprise Group Inc.
The Black & Decker Corporation	General Motors Corporation	Raytheon Company
Capital One Financial Corporation	Halliburton Company	Rohm and Haas Company
The CIT Group Inc.	Hess Corporation	Sempra Energy
Citigroup Inc.	Honeywell International Inc.	Sunoco, Inc.
ConAgra Foods, Inc.	Illinois Tool Works Inc.	The Southern Company
ConocoPhillips	Ingersoll-Rand Company Limited	Verizon Communications, Inc.
Deere & Company	International Business Machines Corporation	Wachovia Corporation
Dominion Resources Inc.	Johnson Controls, Inc.	

Cross-Board Peers

Aether Holdings, Inc.	DNP Select Income Fund Inc.	Mercantile Bankshares Corporation
AT&T Corp.	Educate, Inc.	The Procter & Gamble Company
Bank of America Corporation	The Gap, Inc.	Ryder System, Inc.
Broadwing Corporation	Laureate Education, Inc.	T. Rowe Price Group, Inc.
Capital One Financial Corporation	McCormick & Company, Incorporated	

At the request of the Compensation Committee, Hewitt reported the results of its benchmarking study to the Committee in February 2007. At that time, the Committee recommended and the board approved a proposal to change director compensation in 2007 by increasing the meeting fees from \$1,250 to \$1,500 per meeting and increasing the annual equity grant from \$50,000 to \$85,000 to more closely align the compensation for directors with the peer groups.

In 2007, non-employee directors received the following compensation:

\$50,000 annual retainer, an additional \$10,000 annual retainer for the audit committee chairman and an additional \$5,000 annual retainer for each other committee chairman,

a common stock award with a value of approximately \$85,000, which is subject to pro rata forfeiture if board service ceases during the year,

\$1,500 fee for each meeting of the Board of Directors or a Board of Directors committee attended, and

reasonable travel expenses to attend meetings.

Table of Contents

The following table sets forth a summary of the 2007 director compensation:

Name	Director Compensation						Total (\$)
	Fees Earned or Paid in Cash (\$)	Stock Awards (\$)	Option Awards (\$)	Non Equity Incentive Plan Compensation (\$)	Change in Pension Value and Nonqualified Deferred Compensation Earnings (\$)	All Other Compensation (\$) ³	
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
Douglas L. Becker	71,500	85,000					156,500
Ann C. Berzin ¹							
James T. Brady	86,000	85,000					171,000
Edward A. Crooke	79,250	85,000					164,250
James R. Curtiss	88,750	85,000					173,750
Yves C. de Balmann	73,000	85,000				10,000	168,000
Freeman A. Hrabowski III	77,000	85,000					162,000
Nancy Lampton	77,750	85,000					162,750
Robert J. Lawless	83,500	85,000					168,500
Lynn M. Martin	88,750	85,000				1,000	174,750
John L. Skolds ²	9,833	14,167					24,000
Michael D. Sullivan	83,500	85,000					168,500

Notes to 2007 Director Compensation Table:

¹ Ms. Berzin joined the Board in February 2008.

² Mr. Skolds joined the board in October 2007.

³ Includes all contributions made by Constellation Energy to accredited higher education institutions or charitable organizations under Constellation Energy's matching gift program.

Stock awards granted to directors are fully vested at the end of the year of the grant. Therefore, at December 31, 2007, there are no outstanding unvested equity awards. The number of shares of Constellation Energy common stock and deferred stock units owned by each director is disclosed in *Stock Ownership of Directors and Executive Officers* on page 16.

Directors have the opportunity to elect to defer some or all of their retainers in deferred stock units or in a cash account, and to defer some or all of their fees in a cash account. Directors may also defer their common stock award in deferred stock units. Deferred stock units are bookkeeping entries that track the performance of Constellation Energy common stock and are not actual shares of stock. The bookkeeping entries reflect Constellation Energy common stock price changes, dividends, stock splits and other capital changes. At the end of their Constellation Energy board service, directors receive cash based on the value of their deferred stock units.

Table of Contents

REPORT OF COMPENSATION COMMITTEE

The Compensation Committee of the Board of Directors has reviewed and discussed the *Compensation Discussion and Analysis* beginning on page 17 with management. Based on such review and discussions, the Compensation Committee recommended to the Board of Directors that the *Compensation Discussion and Analysis* be included in the proxy statement for the 2008 annual meeting of shareholders.

Robert J. Lawless, Chairman
Douglas L. Becker
Freeman A. Hrabowski, III

Lynn M. Martin
Michael D. Sullivan

Table of Contents

SECTION 16(a) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE

Constellation Energy's directors and executive officers are required to file initial reports of ownership and reports of changes of ownership of Constellation Energy common stock with the Securities and Exchange Commission. Based upon a review of these filings and written representations from the Constellation Energy directors and executive officers, all required filings were timely made in 2007, except that one Form 4 reporting a grant of stock options to Mr. Collins was filed late.

Table of Contents

**PROPOSAL NO. 2: RATIFICATION OF PRICEWATERHOUSECOOPERS LLP AS
INDEPENDENT REGISTERED
PUBLIC ACCOUNTING FIRM FOR 2008**

Vote Required; Recommendation of the Board of Directors

Approval of the proposal to ratify PricewaterhouseCoopers LLP as Constellation Energy's independent registered public accounting firm for the year 2008 requires the affirmative vote of a majority of the votes cast by holders of shares of Constellation Energy common stock present in person or by proxy at the meeting and entitled to vote, assuming a quorum is present. Abstentions and broker non-votes have no effect on this proposal, except they will be counted as having been present for purposes of determining the presence of a quorum.

YOUR BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS THAT SHAREHOLDERS VOTE *FOR* APPROVAL OF THIS PROPOSAL. IF NOT OTHERWISE SPECIFIED, PROXIES WILL BE VOTED *FOR* APPROVAL OF THIS PROPOSAL.

General

The Audit Committee has appointed PricewaterhouseCoopers LLP as the independent registered public accounting firm of Constellation Energy for the fiscal year ending December 31, 2008. PricewaterhouseCoopers LLP has been Constellation Energy's independent auditors since 1941. A member of PricewaterhouseCoopers LLP will be at the annual meeting and will have the opportunity to make a statement and answer appropriate questions. If the shareholders fail to ratify PricewaterhouseCoopers LLP as the independent registered public accounting firm, the Audit Committee will reconsider its selection.

Fees

Below is a breakdown of fees paid to PricewaterhouseCoopers LLP in 2006 and 2007:

	<u>Audit Fees</u>	<u>Audit-Related Fees</u>	<u>Tax Fees</u>	<u>All Other Fees</u>
2006	\$ 8,417,214	\$ 2,135,231	\$ 235,000	\$ 22,600
2007	\$ 9,305,116	\$ 873,717	\$	\$ 8,130

For 2007, the *Audit-Related Fees* category includes fees incurred in connection with other services related to our annual audit and interim reviews including audits of unconsolidated entities in which we have an investment, audits of employee savings plans, due diligence for a business acquisition and services related to BGE regulatory matters. For 2006, this category includes fees incurred in connection with audits of

Edgar Filing: AXCAN PHARMA INC - Form SC 13G

unconsolidated entities in which we have an investment, services related to the proposed merger with FPL Group, and services related to the initial public offering of Constellation Energy Partners LLC. In 2006, the *Tax Fees* category consists of fees paid in connection with tax compliance services for Constellation Energy Partners LLC. The *All Other Fees* category consists of fees incurred in connection with the audit of the financial statements of Constellation Energy's federal political action committee in 2006 and certain software subscriptions in 2006 and 2007.

Additionally, in 2007, \$103,000 of fees were incurred in connection with audits of employee pension plans, which were paid by the pension plan trusts and not included in the table above.

Table of Contents

Policy for Approval of Audit and Permitted Non-Audit Services

The Audit Committee is responsible for the appointment, compensation, and oversight of the work of Constellation Energy's independent registered public accounting firm. As part of this responsibility, the Audit Committee has adopted an Audit and Non-Audit Pre-Approval Policy, which sets forth the procedures and the conditions pursuant to which services proposed to be performed by the independent registered public accounting firm must be approved. All services to be provided by the independent registered public accounting firm as well as the related fees must be pre-approved by the Audit Committee and all such services and fees were pre-approved in 2006 and 2007. The Chairman of the Audit Committee has been delegated the authority to specifically pre-approve services, which pre-approval is subsequently reviewed with the Committee. In no event may pre-approval authority be delegated to Constellation Energy management. In the course of carrying out its responsibilities, the Audit Committee considers whether services proposed to be performed by the independent registered public accounting firm are consistent with the rules promulgated by the Securities and Exchange Commission on auditor independence. The Audit Committee also considers the independent registered public accounting firm's familiarity with Constellation Energy's business, people, culture, accounting systems, risk profile and other factors, and whether the service might enhance Constellation Energy's ability to manage or control risk or improve audit quality.

Table of Contents

**PROPOSAL NO. 3: APPROVAL OF AMENDMENT TO CHARTER TO PROVIDE FOR
INCREASE IN AUTHORIZED SHARES**

Vote Required; Recommendation of the Board of Directors

This proposal will not be approved unless it receives the affirmative vote of a majority of the votes entitled to be cast on such proposal by holders of shares of Constellation Energy common stock. Abstentions and broker non-votes have no effect on this proposal, except they will be counted as having been present for purposes of determining the presence of a quorum.

YOUR BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS THAT SHAREHOLDERS VOTE *FOR* THIS PROPOSAL. IF NOT OTHERWISE SPECIFIED, PROXIES WILL BE VOTED *FOR* APPROVAL OF THIS PROPOSAL.

Increase in Authorized Capital Stock

Constellation Energy's charter currently authorizes the issuance of 275,000,000 shares of capital stock, of which 25,000,000 shares are classified as preferred stock, par value \$0.01 per share, and 250,000,000 shares are classified as common stock, without par value. The purpose of the amendment to Constellation Energy's charter is to increase the authorized shares of capital stock to 625,000,000, of which 25,000,000 shares are classified as preferred stock, par value \$0.01 per share and 600,000,000 shares are classified as common stock, without par value. On February 22, 2008, the Board of Directors adopted a resolution authorizing the amendment, subject to shareholder approval.

As of April 28, 2008, the record date, there were 178,550,357 shares of common stock issued and outstanding, and another 17,738,574 shares were reserved for issuance pursuant to Constellation Energy's equity compensation, employee benefit and shareholder investment plans.

Adoption of this proposal would permit the Board of Directors, without further approval of the shareholders (except as may be required by applicable law or stock exchange listing requirements), to issue additional shares of common stock from time to time as the Board of Directors may determine, for such consideration as the Board of Directors establishes. In addition to providing Constellation Energy with the ability to issue shares under its equity compensation, employee benefit and shareholder investment plans, the availability of additional shares of common stock would provide flexibility in structuring possible acquisitions of other businesses, enable Constellation Energy to raise additional equity capital if and when needed, and enable the Board of Directors, in its discretion, to declare stock splits or stock dividends in the future. The additional shares of common stock would enable us to act quickly in response to opportunities that may arise for these types of transactions, without the necessity of obtaining further shareholder approval, except as may be required by applicable law or stock exchange listing requirements. Constellation Energy has no present plans, arrangements, or understandings with respect to possible acquisitions or financings requiring the availability of additional authorized common stock. However, we review and evaluate potential capital-raising activities, strategic transactions and other fundamental corporate transactions on an on-going basis to determine if such transactions would be in the best interests of us and our shareholders, and any such transaction could involve the issuance of some or all of our authorized but unissued common stock.

Table of Contents

The charter amendment may be viewed as having the possible effect of diluting the stock ownership of current shareholders to the extent that some or all of the additional authorized shares of common stock are issued in the future. In addition, the ability to issue additional shares of common stock could discourage, under certain circumstances, an unsolicited attempt by another person or entity to acquire control of Constellation Energy. Although the Board of Directors has no present intention of doing so, Constellation Energy's authorized but unissued common stock could be issued in one or more transactions which would make a takeover of Constellation Energy more difficult or costly. Notwithstanding the above, the proposed charter amendment will ensure that Constellation Energy continues to have additional shares available for future issuance from time to time as approved by the Board of Directors for any proper corporate purpose, including those referenced above.

Effective Date of the Charter Amendment

If the charter amendment is adopted by the required vote of shareholders, the charter amendment will become effective when the Articles of Amendment to Constellation Energy's charter, substantially in the form attached to this proxy statement as Annex A, are filed with and accepted for record by the State Department of Assessments and Taxation of the State of Maryland. The Company anticipates that this filing will be made promptly following the Annual Meeting, or as soon as practicable thereafter.

Table of Contents

**SUBMISSION OF SHAREHOLDER PROPOSALS
FOR NEXT YEAR**

For inclusion in next year's proxy statement: Any Constellation Energy shareholder who desires to include a proposal in the proxy statement for the 2009 annual meeting must deliver it so that it is received by January 15, 2009. In addition, a shareholder must meet all requirements under the rules of the SEC necessary to have a proposal included in Constellation Energy's proxy statement.

For presentation at the next annual meeting of shareholders: Under the Constellation Energy bylaws, any shareholder who wants to propose a nominee for election as a director or to present a proposal at the 2009 annual meeting must deliver it so it is received by March 1, 2009. However, if the date of the 2009 annual meeting is changed so that it is more than 30 days earlier or more than 60 days later than July 18, 2009, any such proposals must be delivered not more than 120 days prior to the 2009 annual meeting and not less than the later of (1) 90 days prior to the 2009 annual meeting or (2) 10 days following the day on which we first publicly announce the date of the 2009 annual meeting.

Any proposals must be sent, in writing, to the Corporate Secretary, Constellation Energy Group, Inc., 750 East Pratt Street, 17th Floor, Baltimore, Maryland 21202. Proposals will not be accepted by facsimile.

Table of Contents

ANNEX A

**FORM OF
CONSTELLATION ENERGY GROUP, INC.
ARTICLES OF AMENDMENT**

CONSTELLATION ENERGY GROUP, INC., a Maryland corporation (the Corporation), hereby certifies that:

FIRST: The charter of the Corporation is hereby amended by deleting from the first sentence of paragraph (a) of Article SIXTH the words "The total amount of capital stock that the Corporation is authorized to issue is two hundred seventy-five million (275,000,000) shares, classified as follows: " and inserting in place thereof the following:

The total amount of capital stock that the Corporation is authorized to issue is six hundred twenty-five million (625,000,000) shares, classified as follows:

SECOND: The charter of the Corporation is hereby amended by deleting subparagraph (a)(ii) of Article SIXTH in its entirety and inserting in place thereof the following:

(ii) the balance, six hundred million (600,000,000) shares, without par value, is Common Stock.

THIRD: (a) Immediately before the amendment, the total number of shares of stock of all classes that the Corporation has authority to issue is 275,000,000, of which 25,000,000 are classified as Preferred Stock, par value \$.01 per share, and 250,000,000 are classified as Common Stock, without par value.

(b) As amended, the total number of shares of stock of all classes that the Corporation has authority to issue is 625,000,000, of which 25,000,000 are classified as Preferred Stock, par value \$.01 per share, and 600,000,000 are classified as Common Stock, without par value.

(c) The aggregate par value of all shares of authorized stock of the Corporation that have par value before the amendment and as amended is \$250,000. The amendment effects an increase of 350,000,000 shares of the authorized stock of the Corporation without par value.

(d) The amendments contemplated herein do not change the preferences, conversion and other rights, voting powers, restrictions, limitations as to dividends, qualifications, or terms and conditions of redemption of any classes of stock.

FOURTH: The amendments to the charter of the Corporation set forth in these Articles of Amendment were advised by the board of directors of the Corporation and approved by the stockholders of the Corporation in accordance with the provisions of the Maryland General Corporation Law and the Corporation's charter and bylaws.

A-1

Table of Contents

**ANNUAL MEETING OF SHAREHOLDERS OF
CONSTELLATION ENERGY GROUP, INC.**

July 18, 2008

COMMON STOCK

Please date, sign and mail
your proxy card in the
envelope provided as soon
as possible.

Important Notice Regarding the Availability of Proxy Materials for
the Shareholder Meeting to be held on July 18, 2008:

The Proxy Statement and 2007 Annual Report are available at
www.constellation.com/proxymaterials

ê Please detach along perforated line and mail in the envelope provided. ê

THE BOARD OF DIRECTORS RECOMMENDS A VOTE FOR ALL DIRECTOR NOMINEES, FOR PROPOSAL 2 AND FOR PROPOSAL 3.

**PLEASE SIGN, DATE AND RETURN PROMPTLY IN THE ENCLOSED ENVELOPE. PLEASE MARK YOUR VOTE IN BLUE OR BLACK INK
AS SHOWN HERE x**

1. THE ELECTION OF DIRECTORS FOR A TERM TO EXPIRE IN
2009.

THE ELECTION OF
DIRECTORS CONTINUED

	FOR	AGAINST	ABSTAIN		FOR	AGAINST	ABSTAIN
Yves C. de Balmann	Robert J. Lawless	..	..	..
Douglas L. Becker	Lynn M. Martin	..	..	..
Ann C. Berzin	Mayo A. Shattuck III	..	..	..
James T. Brady	John L. Skolds	..	..	..

Edgar Filing: AXCAN PHARMA INC - Form SC 13G

Edward A. Crooke	..	..	..	Michael D. Sullivan	..	..	..
James R. Curtiss	..	..	..	2. RATIFICATION OF PRICEWATERHOUSECOOPERS LLP AS INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM FOR 2008.	..	..	..
Freeman A. Hrabowski, III	..	..	..	3. APPROVAL OF A CHARTER AMENDMENT TO INCREASE THE NUMBER OF AUTHORIZED SHARES OF COMMON STOCK.	..	..	..
Nancy Lampton	..	..	..	

To change the address on your account, please check the box at right and indicate your new address in the address space above. Please note that changes to the registered name(s) on the account may not be submitted via this method.

Please check this box if you plan to attend the meeting

Signature of Shareholder

Date:

Signature of Shareholder

Date:

Note: Please sign exactly as your name or names appear on this Proxy. When shares are held jointly, each holder should sign. When signing as executor, administrator, attorney, trustee or guardian, please give full title as such. If the signer is a corporation, please sign full corporate name by duly authorized officer, giving full title as such. If signer is a partnership, please sign in partnership name by authorized person.

Table of Contents

CONSTELLATION ENERGY GROUP, INC.

Common Stock Proxy for Annual Meeting of Shareholders - July 18, 2008

THIS PROXY IS SOLICITED ON BEHALF OF THE BOARD OF DIRECTORS

The undersigned appoints Irving B. Yoskowitz and Charles A. Berardesco (or their substitutes, or one acting alone in the absence of the other), as proxies, with power to each to appoint a substitute and to revoke the appointment of such substitute, to vote all shares of common stock of Constellation Energy Group, Inc. which the undersigned is entitled to vote at the annual meeting to be held on July 18, 2008, and at any adjournments thereof, in the manner specified on the reverse side of this card with respect to each proposal identified thereon (as set forth in the Notice of Annual Meeting and Proxy Statement), and in their discretion on any other business that properly comes before the annual meeting.

Shares represented by all properly executed proxies will be voted at the annual meeting in the manner specified. If no specification is made, votes will be cast FOR all director nominees, FOR Proposal 2 and FOR Proposal 3.

(Continued and to be signed on the reverse side)

Table of Contents

**ANNUAL MEETING OF SHAREHOLDERS OF
CONSTELLATION ENERGY GROUP, INC.**

July 18, 2008

**CONSTELLATION ENERGY GROUP, INC.
REPRESENTED EMPLOYEE SAVINGS PLAN
FOR NINE MILE POINT**

Please date, sign and mail
your voting instructions card
in the envelope provided as
soon as possible.

Important Notice Regarding the Availability of Proxy Materials for
the Shareholder Meeting to be held on July 18, 2008:

The Proxy Statement and 2007 Annual Report are available at
www.constellation.com/proxymaterials

ê Please detach along perforated line and mail in the envelope provided. ê

THE BOARD OF DIRECTORS RECOMMENDS A VOTE FOR ALL DIRECTOR NOMINEES, FOR PROPOSAL 2 AND FOR PROPOSAL 3.

**PLEASE SIGN, DATE AND RETURN PROMPTLY IN THE ENCLOSED ENVELOPE. PLEASE MARK YOUR VOTE IN BLUE OR BLACK INK
AS SHOWN HERE x**

1. THE ELECTION OF DIRECTORS FOR A TERM TO EXPIRE IN
2009.

THE ELECTION OF
DIRECTORS CONTINUED

	FOR	AGAINST	ABSTAIN		FOR	AGAINST	ABSTAIN
Yves C. de Balmann	Robert J. Lawless	..	..	..
Douglas L. Becker	Lynn M. Martin	..	..	..
Ann C. Berzin	Mayo A. Shattuck III	..	..	..

Edgar Filing: AXCAN PHARMA INC - Form SC 13G

James T. Brady	..	..	..	John L. Skolds	..	..	..
Edward A. Crooke	..	..	..	Michael D. Sullivan	..	..	..
James R. Curtiss	..	..	..	2. RATIFICATION OF PRICEWATERHOUSECOOPERS LLP AS INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM FOR 2008.	..	..	..
Freeman A. Hrabowski, III	..	..	..	3. APPROVAL OF A CHARTER AMENDMENT TO INCREASE THE NUMBER OF AUTHORIZED SHARES OF COMMON STOCK.	..	..	..
Nancy Lampton	..	..	..	

To change the address on your account, please check the box at right and indicate your new address in the address space above. Please note that changes to the registered name(s) on the account may not be submitted via this method.

.. Please check this box if you plan to attend the meeting ..

Signature of Shareholder

Date:

Signature of Shareholder

Date:

Note: Please sign exactly as your name or names appear on this Voting Instructions Card. When shares are held jointly, each holder should sign. When signing as executor, administrator, attorney, trustee or guardian, please give full title as such. If the signer is a corporation, please sign full corporate name by duly authorized officer, giving full title as such. If signer is a partnership, please sign in partnership name by authorized person.

Table of Contents

CONSTELLATION ENERGY GROUP, INC.

To Participants in the

Represented Employee Savings Plan for Nine Mile Point (the Plan)

The enclosed Notice of Annual Meeting of Shareholders, Proxy Statement, and Voting Instructions Card for the Annual Meeting of Shareholders, to be held on July 18, 2008, are being furnished to you by Constellation Energy Group, Inc. (Constellation Energy) on behalf of the Trustee under the Plan.

In accordance with your Plan and the Trust Agreement with the Trustee, you may instruct the Trustee how to vote the shares of common stock held for you under the Plan. Therefore, please complete the enclosed Voting Instructions Card and return it in the accompanying envelope by July 14, 2008.

After receipt of the properly executed Voting Instructions Card, the Trustee will vote as indicated on the Voting Instructions Card. However, in accordance with the Trust Agreement, even if you do not send in a signed Voting Instructions Card, the Plan Trustee is instructed to vote your shares in the same proportion as the Trustee was instructed to vote shares for which it received Voting Instructions Cards.

Each Plan participant who is a holder of record of other shares of Constellation Energy stock will receive, separately, a proxy card and accompanying proxy material to vote the shares of common stock registered in his or her name.

Marcia B. Behlert

Plan Administrator

CONFIDENTIAL VOTING INSTRUCTIONS TO TRUSTEE

These Voting Instructions are requested in conjunction with a proxy solicitation by the Board of Directors of

CONSTELLATION ENERGY GROUP, INC.

TO: T. ROWE PRICE TRUST COMPANY, AS TRUSTEE UNDER THE REPRESENTED EMPLOYEE SAVINGS PLAN FOR NINE MILE POINT.

I hereby instruct T. Rowe Price Trust Company, as directed Trustee under the Represented Employee Savings Plan for Nine Mile Point (the Plan), to vote by proxy, all shares of common stock of Constellation Energy credited to my account under the Plan at the annual meeting of shareholders of Constellation Energy to be held on July 18, 2008, and at any adjournments thereof, in the manner specified on the reverse side of this form with respect to each proposal identified thereon (as set forth in the Notice of Annual Meeting of Shareholders and Proxy Statement), and Irving B. Yoskowitz and Charles A. Berardesco (or their substitutes, or one acting alone in the absence of the other), in their discretion shall vote in person on any other business as may properly come before the annual meeting.

The shares credited to your account will be voted as directed. If the card is not signed, or if the card is not received by July 14, 2008, the shares credited to your account will be voted in the same proportion as directions received from participants. If no instructions are specified on a signed card, the shares credited to your account will be voted in accordance with the recommendations of the Board of Directors of Constellation Energy: FOR all director nominees, FOR Proposal 2 and FOR Proposal 3.

(Continued and to be signed on the reverse side)

Table of Contents

**ANNUAL MEETING OF SHAREHOLDERS OF
CONSTELLATION ENERGY GROUP, INC.**

July 18, 2008

CONSTELLATION ENERGY GROUP, INC.

EMPLOYEE SAVINGS PLAN

Please date, sign and mail

your voting instructions card

in the envelope provided

as soon as possible.

Important Notice Regarding the Availability of Proxy Materials for
the Shareholder Meeting to be held on July 18, 2008:

The Proxy Statement and 2007 Annual Report are available at

www.constellation.com/proxymaterials

ê Please detach along perforated line and mail in the envelope provided. ê

THE BOARD OF DIRECTORS RECOMMENDS A VOTE FOR ALL DIRECTOR NOMINEES, FOR PROPOSAL 2 AND FOR PROPOSAL 3.

PLEASE SIGN, DATE AND RETURN PROMPTLY IN THE ENCLOSED ENVELOPE. PLEASE MARK YOUR VOTE IN BLUE OR BLACK INK AS SHOWN HERE x

1. THE ELECTION OF DIRECTORS FOR A TERM TO EXPIRE IN 2009.

THE ELECTION OF DIRECTORS CONTINUED

	FOR	AGAINST	ABSTAIN		FOR	AGAINST	ABSTAIN
Yves C. de Balmann	Robert J. Lawless	..	..	..
Douglas L. Becker	Lynn M. Martin	..	..	..
Ann C. Berzin	Mayo A. Shattuck III	..	..	..
James T. Brady				John L. Skolds			

Edgar Filing: AXCAN PHARMA INC - Form SC 13G

Edward A. Crooke	..	..	..	Michael D. Sullivan	..	..	..
James R. Curtiss	..	..	..	2. RATIFICATION OF PRICEWATERHOUSECOOPERS LLP AS INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM FOR 2008.	..	..	..
Freeman A. Hrabowski, III	..	..	..	3. APPROVAL OF A CHARTER AMENDMENT TO INCREASE THE NUMBER OF AUTHORIZED SHARES OF COMMON STOCK.	..	..	..
Nancy Lampton	..	..	..	

To change the address on your account, please check the box at right and indicate your new address in the address space above. Please note that changes to the registered name(s) on the account may not be submitted via this method.

.. Please check this box if you plan to attend the meeting ..

Signature of Shareholder

Date:

Signature of Shareholder

Date:

Note: Please sign exactly as your name or names appear on this Voting Instructions Card. When shares are held jointly, each holder should sign. When signing as executor, administrator, attorney, trustee or guardian, please give full title as such. If the signer is a corporation, please sign full corporate name by duly authorized officer, giving full title as such. If signer is a partnership, please sign in partnership name by authorized person.

Table of Contents

CONSTELLATION ENERGY GROUP, INC.

To Participants in the

Constellation Energy Group Employee Savings Plan (the Plan)

The enclosed Notice of Annual Meeting of Shareholders, Proxy Statement, and Voting Instructions Card for the Annual Meeting of Shareholders, to be held on July 18, 2008, are being furnished to you by Constellation Energy Group, Inc. (Constellation Energy) on behalf of the Trustee under the Plan.

In accordance with your Plan and the Trust Agreement with the Trustee, you may instruct the Trustee how to vote the shares of common stock held for you under the Plan. Therefore, please complete the enclosed Voting Instructions Card and return it in the accompanying envelope by July 14, 2008.

After receipt of the properly executed Voting Instructions Card, the Trustee will vote as indicated on the Voting Instructions Card. However, in accordance with the Trust Agreement, even if you do not send in a signed Voting Instructions Card, the Plan Trustee is instructed to vote your shares in the same proportion as the Trustee was instructed to vote shares for which it received Voting Instructions Cards.

Each Plan participant who is a holder of record of other shares of Constellation Energy stock will receive, separately, a proxy card and accompanying proxy material to vote the shares of common stock registered in his or her name.

Marcia B. Behlert

Plan Administrator

CONFIDENTIAL VOTING INSTRUCTIONS TO TRUSTEE

These Voting Instructions are requested in conjunction with a proxy solicitation by the Board of Directors of

CONSTELLATION ENERGY GROUP, INC.

**TO: T. ROWE PRICE TRUST COMPANY, AS TRUSTEE UNDER THE
CONSTELLATION ENERGY GROUP EMPLOYEE SAVINGS PLAN.**

I hereby instruct T. Rowe Price Trust Company, as directed Trustee under the Constellation Energy Group Employee Savings Plan (Plan), to vote by proxy, all shares of common stock of Constellation Energy credited to my account under the Plan at the annual meeting of shareholders of Constellation Energy to be held on July 18, 2008, and at any adjournments thereof, in the manner specified on the reverse side of this form with respect to each proposal identified thereon (as set forth in the Notice of Annual Meeting of Shareholders and Proxy Statement), and Irving B. Yoskowitz and Charles A. Berardesco (or their substitutes, or one acting alone in the absence of the other), in their discretion shall vote in person on any other business as may properly come before the annual meeting.

The shares credited to your account will be voted as directed. If the card is not signed, or if the card is not received by July 14, 2008, the shares credited to your account will be voted in the same proportion as directions received from participants. If no instructions are specified on a signed card, the shares credited to your account will be voted in accordance with the recommendations of the Board of Directors of Constellation Energy: FOR all director nominees, FOR Proposal 2 and FOR Proposal 3.

(Continued and to be signed on the reverse side)