



## Merger of Talen Frequently Asked Questions for Stockholders

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### NOTE

This document provides general answers to some common questions that stockholders of Talen (as defined below) may have in connection with the Merger (as defined below). For further detail on the Merger, you should review the Definitive Proxy Statement on Schedule 14A filed on September 2, 2016 by Talen with the Securities and Exchange Commission ("SEC") available on the Talen Investor Relations website at <http://talenergy.investorroom.com/SEC-filings>. The descriptions of certain tax provisions in this document are general in nature and are based on U.S. federal income tax law in effect on November 7, 2016, which may be subject to change, potentially with retroactive effect. The discussion pertaining to tax matters below may not be relevant or apply to particular stockholders in light of their particular facts and circumstances, or to stockholders subject to special rules under the U.S. federal income tax laws, and does not constitute tax advice. To get answers for your specific situation, you should consult your tax or financial advisor, or both.

***To avoid delays in processing communications or payments and the unnecessary application of U.S. withholding taxes on the receipt of the Merger Consideration (as defined below), stockholders should ensure that their residency or other required U.S. tax information is properly recorded in their brokers' records or otherwise has been provided correctly to Talen's transfer agent.***

The following terms are used in this document:

- **"Applicable Riverstone Entities"** means, collectively: (i) Riverstone Global Energy and Power Fund V, (ii) Riverstone/Carlyle Renewable and Alternative Energy Fund II, (iii) Carlyle/Riverstone Global Energy and Power Fund III and (iv) any of their respective affiliates that directly or indirectly own Shares.
- **"Beneficial stockholders"** means beneficial owners of Shares whose Shares are held indirectly through a bank or broker;
- **"Closing Date"** means the date of the consummation of the Merger;
- **"IRS"** means the Internal Revenue Service;
- **"Merger"** means the merger of RJS Merger Sub Inc., a Delaware corporation and a wholly owned subsidiary of RPH Parent LLC, a Delaware limited liability company ("**RPH**"), SPH Parent LLC, a Delaware limited liability company ("**SPH**"), and CRJ Parent LLC, a Delaware limited liability company ("**CRJ**") (each of RPH, SPH and CRJ, a "**Parent**" and collectively, "**Parent**"), with and into Talen, with Talen continuing as the surviving corporation;



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- **“Merger Consideration”** means \$14.00 per share of Talen common stock;
- **“Non-U.S. Holder”** means a beneficial owner of the Shares that is not a U.S. Holder or a partnership;
- **“Registered stockholders”** means beneficial owners of Shares whose Shares are held in the name of the stockholder, on the share register maintained by Talen’s transfer agent (also referred to as the exchange agent), Wells Fargo Bank, N.A.;
- **“Riverstone”** means Riverstone Holdings LLC, an affiliate of Parent (as defined above);
- **“Shares”** means shares of Talen’s common stock, par value \$0.001 per share;
- **“Talen”** means Talen Energy Corporation, a Delaware corporation; and
- **“U.S. Holder”** means a beneficial owner of the Shares that is, for U.S. federal income tax purposes: (i) an individual who is a citizen or resident of the United States; (ii) a corporation (or any other entity or arrangement treated as a corporation for U.S. federal income tax purposes) created or organized in or under the laws of the United States or any state thereof or the District of Columbia; (iii) an estate the income of which is subject to U.S. federal income taxation regardless of its source; or (iv) a trust if (A) a court within the United States is able to exercise primary supervision over the administration of the trust and one or more United States persons have the authority to control all substantial decisions of the trust or (B) the trust has validly elected to be treated as a “United States person” under applicable Treasury regulations.

### RATIONALE FOR THE ACQUISITION

#### 1. Why did Talen pursue this transaction?

Talen’s purpose for engaging in the Merger is to enable its stockholders to receive the Merger Consideration, which represents a premium of (i) 85 percent over the closing price of the Shares on December 2, 2015, the day on which the acquisition proposal was first communicated to the chairman of the board of directors of Talen, (ii) 56 percent over the closing price of the Shares on March 31, 2016, the last trading day before the first public reports of a potential sale of Talen and (iii) 17 percent over the closing price of the Shares on June 2, 2016, the last trading day before the announcement of the Merger.



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### SHARE EXCHANGE

#### 2. What will I receive for my Shares as a result of the Merger?

Each Share (other than (i) Shares owned by affiliates of Riverstone and Shares owned by Talen's direct or indirect wholly owned subsidiaries and Shares owned by Talen as treasury stock, (ii) Shares owned by stockholders who have not voted in favor of adoption of the Merger or consented thereto in writing and who have properly exercised and not withdrawn a demand for appraisal pursuant to Section 262 of the Delaware General Corporation Law with respect to such Shares, and (iii) Shares underlying Talen's stock options and Shares that are subject to Talen's restricted stock unit awards granted prior to June 2, 2016, Talen's performance units and Talen's director stock units) outstanding immediately prior to the effective time of the Merger will be converted into the right to receive the Merger Consideration.

The process for receiving the Merger Consideration will vary depending on whether you are a Registered stockholder or a Beneficial stockholder.

For most U.S. Registered stockholders, your shares will be automatically exchanged, and a check will be mailed to you approximately 10 days following the Closing Date. For non-U.S. Registered stockholders, and certain U.S. Registered stockholders from which the exchange agent requires further information, the process requires certain actions by such Registered stockholders. Promptly after the Closing Date, the exchange agent will mail to all non-U.S. Registered stockholders, and those U.S. Registered stockholders from which it needs further information, a letter of transmittal and instructions for use in surrendering their Shares. Upon signing and returning the letter of transmittal to the exchange agent in accordance with the instructions, such Registered stockholders will receive the Merger Consideration in exchange for each Share surrendered to the exchange agent.

For non-U.S. Registered stockholders, the letter of transmittal will also include a certification form concerning the U.S. federal income tax treatment of the Merger to Non-U.S. Holders (the "Talen Tax Certification Form"). Each Registered stockholder that is a Non-U.S. Holder must complete the Talen Tax Certification Form and submit it within 60 days of the Closing Date to certify whether such Non-U.S. Holder will be treated as receiving a taxable dividend or a payment of



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proceeds from the disposition of Shares in the Merger for U.S. federal income tax purposes, as discussed in questions 8 and 9 under “Tax Impact” below.

Generally, if you are a U.S. or a non-U.S. Beneficial stockholder, the exchange of your Shares for the Merger Consideration will be handled by your broker on your behalf in accordance with such broker’s procedures. If you are a non-U.S. Beneficial stockholder, you should contact your broker to discuss whether the broker will provide a certification form relating to the tax treatment of the Merger. As an example, we have included a sample form similar to the Talen Tax Certification Form on the Talen Investor Relations website at <http://talenergy.investorroom.com/stockholder-services>, under “Sample Tax Certification Form for Talen Beneficial Owners.” If your broker has not provided you with a certification form, please contact your broker to discuss whether they will accept a form substantially similar to this sample form.

### **3. What happens if I do nothing?**

If you are a Registered stockholder who has received a letter of transmittal, and do not sign and return the letter of transmittal to Talen’s exchange agent in accordance with the instructions, your Shares cannot be traded, gifted or otherwise used following the Merger. You will not receive the Merger Consideration in respect of your Shares until you sign and return the letter of transmittal in accordance with the instructions. Additionally, failure of any Registered stockholder that is a Non-U.S. Holder to sign and return the Talen Tax Certification Form will result in U.S. federal tax withholding from the Merger Consideration otherwise payable to such holder (at a rate of 30% or such lower rate to which the Non-U.S. Holder has certified that it is entitled under an applicable income tax treaty).

If you are a Beneficial stockholder, you should contact your broker to determine whether the broker will require you to take any action or to submit a certification form relating to the tax treatment of the Merger.

### **4. Do I need to turn in any stock certificates in order to receive my Merger Consideration?**

No. No Shares are certificated.



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### **5. How will I receive my Merger Consideration?**

If you are a Registered stockholder, Talen's exchange agent will pay the Merger Consideration via check. The check will be mailed to the address of record on file with Wells Fargo Bank, N.A. If you are a Beneficial stockholder, your bank or broker will handle the distribution of your Merger Consideration, and you should contact your bank or broker directly for additional information.

### **6. What if I lost my Letter of Transmittal and need a new one?**

You may call Wells Fargo Bank, N.A. at 800-468-9716 for a replacement form.

### **7. Will I be charged a commission on the exchange of Shares related to the transaction?**

Generally, no. Talen will be absorbing transaction fees (other than withholding taxes) related to the Merger that would otherwise be imposed by the transfer agent on Registered stockholders. If you are a Beneficial stockholder, you should contact your broker or bank to determine whether it will charge any commissions or fees related to the exchange of your Shares for the Merger Consideration.

## **TAX IMPACT**

### **8. I am a U.S. Holder. Will I be subject to U.S. federal income tax as a result of the Merger?**

Yes. The exchange of Shares for the Merger Consideration pursuant to the Merger will be a taxable transaction for U.S. federal income tax purposes. The Merger generally will be treated by Talen and its agents for U.S. federal income tax purposes as a taxable redemption of all Shares not owned by affiliates of Riverstone as of the closing of the Merger.

U.S. Holders (other than those exempt from information reporting in the United States) should receive an IRS Form 1099 from their broker or the exchange agent, as applicable, in 2017 reporting payment of the Merger Consideration for calendar year 2016.

A U.S. Holder that does not also own (directly, indirectly or constructively) interests in the Applicable Riverstone Entities will generally recognize taxable



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capital gain or loss at the closing of the Merger, equal to the difference between (1) the holder's adjusted tax basis in the Shares surrendered in the exchange, and (2) the total Merger Consideration received by the holder. Such gain or loss will be determined separately for each block of Shares (i.e., Shares purchased at the same time at the same price) owned by such U.S. Holder.

Following the Merger, Talen will be indirectly wholly owned by the Applicable Riverstone Entities. A U.S. Holder that also owns (directly, indirectly or constructively) interests in the Applicable Riverstone Entities may be subject to different treatment for U.S. federal income tax purposes as a result of the attribution of Shares owned by such Applicable Riverstone Entities to such U.S. Holder, which may result in such U.S. Holder continuing to be treated as owning Shares following the Merger for U.S. federal income tax purposes. In particular, a U.S. Holder whose percentage interest in Talen after the Merger is greater than or equal to such holder's percentage interest in Talen immediately before the Merger, in each case, taking into account Share ownership attribution rules, would be treated as receiving a dividend equal to the Merger Consideration for U.S. federal income tax purposes, regardless of such holder's gain or loss on its Shares surrendered in the Merger.

If you are a U.S. Holder that also owns interests (directly, indirectly or constructively) in the Applicable Riverstone Entities, please consult with your tax advisor about the application of these rules to you.

### **9. I am a Non-U.S. Holder. Will I be subject to U.S. federal income tax in respect of the Merger?**

A Non-U.S. Holder generally should not be subject to U.S. federal income or withholding tax in respect of the proceeds received in the transaction (assuming the holder is not otherwise subject to U.S. tax on a net income basis in respect of his or her holding of Shares and the holder has not been present in the U.S. for 183 or more days during the taxable year in which the Merger occurs) unless such holder also owns (directly, indirectly or constructively) interests in the Applicable Riverstone Entities.

Following the Merger, Talen will be indirectly wholly owned by the Applicable Riverstone Entities. A Non-U.S. Holder that also owns (directly, indirectly or constructively) interests in the Applicable Riverstone Entities may be subject to different treatment for U.S. federal income tax purposes as a result of the attribution of Shares owned by such Applicable Riverstone Entities to such Non-U.S. Holder, which may result in such Non-U.S. Holder continuing to be treated



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as owning Shares following the Merger for U.S. federal income tax purposes. In particular, a Non-U.S. Holder whose percentage interest in Talen after the Merger is greater than or equal to such holder's percentage interest in Talen immediately before the Merger, in each case, taking into account Share ownership attribution rules, would be treated as receiving a dividend equal to the Merger Consideration for U.S. federal income tax purposes, regardless of such holder's gain or loss on its Shares surrendered in the Merger. In the case of such a Non-U.S. Holder, the entire amount of the dividend would be subject to U.S. federal withholding tax at a 30 percent rate (or, if applicable, a lower rate under an applicable U.S. income tax treaty to which such Non-U.S. Holder is entitled).

A Registered stockholder that is a Non-U.S. Holder will be receiving a Talen Tax Certification Form from Wells Fargo Bank, N.A. that will allow such holder to certify (i) whether the holder owns (directly, indirectly or constructively) any interest in the Applicable Riverstone Entities and (ii) if the holder does, to provide information necessary to conclude whether or not the holder should be subject to dividend treatment on the Merger Consideration. The Talen Tax Certification Form contains further details concerning the application of the ownership attribution rules mentioned above. Registered stockholders that are Non-U.S. Holders must complete and submit the Talen Tax Certification Form within 60 days of the Closing Date. A non-U.S. Registered stockholder that fails to submit the Talen Tax Certification by such deadline will be subject to U.S. federal withholding tax at a 30 percent rate (or such lower rate to which the Non-U.S. Holder has certified that it is entitled under an applicable U.S. income tax treaty).

If you are a Non-U.S. Holder that is a Beneficial stockholder, please contact your broker to discuss whether the broker will provide and accept a similar tax certification form. As an example, we have included a sample form similar to the Talen Tax Certification Form on the Talen Investor Relations website at <http://talenergy.investorroom.com/stockholder-services>, under "Sample Tax Certification Form for Talen Beneficial Owners." If your broker has not provided you with a certification form, please contact your broker to discuss whether they will accept a form substantially similar to this sample form.

A Non-U.S. Holder that also owns (directly, indirectly or constructively) interests in the Applicable Riverstone Entities should consult his or her own tax advisors regarding the U.S. federal income and other tax consequences of the Merger.



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### **10. Will there be U.S. backup withholding in connection with the transaction?**

Please note that under applicable U.S. federal income tax rules, information reporting and backup withholding may apply to payments made to you, although backup withholding will not apply if you (1) furnish a correct taxpayer identification number (or Social Security Number) and complete and return to the exchange agent, your bank, or broker, an IRS Form W-9 or appropriate IRS Form W-8, as applicable, certifying that you are not subject to backup withholding (and otherwise comply with all applicable requirements of the backup withholding rules), or (2) otherwise establish an exemption.

If you are a Beneficial stockholder, we encourage you to contact your bank or brokerage firm to determine if backup withholding applies to you. If you are a Registered stockholder, we encourage you to contact Wells Fargo Bank, N.A. to determine whether backup withholding applies to you. You are also encouraged to contact your tax advisor about the application of these rules to you.

Any forward-looking statements are subject to risks and uncertainties such as those described in Talen's periodic reports on file with the SEC. Actual results may differ materially from anticipated results.

**SAMPLE FORM FOR CERTIFICATION BY NON-U.S. STOCKHOLDERS  
OF TREATMENT OF MERGER CONSIDERATION**

**IMPORTANT NOTICE: THIS CERTIFICATION RELATES TO THE RECEIPT OF MERGER CONSIDERATION IN THE MERGER OF  
RJS MERGER SUB INC. WITH AND IN EXCHANGE OF SHARES IN TALEN ENERGY CORPORATION ("TALEN").  
NON-U.S. STOCKHOLDERS OWNING STOCK IN TALEN SHOULD COMPLETE THE CERTIFICATION BY THE APPLICABLE DEADLINE.**

Effective Date of Merger: [●], 2016

Deadline for Submission: [●], 2017

Description of Talen Stock: Common stock, par value \$0.001 per share, issued by Talen

**PLEASE COMPLETE THIS FORM IMMEDIATELY. CONSULT YOUR BROKER FOR THE DEADLINE TO SUBMIT THIS CERTIFICATION FORM**

NON-U.S. STOCKHOLDERS (AND ANY U.S. STOCKHOLDERS THAT HAVE NOT ESTABLISHED THEY ARE U.S. PERSONS ON IRS FORM W-9 (OR SUBSTITUTE FORM)): IF THIS FORM IS NOT RECEIVED BY YOUR BROKER BY THE DEADLINE ABOVE, FOR INFORMATION REPORTING AND U.S. WITHHOLDING TAX PURPOSES, THE STOCKHOLDER WILL BE TREATED AS HAVING RECEIVED A DIVIDEND UP TO THE AMOUNT OF MERGER CONSIDERATION (AS DEFINED BELOW) RECEIVED IN THE MERGER (AS DEFINED BELOW), REGARDLESS OF WHETHER SUCH STOCKHOLDER COULD HAVE MADE THE CERTIFICATION IN PARTS A AND B BELOW. IN ACCORDANCE WITH THIS TREATMENT, NON-U.S. STOCKHOLDERS FAILING TO SUBMIT THIS FORM BY THE APPLICABLE DEADLINE GENERALLY WILL BE SUBJECT TO U.S. WITHHOLDING TAX AT A 30% RATE (OR LOWER RATE UNDER AN APPLICABLE TAX TREATY). SUCH NON-U.S. STOCKHOLDERS MAY SEEK A REFUND FROM THE IRS OF AMOUNTS WITHHELD TO THE EXTENT SUCH AMOUNTS ARE NOT OTHERWISE SUBJECT TO U.S. FEDERAL INCOME TAX.

**SEE ENCLOSED INSTRUCTIONS AND CONSULT YOUR TAX ADVISOR IF YOU (THE "OWNER")  
HAVE ANY QUESTIONS ABOUT COMPLETING THIS CERTIFICATION.**

**Description of Transaction**

The transaction to which this Certification relates is the merger of RJS Merger Sub Inc., a newly formed Delaware corporation that is owned by RPH Parent LLC, a Delaware limited liability company, SPH Parent LLC, a Delaware limited liability company, and CRJ Parent LLC, a Delaware limited liability company, with and into Talen, with Talen surviving (the "Merger"). Pursuant to the Merger, each share of Talen Stock (other than shares held by certain affiliates of RJS Merger Sub Inc.) has been cancelled in exchange for the right to receive \$14.00 per share (the "Merger Consideration").

**Nature of Merger Consideration - Check Applicable Box and Provide Any Required Information.**

**PLEASE CHECK ONLY PART A, PART B or PART C.**

**Part A**  Owner hereby certifies that Owner does not, and immediately following the consummation of the Merger did not, hold an interest in any of (i) Riverstone Global Energy and Power Fund V, (ii) Riverstone/Carlisle Renewable and Alternative Energy Fund II, (iii) Carlisle/Riverstone Global Energy and Power Fund III and (iv) any of their respective affiliates that directly or indirectly own Shares (the "Applicable Riverstone Entities"), including as a result of the application of applicable ownership attribution rules.

If Owner cannot make this certification, then proceed to Part B.

**Part B**  Meaningful Reduction in Proportionate Interest (Gross Proceeds)

For use in the calculations below:

<b>Outstanding Shares of Talen Stock Immediately Prior to the Consummation of the Merger:</b>	<b>128,533,665<sup>1</sup> (W)</b>
<b>Outstanding Shares of Talen Stock Immediately Following the Consummation of the Merger:</b>	<b>44,974,658 (X)</b>

Owner's portion of the Merger Consideration should be treated for U.S. federal income tax purposes as a payment in exchange for Owner's shares of Talen Stock, rather than as a dividend, because Owner's potential proportionate interest in Talen was meaningfully reduced as a result of the payment, as reflected in the following calculations:

Prior Interest: Immediately prior to the consummation of the Merger, Owner owned \_\_\_\_\_ (Y) shares of Talen Stock (taking into account shares of Talen Stock owned directly by Owner and shares of Talen Stock that Owner is deemed to own for this purpose under section 318 of the Internal Revenue Code (including option ownership and ownership through the Applicable Riverstone Entities)), which represented \_\_\_\_\_ (100\*Y/W) percent of the outstanding Talen Stock immediately prior to the consummation of the Merger.

Subsequent Interest: Immediately following the Merger, Owner owned \_\_\_\_\_ (Z) shares of Talen Stock (taking into account shares of Talen Stock that Owner is deemed to own for this purpose under section 318 of the Internal Revenue Code (including option ownership and ownership through the Applicable Riverstone Entities)), which represented \_\_\_\_\_ (100\*Z/X) percent of the outstanding shares of Talen Stock immediately following the consummation of the Merger.

If Owner cannot make this certification, then proceed to Part C.

**Part C**  Dividend

Owner's portion of the Merger Consideration should be treated for U.S. federal income tax purposes as a dividend. Check here if Owner did not check Part A or Part B, above.

**CERTIFICATION**

Under penalties of perjury, I declare that I have examined the information on this Certification and, to the best of my knowledge and belief, it is true, correct, and complete. I further certify under penalties of perjury that I am the Owner (or authorized to sign for the Owner) of the portion of the Merger Consideration to which this Certification relates and was the Owner (or am authorized to sign for the Owner) of the Talen Stock with respect to which payment of such portion of the Merger Consideration is to be made.

**Sign Here>**

\_\_\_\_\_  
Signature of Owner or person authorized to sign for Owner

\_\_\_\_\_  
Date (MM-DD-YYYY)

\_\_\_\_\_  
Capacity in which acting

**PLEASE RETURN THIS FORM TO YOUR BROKER. DO NOT RETURN THIS FORM TO TALEN.**

<sup>1</sup> Represents the number of outstanding shares as of November 7, 2016. This number may change between now and the closing date, and we will update the certificate posted on our website at <http://talenenergy.investorroom.com/stockholder-services> accordingly on the closing date. You should use the updated number for these calculations.

## SAMPLE

### Instructions for completing the Form for Certification by Non-U.S. Stockholders of Treatment of Merger Consideration

#### **General Instructions**

These instructions, and the Form for Certification by Non-U.S. Stockholders of Treatment of Merger Consideration (the “Certification”) to which these instructions relate, concern the U.S. federal income tax consequences of the Merger to holders of shares of Talen common stock (“Talen Stock”), as further described in the in the Definitive Proxy Statement on Schedule 14A filed by Talen with the Securities and Exchange Commission (the “Proxy Statement”) and which was previously made available to Talen stockholders. An electronic copy of the Proxy Statement is also available on the Talen Investor Relations website at <http://talenergy.investorroom.com/SEC-filings>. These instructions and the Certification only apply to you if you are a Non-U.S. Stockholder.

For purposes of the Certification, “Non-U.S. Stockholder” means a beneficial owner of shares of Talen Stock that, for U.S. federal income tax purposes, is not: (i) an individual who is a citizen or resident of the United States; (ii) a corporation (or any other entity or arrangement treated as a corporation for U.S. federal income tax purposes) created or organized in or under the laws of the United States or any state thereof or the District of Columbia; (iii) an estate the income of which is subject to U.S. federal income taxation regardless of its source; (iv) a trust if (A) a court within the United States is able to exercise primary supervision over the administration of the trust and one or more United States persons have the authority to control all substantial decisions of the trust or (B) the trust has validly elected to be treated as a “United States person” under applicable Treasury regulations; or (v) an entity or arrangement treated as a partnership for U.S. federal income tax purposes.

For U.S. federal income tax purposes, a Non-U.S. Stockholder’s receipt of the Merger Consideration may be treated either as a dividend or as a payment of proceeds from a sale or exchange of the stockholder’s Talen Stock. Dividends paid to non-U.S. stockholders generally will be subject to U.S. withholding tax at a rate of 30 percent, or such lower rate as may be provided under an applicable income tax treaty.

**Non-U.S. Stockholders of Talen Stock should properly complete and submit the attached Certification by the deadline specified therein. The information reporting consequences and the amount, if any, of U.S. federal income tax required to be withheld will be based on the information provided in the Certification. If a Certification is not received for a Non-U.S. Stockholder by the specified deadline, such stockholder’s exchange will be treated in accordance with the default rules more fully described below and in the Certification. Non-U.S. Stockholders who fail to submit a timely Certification will be subject to U.S. federal withholding tax with respect to the Merger Consideration at a rate of 30% (or such lower rate as**

<sup>1</sup> Represents the number of outstanding shares as of November 7, 2016. This number may change between now and the closing date, and we will update the certificate posted on our website at <http://talenergy.investorroom.com/stockholder-services> accordingly on the closing date. You should use the updated number for these calculations.

may be provided under an applicable income tax treaty to which such Non-U.S. Stockholder is entitled).

***PLEASE RETURN THIS FORM TO YOUR BROKER.***

***DO NOT RETURN THIS FORM TO TALEN.***

**General Tax Consequences of the Merger**

For U.S. federal income tax, withholding tax, and information reporting purposes, the receipt of the Merger Consideration in exchange for Talen Stock pursuant to the Merger will be a taxable transaction. Nevertheless, a Non-U.S. Stockholder generally should not be subject to U.S. federal income or withholding tax in respect of the proceeds received in the transaction (assuming the holder is not otherwise subject to U.S. tax on a net income basis in respect of his or her holding of Talen Stock and the holder has not been present in the U.S. for 183 or more days during the taxable year in which the Merger occurs) unless such stockholder also owns (directly, indirectly or constructively) an interest in Riverstone Global Energy and Power Fund V, Riverstone/Carlyle Renewable and Alternative Energy Fund II, Carlyle/Riverstone Global Energy and Power Fund III or any of their respective affiliates that directly or indirectly own Talen Stock (collectively, the “Applicable Riverstone Entities”).

Following the Merger, Talen will be indirectly wholly owned by the Applicable Riverstone Entities. Non-U.S. Stockholders who own Talen Stock and interests in the Applicable Riverstone Entities (in each case, directly, indirectly or constructively) and whose percentage interest in Talen Stock immediately following the Merger (as a result of the attribution of the Talen Stock owned by the Applicable Riverstone Entities to such Non-U.S. Stockholders, which may result in such Non-U.S. Stockholders continuing to be treated as owning Shares following the Merger for U.S. federal income tax purposes) is greater than or equal to their percentage interest in Talen Stock immediately prior to the Merger, would be required to recognize dividend income as a result of the Merger equal to the Merger Consideration, rather than taxable gain or loss. Dividends paid to Non-U.S. Stockholders generally are subject to U.S. federal withholding tax at a rate of 30 percent (or such lower rate as may be provided under an applicable income tax treaty).

**Instructions for Completing the Attached Certification (required ONLY if you are a Non-U.S. Stockholder)**

Please complete and return the Certification to indicate how your Merger Consideration will be treated for U.S. federal income tax purposes. Check the appropriate box in Part A if you do not own (directly, indirectly or constructively) any interest in the Applicable Riverstone Entities. If you do own such an interest, then check the appropriate box in Part B to indicate if your portion of the Merger Consideration should be, for U.S. federal income tax purposes, treated as a payment of proceeds as a result of your having a “meaningful reduction in proportionate interest” or in Part C to indicate if your portion of the Merger Consideration should be treated as a dividend.

Please note that the applicable withholding agent will, using their reasonable best efforts, (i) review your calculation of a reduction in proportionate interest reflected on the Certification; (ii) reach a judgment as to whether such reduction is meaningful based on all the facts and circumstances; and (iii) only treat payment to you of the Merger Consideration as a payment of proceeds from a sale or exchange of your shares of Talen Stock if the withholding agent agrees that such reduction is meaningful.

The information contained in these instructions is intended to assist you in completing the Certification but is *not* tax advice. The withholding agent's determination (including the application of the default tax treatment if you fail to respond by the specified deadline, or submit an incomplete or incorrect certification) is required to comply with U.S. information reporting and withholding obligations, but is not binding on you for all tax purposes. You should consult your own tax advisor regarding the appropriate U.S. federal income tax treatment of the Merger Consideration in light of your own particular circumstances, and your potential eligibility for a refund of taxes that may be withheld if you fail to respond by the specified deadline, submit an incomplete or incorrect certification, or otherwise disagree with the determination.

#### Default Tax Treatment if Your Certification Is Not Timely Received, Is Incomplete, or Is Completed Improperly

Your portion of the Merger Consideration will generally be subjected to U.S. federal withholding tax at a 30 percent rate (or such lower rate to which you certify on an applicable IRS Form W-8 you are entitled under an applicable U.S. income tax treaty) unless you certify in Part A that you do not own any interest in the Applicable Riverstone Entities or you certify in Part B that your proportionate interest in the Talen Stock was meaningfully reduced as a result of the Merger, as reflected in a comparison of your interest in the Talen Stock immediately following the Merger with your interest in the Talen Stock immediately prior to the Merger, and the withholding agent determines that it can rely on your certification. Provided that the withholding agent agrees such reduction is meaningful, payment to you of the Merger Consideration will generally be treated as a payment of proceeds from a sale or exchange of your shares of Talen Stock, not as a dividend.

#### Meaningful Reduction in Proportionate Interest

To calculate whether you have a meaningful reduction in proportionate interest, you must first calculate your actual and constructive percentage ownership of Talen Stock immediately prior to the Merger (i.e., the number of shares of Talen Stock that you actually and constructively owned immediately prior to the consummation of the Merger, divided by the total number of shares of Talen Stock outstanding immediately prior to the Merger, as specified in the Certification).

In the "Prior Interest" paragraph:

- (i) enter the number of shares of Talen Stock that you owned immediately prior to the Merger in the first space provided in "Prior Interest" (including shares that you

are deemed to own for this purpose under section 318 of the Internal Revenue Code, as described below), and then,

- (ii) calculate your percentage ownership of Talen Stock immediately prior to the Merger, based on the number of outstanding shares of Talen Stock immediately prior to the Merger listed in Part B, and enter this percentage in the second space.

*EXAMPLE PRIOR INTEREST CALCULATION:*

1,000 shares of Talen Stock owned by you immediately prior to the consummation of the Merger (Y)

128,533,665 outstanding shares of Talen Stock prior to the Merger (W)

This represents  $(100 * 1,000 / 128,533,665) = 0.000778\%$  of the outstanding shares of Talen Stock as the “Prior Interest” calculation

Next, you must calculate your constructive percentage ownership of Talen Stock immediately following the Merger (i.e., the number of shares of Talen Stock that you constructively owned as a result of your interest in the Applicable Riverstone Entities immediately following the Merger, divided by the total number of shares of Talen Stock outstanding immediately following the consummation of the Merger, as specified in the Certification).

In the “Subsequent Interest” paragraph:

- (i) enter the number of shares of Talen Stock that you owned immediately following the Merger in the first space provided in “Subsequent Interest” (which will include only shares of Talen Stock that you are deemed to own for this purpose under section 318 of the Internal Revenue Code, as described below), and then,
- (ii) calculate your percentage ownership of Talen Stock immediately following the Merger, based on the number of outstanding shares of Talen Stock immediately following the Merger, and enter this percentage in the second space.

*EXAMPLE SUBSEQUENT INTEREST CALCULATION:*

800 shares of Talen Stock constructively owned by you immediately following the Merger (Z)

44,974,658 outstanding shares of Talen Stock immediately following the Merger (X)

This represents  $(100 * 800 / 44,974,658) = 0.001779\%$  of the outstanding shares of Talen Stock as the “Subsequent Interest” calculation

The shares of Talen Stock you beneficially owned immediately following the Merger referred to in Part B of the Certification, under the “Subsequent Interest” sub-heading, is

the total amount of shares of Talen Stock you held (or are treated as having held under attribution rules) immediately following the Merger.

All holders should consult their own tax advisor regarding the standard for determining whether a reduction in proportionate interest is meaningful.

Please also note that if it cannot be determined that there has been a meaningful reduction in your proportionate interest as reflected in the comparison of your proportionate interest in the shares of Talen Stock immediately following the Merger with your proportionate interest in shares of Talen Stock immediately prior to the Merger, then payment to you of the Merger Consideration will be treated as a dividend, not as a payment of proceeds from a sale or exchange of Talen Stock, and this amount will be subject to U.S. federal withholding tax.

#### Determining Shares Owned; Description of Attribution Rules

When determining the number of shares of Talen Stock that you own for purposes of Parts A and B, you must include all shares that you hold directly or indirectly through an interest a financial institution or otherwise, as well as all shares that you are deemed to own through the operation of various attribution rules under section 318 of the Internal Revenue Code. You should consult your own tax advisor for more information regarding the attribution rules.

Please note that we cannot offer tax or legal advice specific to your situation. You should accordingly consult your own tax advisor to determine how these rules apply to you.

#### Dividend

If you own an interest in the Applicable Riverstone Entities and do not have a meaningful reduction in proportionate interest of Talen Stock as a result of the Merger, please check the box in Part C to indicate that your portion of the Merger Consideration should be treated as a dividend.

#### **Signature, Date, and Capacity**

Please sign, date, and state the capacity in which you are signing the Certification. If you are signing on behalf of an entity, you must be an authorized representative or officer of the entity that is the stockholder, and you must enter your title in the space provided. If you are an agent acting under a duly authorized power of attorney, the Certification must be accompanied by the power of attorney in proper form or a copy thereof specifically authorizing the agent to represent the principal in making, executing, and presenting the Certification.

***PLEASE RETURN THIS FORM TO YOUR BROKER. DO NOT RETURN THIS FORM TO TALEN.***