

Report of Organizational Actions Affecting Basis of Securities

▶ See separate instructions.

Part I Reporting Issuer

1 Issuer's name Talen Energy Corporation		2 Issuer's employer identification number (EIN) 47-1197305	
3 Name of contact for additional information Keith Oertner	4 Telephone No. of contact (610) 774-4243	5 Email address of contact keith.oertner@talenergy.com	
6 Number and street (or P.O. box if mail is not delivered to street address) of contact 835 Hamilton Street, Suite 150		7 City, town, or post office, state, and Zip code of contact Allentown, PA 18101	
8 Date of action June 1, 2015		9 Classification and description Exchange of Talen Energy Holdings, Inc. stock for Talen Energy Corporation stock	
10 CUSIP number 69351T106	11 Serial number(s)	12 Ticker symbol TLN	13 Account number(s)

Part II Organizational Action Attach additional statements if needed. See back of form for additional questions.

14 Describe the organizational action and, if applicable, the date of the action or the date against which shareholders' ownership is measured for the action ▶ Please see attachment.

15 Describe the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share or as a percentage of old basis ▶ Please see attachment.

16 Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of securities and the valuation dates ▶ Please see attachment.

Part II Organizational Action (continued)

17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ▶ Please see attachment.

18 Can any resulting loss be recognized? ▶ Please see attachment.

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶ Please see attachment.

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

Sign Here

Signature ▶ *Keith R. Oertner*

Date ▶ 6/3/2015

Print your name ▶ Keith R. Oertner

Title ▶ Assistant Treasurer / Director - Tax

Paid Preparer Use Only

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

Tax Basis Information Required Under Section 6045B of the Internal Revenue Code

PART II: ORGANIZATIONAL ACTION

CONSULT YOUR TAX ADVISOR

The information contained herein is being provided pursuant to the requirements of Section 6045B of the Internal Revenue Code of 1986, as amended (the “Code”), and includes a general summary regarding the application of certain U.S. federal income tax laws and regulations relating to the effects of the Distribution and Merger (each as defined below) on the allocation of tax basis between the stock of PPL Corporation (“PPL”) and Talen Energy Holdings, Inc. (“HoldCo”) following the Distribution and the tax basis of Talen Energy Corporation (“Talen”) stock received in the Merger in exchange for HoldCo stock. The information contained herein does not constitute tax advice and does not purport to be complete or to describe the consequences that may apply to particular categories of shareholders. Neither HoldCo nor Talen provides tax advice to its stockholders. The example provided below is illustrative and is being provided pursuant to Section 6045B of the Code and as a convenience to shareholders and their tax advisors when establishing their specific tax position. You are urged to consult your own tax advisor regarding the particular consequences of the Distribution and Merger to you, including the applicability and effect of all U.S. federal, state and local and foreign tax laws. We urge you to read the amended registration statement on Form S-1 of Talen and HoldCo, as filed with the Securities and Exchange Commission on April 30, 2015 (“Form S-1”), as amended, noting especially the discussion on page 61 of the proxy statement/prospectus-information statement contained therein under the heading “THE TRANSACTIONS—MATERIAL U.S. FEDERAL INCOME TAX CONSEQUENCES OF THE TRANSACTIONS”. You may access the Form S-1 at www.sec.gov.

Item 14 – Description of organizational action

Corporate Action 1

PPL distributed to its shareowners (the “Distribution”) on a pro rata basis all of the issued and outstanding shares of common stock of PPL’s wholly owned subsidiary, HoldCo, effective on June 1, 2015. Each PPL shareowner received 0.124906 shares of HoldCo common stock for each share of PPL common stock owned as of 5:00 p.m. New York City Time on May 20, 2015 (the “Record Date”).

Corporate Action 2

Immediately thereafter, a wholly owned subsidiary of Talen merged with and into HoldCo (the “Merger”) and each share of HoldCo common stock was converted into the right to receive one share of Talen common stock. As a result, each PPL shareowner received one share of Talen common stock for each share of HoldCo common stock held by such shareowner immediately prior to the Merger. In the Merger, any fractional shares of Talen common stock to which a

HoldCo stockholder was otherwise entitled was aggregated and sold on the open market, with the resulting cash proceeds of the sale distributed to such HoldCo stockholders otherwise entitled to the fractional share of Talen common stock.

PPL common stock trades under the ticker symbol "PPL". Shares of HoldCo common stock distributed to PPL shareowners were delivered to the distribution agent for the Distribution and held for the benefit of such shareowners and were exchanged for shares of Talen common stock in the Merger, as described above. Talen common stock trades under the ticker symbol "TLN".

Item 15 – Description of the quantitative effect of the organizational action on the basis of the security in the hands of the U.S. taxpayer as an adjustment per share or as a percentage of old stock basis

Corporate Action 1

As a result of the Distribution, PPL shareowners are required to allocate the aggregate tax basis in their PPL common stock held immediately before the Distribution among such shares and the shares of HoldCo common stock to which such shareowners were entitled in the Distribution. A shareowner's aggregate tax basis in its shares of PPL common stock held immediately prior to the Distribution should be allocated in proportion to the relative fair market value of the PPL common stock and the HoldCo common stock. Shareowners that acquired PPL common stock at different times or different prices will need to calculate their tax basis in each block of stock and then allocate a portion of that tax basis to the PPL common stock and the HoldCo common stock to which such shareowners were entitled.

Fair market value generally is the price at which property would change hands between a willing buyer and a willing seller, neither being under any compulsion to buy or to sell and both having reasonable knowledge of the facts. U.S. federal income tax law does not specifically prescribe how you should determine the fair market values of the PPL common stock and the HoldCo common stock for purposes of allocating your tax basis. You should consult your tax advisor to determine what measure of fair market value is appropriate.

There are several possible methods for determining the fair market values of PPL common stock and HoldCo common stock. One possible approach to determining the fair market value of the PPL common stock and the HoldCo common stock is to utilize the New York Stock Exchange market closing prices for PPL common stock (\$31.81 per share) and Talen common stock (\$18.76 per share) on June 2, 2015 (the first day Talen common stock traded regularly on the New York Stock Exchange) as an indication of the fair market value, immediately before the Merger, of the HoldCo stock that was exchanged for such Talen common stock in the Merger. Based on that approach and the assumptions and calculations set forth in Item 16 below, 93.14% of a PPL shareowner's aggregate tax basis in his or her shares of PPL common stock prior to the Distribution would be allocated to such shareowner's shares of PPL common stock and 6.86% would be allocated to such shareowner's shares of HoldCo common stock. You are not bound by this approach and may, in consultation with your tax advisor, use another approach in determining fair market values for PPL and HoldCo common stock.

Corporate Action 2

A HoldCo stockholder's tax basis in each of the shares of Talen common stock received by such stockholder in the Merger, including any fractional shares of Talen common stock deemed received by the stockholder, will equal such stockholder's tax basis in each share of HoldCo common stock surrendered in the Merger (including the basis in any fractional HoldCo share surrendered for a fractional Talen share). If the exchanging stockholder has HoldCo shares with different bases, the stockholder may designate which Talen share received has a basis equal to the basis of a particular HoldCo share surrendered.

The receipt by a HoldCo stockholder of cash in lieu of fractional shares of Talen common stock will be treated as if the fractional shares had been received by the HoldCo stockholders in connection with the Merger and then had been disposed of by such stockholders for the amount of such cash in a sale or exchange pursuant to which gain or loss is recognized.

Item 16 – Description of the calculation of the change in basis and the data that supports the calculation

Corporate Action 1

The following is an example of an approach to basis allocation under Corporate Action 1:

Assumptions:

Shares of PPL common stock owned: 1,000

PPL shareowner's aggregate tax basis (assumed to be \$25 per share) (A): \$25,000

Shares of HoldCo common stock received in the Distribution (1,000 shares of PPL common stock multiplied by the distribution ratio of 0.124906): 124.906

Tax basis allocation:

	# Shares Owned	Assumed Beginning Basis (A)	Price	FMV of Shares Owned Post Distribution	Percentage of Total FMV (B)	Allocated Tax Basis = (A) x (B)
PPL common stock	1,000	\$25,000.00	\$31.81 ¹	\$31,810.00 ³	93.14% ⁵	\$23,285.00
HoldCo common stock	124.906		\$18.76 ²	\$2,343.24 ⁴	6.86% ⁶	\$1,715.00
Totals				\$34,153.24	100.00%	\$25,000.00

¹ Closing market price of PPL common stock on June 2, 2015.

² Closing market price of Talen common stock on June 2, 2015. 1,000 shares of PPL common stock would have been exchanged for 124.906 shares of HoldCo/Talen common stock using the exchange ratio of 0.124906 (before taking into account the aggregation and sale of fractional shares of Talen common stock).

³ 1,000 x \$31.81

⁴ 1,000 x 0.124906 x \$18.76

⁵ \$31,810.00/(\$31,810.00+\$2,343.24)

⁶ \$2,343.24/(\$31,810.00+\$2,343.24)

Corporate Action 2

The following is an example of an approach to basis determination under Corporate Action 2:

Assumptions:

Shares of HoldCo common stock owned: 62.5

HoldCo stockholder aggregate tax basis (assumed to be \$10 per share): \$625

Whole shares of Talen common stock received in the Merger (62.5 shares of HoldCo common stock multiplied by the merger ratio of one and rounding down the product thereof): 62

Number of fractional shares of Talen common stock for which cash is paid: 0.5

Basis per share of Talen common stock received (\$10 basis per share of HoldCo common stock divided by merger ratio of 1): \$10 per share

Aggregate tax basis in whole shares of Talen common stock received in the Merger (62 x \$10): \$620

Tax basis in fractional share deemed sold (0.5 x \$10): \$5

Item 17/18 – List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based and ability of any resulting loss to be recognized

Corporate Action 1

PPL shareowners will not recognize income, gain or loss for U.S. federal income tax purposes on the receipt of HoldCo common stock pursuant to the Distribution pursuant to Section 355(a)(1) of the Code. The tax basis calculations resulting from the Distribution are governed by Sections 358(a) and (b) of the Code.

Corporate Action 2

HoldCo stockholders will not recognize gain or loss for U.S. federal income tax purposes on the receipt of shares of Talen common stock (including any fractional share interests deemed received) in exchange for shares of HoldCo common stock pursuant to the Merger pursuant to Section 354 of the Code. The tax basis calculations resulting from the Merger are governed by Section 358(a) of the Code.

The receipt by a HoldCo stockholder of cash in lieu of fractional shares of Talen common stock will be treated as if the fractional shares had been received by the HoldCo stockholders in connection with the Merger and then had been disposed of by such stockholders for the amount of such cash in a sale or exchange pursuant to which gain or loss is recognized under Section 1001 of the Code.

Item 19 – Provide any other information necessary to implement the adjustment

Corporate Actions 1 & 2

The Merger and resulting stock exchange became effective on June 1, 2015. For a HoldCo stockholder whose taxable year is the calendar year, the reportable tax year is 2015.

For additional information on the effect of the Distribution on the tax basis of PPL and HoldCo common stock, please see the Form 8937 (and the attachment thereto) posted under "Shareowner Services" on the Investors section of PPL's website at <http://www.pplweb.com/>.

Please note that some brokerage houses might not use the information provided in this document, and the information is only provided as an example of one potential method. There are various ways brokerage houses may calculate the cost basis allocation. Please contact your individual brokerage house to determine which calculation they may have used and contact your tax advisor for additional information and clarification.

* * * * *