BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Joint Application of PPL Interstate Energy Company and PPL Electric Utilities Corporation for All of the Necessary Authority, Approvals, and Certificates of Public Convenience (1) for the Transfer of PPL Corporation's Ownership Interests in PPL Interstate Energy Company to Talen Energy Corporation, and Certain Post Closing Transactions Associated therewith; (2) for the Transfer of Certain Property Interests Between PPL Electric Utilities Corporation and PPL Energy Supply, LLC and its Subsidiaries in Conjunction with the Transfer of All of the Interests of PPL Energy Supply, LLC and its Subsidiaries to Talen Energy Corporation; (3) for any Modification or Amendment of Associated Affiliated Interest Agreements; and (4) for any Other Approvals Necessary to Complete the Contemplated Transactions	:	Docket Nos.

APPENDICES IN SUPPORT OF
JOINT APPLICATION

[NON-PROPRIETARY VERSION]

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LIST OF NON-PROPRIETARY APPENDICES

Appendix A	Separation Agreement **[HIGHLY CONFIDENTIAL treatment is required for the Separation Agreement Schedules (ALL FILED UNDER SEAL)]**
Appendix B	Transaction Agreement **[HIGHLY CONFIDENTIAL treatment is required for the Parent Disclosure Letter and RJS Disclosure Letter (ALL FILED UNDER SEAL)]**
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Appendix D	Organizational chart showing PPL Corp. and its subsidiaries prior to the closing of the Proposed Transaction (June 1, 2014)
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APPENDIX A

SEPARATION AGREEMENT

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Execution Version

SEPARATION AGREEMENT

among

PPL CORPORATION,

TALEN ENERGY HOLDINGS, INC.

TALEN ENERGY CORPORATION

PPL ENERGY SUPPLY, LLC

RAVEN POWER HOLDINGS LLC

C/R ENERGY JADE, LLC

and

SAPPHIRE POWER HOLDINGS LLC

dated as of

June 9, 2014

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SEPARATION AGREEMENT

This Separation Agreement (as such agreement may be amended, supplemented or modified from time to time in accordance with the terms hereof, this "**Agreement**"), dated as of June 5, 2014, is among PPL Corporation, a Pennsylvania corporation ("**Parent**"), Talen Energy Holdings, Inc., a Delaware corporation ("**HoldCo**"), Talen Energy Corporation, a Delaware corporation ("**NewCo**"), PPL Energy Supply, LLC, a Delaware limited liability company ("**Energy Supply**"), Raven Power Holdings LLC, a Delaware limited liability company ("**Raven**"), C/R Energy Jade, LLC, a Delaware limited liability company ("**Jade**"), and Sapphire Power Holdings LLC, a Delaware limited liability company ("**Sapphire**" and together with Raven and Jade, "**RJS**"). Capitalized terms used but not otherwise defined herein shall have the meaning ascribed to such term in the Transaction Agreement (as defined below).

RECITALS

WHEREAS, Parent through certain of its Subsidiaries is engaged, indirectly, in the Energy Supply Business;

WHEREAS, the board of directors of Parent has determined that it is advisable and in the best interests of Parent and Parent's shareholders to separate the Energy Supply Business from Parent and to distribute the Energy Supply Business to Parent's shareholders in the manner contemplated by this Agreement and to combine the Energy Supply Business with Raven, Jade and Sapphire in the manner contemplated by the Transaction Agreement, dated as of the date hereof, among Parent, Energy Supply, HoldCo, NewCo, Merger Sub, Raven, Jade and Sapphire (as such agreement may be amended, supplemented or modified from time to time in accordance with its terms, the "**Transaction Agreement**");

WHEREAS, as of the date hereof (a) each of HoldCo, NewCo and Talen Energy Merger Sub, Inc. ("**Merger Sub**") is a newly formed direct or indirect wholly owned Subsidiary of Parent, and (b) Energy Supply is a wholly owned indirect Subsidiary of Parent;

WHEREAS, prior to the date hereof, Parent caused HoldCo to be organized under the laws of the State of Delaware, with HoldCo having one (1) share of authorized common stock, par value $0.001 per share (the "**HoldCo Common Stock**"), which one (1) share was issued to, and as of the date hereof is held by, Parent;

WHEREAS, prior to the date hereof, HoldCo caused NewCo to be organized under the laws of the State of Delaware, with NewCo having one (1) share of authorized common stock, par value $0.001 per share (the "**NewCo Common Stock**"), which one (1) share was issued to, and as of the date hereof is held by, HoldCo;

WHEREAS, prior to the date hereof, NewCo caused Merger Sub to be organized under the laws of the State of Delaware, with Merger Sub having one hundred (100) shares of authorized common stock, par value $0.001 per share (the "**Merger Sub Common Stock**"), all of which was issued to, and as of the date hereof is held by, NewCo;

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WHEREAS, following the Separation Transactions, the Energy Supply Assets and Energy Supply Liabilities (including 100% of the outstanding equity securities of Energy Supply) will be owned directly or indirectly by HoldCo and its Subsidiaries;

WHEREAS, following the Separation Transactions and immediately prior to the Distribution (as defined below), the board of directors of HoldCo shall increase the authorized number of shares of HoldCo Common Stock to equal the Aggregate HoldCo Amount and cause the one (1) outstanding share of HoldCo Common Stock to split into a number of shares equal to the Aggregate HoldCo Amount;

WHEREAS, following the Separation Transactions and immediately prior to the Distribution, the board of directors of NewCo shall increase the authorized number of shares of NewCo Common Stock to equal the Aggregate Authorized NewCo Amount;

WHEREAS, following the Separation Transactions and the increase in authorized shares of HoldCo and NewCo referenced above and the consummation of the Energy Supply Financing in accordance with the terms of this Agreement, Parent shall consummate the disposition of the Energy Supply Business through a distribution of 100% of the HoldCo Common Stock to the Parent shareholders on a pro rata basis;

WHEREAS, following the Distribution, Merger Sub will be merged with and into HoldCo, with HoldCo surviving the Merger as a wholly owned Subsidiary of NewCo, on the terms and subject to the conditions set forth in this Agreement and in accordance with the DGCL;

WHEREAS, substantially contemporaneous to the Merger, RJS will contribute the RJS Subsidiaries to NewCo in exchange for shares of NewCo Common Stock;

WHEREAS, for United States federal income tax purposes, the Parties intend that (i) the Energy Supply Election, together with the Internal Distribution, qualify as a tax-free reorganization pursuant to Sections 368(a)(1)(D) and 355 of the Code and that no gain or loss be recognized by any of Parent, Energy Funding or Energy Supply as a result of such transactions, (ii) the HoldCo Contribution, together with the Distribution qualify as a tax-free reorganization pursuant to Sections 368(a)(1)(D) and 355 of the Code and that no gain or loss be recognized by any of Parent, HoldCo or the Parent shareholders as a result of such transactions and (iii) the execution of this Agreement evidences a plan of reorganization within the meaning of Section 368 of the Code and Treasury Regulation Section 1.368-2(g) with respect to the Energy Supply Election, together with the Internal Distribution, and with respect to the HoldCo Contribution, together with the Distribution; and

WHEREAS, the Parties desire to set forth the principal arrangements among them regarding the separation of the Energy Supply Business from Parent and to make certain covenants and agreements specified herein in connection therewith and to prescribe certain conditions relating thereto.

NOW, THEREFORE, in consideration of the foregoing and the representations, warranties, covenants and agreements contained herein and other good and valuable

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consideration, the receipt and sufficiency of which are hereby acknowledged, and intending to be legally bound hereby, the Parties hereby agree as follows:

ARTICLE I
TRANSACTION STEPS

Section 1.01 **General**.

(a) Separation Plan and Transaction Steps. Upon the terms and subject to the conditions set forth in this Agreement and in accordance with the separation plan set forth on Schedule 1.01 (the "**Separation Plan**"), (i) at or prior to the Separation Time, Parent and Energy Supply, as applicable, shall cause the transactions set forth in Section 1.02 (the "**Separation Transactions**") to be consummated in the order and as set forth in Section 1.02, (ii) at or prior to the Distribution Time, Parent, HoldCo and NewCo, as applicable, shall cause the transactions set forth in Sections 1.01, 1.02, 1.03, and 1.04 of the Transaction Agreement to be consummated as set forth in such Sections, (iii) at the Financing Time, Parent shall and shall cause the transactions set forth in Section 2.04 of the Transaction Agreement to be consummated in the order and as set forth in Section 2.04 thereof, (iv) at the Distribution Time, Parent shall cause the transactions set forth in Section 2.05 of the Transaction Agreement to be consummated in the order and as set forth in Section 2.05 thereof, (v) at the Effective Time, HoldCo, NewCo and Merger Sub shall cause the transactions set forth in Section 2.06 of the Transaction Agreement to be consummated in the order and as set forth in Section 2.06 thereof and (vi) Parent, HoldCo, NewCo and Merger Sub shall cause the transactions set forth in Article III of the Transaction Agreement to be consummated in the order and as set forth in Article III thereof (the transactions referred to in clauses (i), (ii) and (iv) of this Section 1.01(a) being each a "**Spin Transaction**" and, collectively, the "**Spin Transactions**").

(b) Consents to Modifications. Notwithstanding anything in this Agreement to the contrary, none of Parent or any member of the Parent Group shall enter into or otherwise agree to any modification of the Separation Plan or all or any portion of any Spin Transaction adverse in any material respect to RJS, Energy Supply or any member of the Energy Supply Group without the consent of RJS, which shall not be unreasonably withheld, delayed or conditioned (including the manner in which each of the Spin Transactions is accomplished or otherwise consummated, whether any consideration is paid or received by any member of the Parent Group or the Energy Supply Group in connection therewith, and which Assets and Liabilities are included or excluded in connection with any Spin Transaction). Moreover, Parent shall not, and shall not permit any of its Affiliates to, cause any Spin Transaction to be accomplished or otherwise consummated in a manner that would (i) have any actual or potential materially adverse tax impact on Energy Supply or any member of the Energy Supply Group in a Post-Distribution Taxable Period or the post-Distribution portion of a Straddle Period or (ii) be inconsistent with the Intended Tax-Free Treatment. Parent shall give notice to RJS of any material modification to the Separation Plan and/or all or any portion of any Spin Transaction and will consult with RJS in good faith to determine whether such change would be permitted under this Agreement.

Section 1.02 **Separation Transactions**.

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(a) Transfer of Excluded Assets. Except as provided in Section 2.04, effective prior to the Energy Supply Election and at least 2 days prior to the Separation Date, Parent shall cause Energy Supply and each applicable Energy Supply Sub to, contribute, distribute, assign, transfer, convey and/or deliver ("**Convey**") to Parent or one or more of the Non-Energy Supply Subs (as defined below), in each case in accordance with, and as more fully described on, Schedule 1.02(a) (and, only with the consent of RJS, which shall not be unreasonably withheld, delayed or conditioned, any amendment or supplement to such Schedule) and Parent shall, or shall cause such applicable Non-Energy Supply Sub to, accept all of Energy Supply's and such Energy Supply Subs' respective right, title and interest in, to and under all such Excluded Assets. For the avoidance of doubt, (i) any Excluded Asset that is already held, as of the Separation Time, by Parent or any Non-Energy Supply Sub, shall continue to be held by Parent or such Non-Energy Supply Sub, as applicable, following the Separation Time and (ii) except as otherwise expressly provided herein or in the Employee Matters Agreement, no Energy Supply Assets held by the Energy Supply Group shall be Conveyed to Parent or any Non-Energy Supply Sub without the prior written consent of RJS, which shall not be unreasonably withheld, delayed or conditioned.

(b) Assumption of Excluded Liabilities. Except as provided in Section 2.04, effective prior to the Energy Supply Election and at least 2 days prior to the Separation Date, Parent shall cause Energy Supply and each of the Energy Supply Subs to, Convey to Parent or one or more appropriately capitalized Non-Energy Supply Subs, in each case in accordance with, and as more specifically described on, Schedule 1.02(b) (and, only with the consent of RJS, which shall not be unreasonably withheld, delayed or conditioned, any amendment or supplement to such Schedule), and Parent shall, or shall cause such Non-Energy Supply Sub to, assume, perform, discharge and fulfill when due and, to the extent applicable, comply with, all of the Excluded Liabilities, in accordance with their respective terms. For the avoidance of doubt, any Excluded Liability that, as of the Separation Time, is already a Liability of Parent or any Non-Energy Supply Sub, shall continue to be a Liability of Parent or such Non-Energy Supply Sub, as applicable, following the Separation Time.

(c) Energy Supply Election. Pursuant to Treasury Regulation Section 301.7701-(c), Parent shall cause Energy Supply to elect to be treated as a corporation for U.S. federal income tax purposes effective on the Separation Date (the "**Energy Supply Election**").

(d) Internal Distribution. Effective as of the Separation Time, Parent shall cause Energy Funding to distribute all of the equity securities of Energy Supply to Parent and in accordance with the Separation Plan, in each case free and clear of any Security Interest other than pursuant to the Financings (the "**Internal Distribution**"), following which Energy Supply shall be a wholly owned direct Subsidiary of Parent, in a transaction intended to qualify, together with the Energy Supply Election, as a tax-free reorganization pursuant to Sections 368(a)(1)(D) and 355 of the Code.

(e) Transfer of Energy Supply Assets. Except as provided in Section 2.04, effective following the Internal Distribution, Parent shall, and shall cause each of its Subsidiaries other than HoldCo, NewCo, Merger Sub, Energy Supply and the Energy Supply Subs (the "**Non-Energy Supply Subs**") to, Convey to Energy Supply or one or more of the Energy Supply Subs, in each case in accordance with, and as more specifically described on, Schedule 1.02(e) (and,

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only with the consent of RJS, which shall not be unreasonably withheld, delayed or conditioned, any amendment or supplement to such Schedule) in each case free and clear of any Security Interest other than pursuant to the Financings, and Energy Supply shall, or shall cause such applicable Energy Supply Sub to, accept all of Parent's (if any) and such Non-Energy Supply Subs' respective right, title and interest in, to and under any of such applicable Energy Supply Assets (other than the HoldCo Common Stock) and, for the avoidance of doubt, no other transfers of Energy Supply Assets to a member of the Parent Group shall be permitted (whether before, on or after the Internal Distribution). To the extent such transfers are from Parent or a Non-Energy Supply Sub that is disregarded from Parent for U.S. federal income tax purposes to Energy Supply or an Energy Supply Sub that is disregarded as separate from Energy Supply for U.S. federal income tax purposes, such transfers are intended to qualify as tax-free contributions from Parent to Energy Supply pursuant to Section 351 of the Code (each, an "**Energy Supply 351 Contribution**"). For the avoidance of doubt, any Energy Supply Asset that is already held and owned, as of the Separation Time, by Energy Supply or any Energy Supply Sub, shall continue to be held and owned by Energy Supply or such Energy Supply Sub, as applicable, following the Separation Time.

(f) HoldCo Contribution. Effective following the Internal Distribution and the transfers and assumptions described in Section 1.02(e), Parent shall Convey to HoldCo and HoldCo shall accept, all of the outstanding equity securities of Energy Supply in accordance with the Separation Plan, in each case free and clear of any Security Interest other than pursuant to the Financings, following which Energy Supply shall be a wholly-owned, direct Subsidiary of HoldCo (together with any Conveyance of Energy Supply Liabilities from Parent to HoldCo pursuant to Section 1.02(f), the "**HoldCo Contribution**"), in a transaction intended to qualify, together with the Distribution, as a tax-free reorganization pursuant to Sections 368(a)(1)(D) and 355 of the Code.

(g) Assumption of Energy Supply Liabilities. Except as provided in Section 2.04, effective following the Internal Distribution and the transfer described in Section 1.02(e) and in connection with the HoldCo Contribution, Parent shall, and shall cause each applicable Non-Energy Supply Sub to, Convey to HoldCo in each case in accordance with, and as more specifically described on Schedule 1.02(g) (and, only with the consent of RJS, which shall not be unreasonably withheld, delayed or conditioned, any amendment or supplement to such Schedule), and HoldCo shall assume, perform, discharge and fulfill when due and, to the extent applicable, comply with, such Energy Supply Liabilities, in accordance with their respective terms. For the avoidance of doubt, (i) any Energy Supply Liability that, as of the Separation Time, is already (in accordance with the provisions of this Agreement) a Liability of Energy Supply or any Energy Supply Sub, shall continue to be a Liability of Energy Supply or such Energy Supply Sub, as applicable, following the Separation Time and (ii) no other Liabilities of the Parent Group (other than Energy Supply Liabilities) shall be Conveyed after the date hereof to any member of the Energy Supply Group without the prior written consent of RJS, which shall not be unreasonably withheld, delayed or conditioned. Schedule 11.01 - FOA sets forth a list, to the knowledge of Parent, of all generation facilities, material real property or mining operations owned by an Energy Supply Sub prior to the Distribution but that, as of the Distribution, are no longer owned by an Energy Supply Sub.

(h) Termination of Intercompany Agreements. Except with respect to the Contracts set forth in Schedule 1.02(h) attached hereto, the Transaction Agreement, this Agreement and any Ancillary Agreement, effective as of the Distribution Date, HoldCo, on behalf of itself and each other member of the Energy Supply Group, on the one hand, and Parent, on behalf of itself and each other member of the Parent Group, on the other hand, hereby terminates any and all Contracts, whether or not in writing, between or among any member of the Energy Supply Group, on the one hand, and any member of the Parent Group, on the other hand, other than any such Contract to which any Person (other than a member of Parent Group or Energy Supply Group) is also a party. No such Contract (including any provision thereof which purports to survive termination) shall be of any further force or effect on or after the Distribution Date and, except as provided in the next sentence, all parties thereto and each member of the Parent Group and Energy Supply Group are hereby released from all Liabilities thereunder. From and after the Distribution Date, no member of the Energy Supply Group or the Parent Group shall have any rights or Liabilities under any such terminated Contract with any member of the other Group, except as specifically provided herein, in the Transaction Agreement or any Ancillary Agreement (including any obligation to settle any Intercompany Account as provided in Section 1.02(i)).

(i) Termination of Intercompany Accounts. The Parties agree that there shall be no Intercompany Accounts from the date hereof through and including the Closing other than those set forth in Schedule 1.02(i)(A); provided that, for the avoidance of doubt and notwithstanding anything to the contrary contained in this Agreement, all Intercompany Accounts shall be subject to the covenants and limitations set forth in the this Agreement, the Transaction Agreement (including Section 7.01(c) thereof) and the Ancillary Agreements. Effective as of the Distribution Date, each of Parent and HoldCo shall cause each Intercompany Account outstanding immediately prior to the Distribution, other than those expressly set forth on Schedule 1.02(i)(B) attached hereto, to be satisfied and/or settled in full in cash or otherwise cancelled and terminated or extinguished (in each case with no further liability or obligation, including with respect to Taxes, on any member of the Energy Supply Group) by the relevant member(s) of the Parent Group and the Energy Supply Group, respectively, on or prior to the Distribution Date in each case in a manner reasonably agreed to by the Parties. Each Intercompany Account outstanding immediately prior to the Distribution and which is set forth on Schedule 1.02(i)(B) shall continue to be outstanding after the Distribution Date (unless previously satisfied in accordance with its terms) and thereafter (i) shall be an obligation of each relevant party, each of which shall be responsible for fulfilling its obligations in accordance with the terms and conditions applicable to such obligation and (ii) from and after the Distribution Date shall be an obligation of the relevant party to a third party and shall no longer be an Intercompany Account.

Section 1.03 **Further Assurances**. From time to time after the Closing, as and when requested by any Party, any other Party shall execute and deliver, or cause to be executed and delivered, all such documents and instruments, and shall take, or cause to be taken, all such further actions consistent with the terms of this Agreement, the Transaction Agreement and the other Ancillary Agreements as the requesting Party may reasonably deem necessary or desirable to evidence and effectuate the transactions contemplated by this Agreement; provided that no such document, instrument or actions shall increase any Party's or its Group's liability or

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decrease any Party's or its Group's rights, under this Agreement, the Transaction Agreement or any Ancillary Agreement.

Section 1.04 **Sufficiency of Assets**. To the extent the failure of an Asset to be an Energy Supply Asset results in the representation in Section 5.12(a)(i) of the Transaction Agreement being not true and correct in all material respects as of the Closing (such asset, a "**Missing Asset**"), if NewCo so reasonably requests on or prior to the 18-month anniversary of the Closing Date, Parent shall, as promptly as practicable thereafter, (a) pay over to NewCo, or such member of the Energy Supply Group as NewCo reasonably designates, any payments received by the Parent Group directly generated by such Missing Asset following the Distribution Date, but only to the extent such Missing Asset relates to the Energy Supply Business and (b) either (i) transfer such Missing Asset to NewCo, or such member of the Energy Supply Group as NewCo reasonably designates, (ii) provide NewCo, or such member of the Energy Supply Group as NewCo reasonably designates, use of such Missing Asset, to the same extent that such Missing Asset was used prior to the Distribution by the Energy Supply Business or (iii) provide NewCo, or such member of the Energy Supply Group as NewCo reasonably designates, with an asset, which in Energy Supply's reasonable determination is a reasonably comparable replacement for such Missing Asset. NewCo, or such member of the Energy Supply Group as NewCo reasonably designates, shall pay for such use of such Missing Asset at a cost substantially equivalent to the historical cost allocated to the Energy Supply Business for the Energy Supply Business' use of such Missing Asset in order that NewCo shall, consistent with past practice, receive the benefits and bear the economic burdens of such Missing Asset as closely as possible to historical practice. The selection of any of the remedies set forth in the foregoing clauses (b)(i) - (iii) shall be in Parent's discretion, subject to NewCo's consent (not to be unreasonably withheld, delayed or conditioned, taking into account (without limitation) the efficacy of the remedy selected by Parent as compared to that of the other remedies). Notwithstanding anything herein, in the event that the Parties mutually reasonably determine in good faith that any of the remedies set forth in the foregoing clauses (i) - (iii) would be reasonably impracticable for Parent to achieve, then such asset shall be governed under Section 2.04 as a Deferred Asset.

ARTICLE II
TRANSFER OF ASSETS AND LIABILITIES

Section 2.01 **Misallocated Assets and Liabilities**. In the event that, at any time from and after the Separation Time, any Party (or any member of the Parent Group or the Energy Supply Group, as applicable) discovers that it or one of its Affiliates is the owner of, receives or otherwise comes to possess any Asset (including the receipt of payments made pursuant to Contracts and proceeds from accounts receivable with respect to such Asset) or is liable for any Liability, in each case that was allocated to any other Party or any of its Affiliates pursuant to this Agreement, the Transaction Agreement or any Ancillary Agreement (except in the case of any deliberate acquisition of Assets or assumption of Liabilities for value subsequent to the Separation Time), such Party shall, subject to and in accordance with Section 2.04, promptly use reasonable best efforts to Convey, or cause to be Conveyed, such Asset or Liability to the Party or its Affiliate that is so entitled thereto or liable therefor (and the relevant Party shall cause such entitled Person to accept such Asset or assume such Liability) for no further consideration than set forth in this Agreement. Prior to any such transfer, such Asset shall, from and after the

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Separation Time, be held in trust for (in accordance with the procedures set forth in Section 2.04), and all income, proceeds and other monies received with respect to such Asset shall promptly upon receipt thereof be paid to, such other Party or its Affiliate, and such Liability shall be held for the account of such other Party or its Affiliate.

Section 2.02 **Energy Supply Assets**.

(a) For purposes of this Agreement, "**Energy Supply Assets**" shall mean, without duplication, (x) all Assets of Parent and/or any Non-Energy Supply Sub used or held for use primarily in, or that primarily arise or are produced from, the operation or conduct of the Energy Supply Business, other than Excluded Assets to the extent set forth in clause (z) of the definition thereof, (y) all Assets of Energy Supply and/or any Energy Supply Sub other than (I) those that are used or held for use primarily in, or that primarily arise or are produced from, the operation or conduct of the business of Parent and/or any Non-Energy Supply Sub (other than the Energy Supply Business) as conducted immediately prior to the Separation Time consistent with past practice or (II) to the extent included in the Excluded Assets set forth in clause (z) of the definition thereof, and (z) each of the following, other than in the cases of Section 2.02(a)(i) through Section 2.02(a)(ix) to the extent included in clause (z) of the definition of Excluded Assets:

(i) all owned real property and interests in owned real property used or held for use primarily in, or that primarily arise or are produced from, the operation or conduct of the Energy Supply Business, in each case together with all buildings, structures, improvements and fixtures thereon and all easements and rights of way pertaining thereto or accruing to the benefit thereof and all other appurtenances and real property rights pertaining thereto (the "**Energy Supply Real Property**");

(ii) all leasehold interests in real property used or held for use primarily in, or that primarily arise or are produced from, the operation or conduct of the Energy Supply Business, in each case together with all buildings, structures, improvements and fixtures related thereto and all easements and rights of way pertaining thereto or accruing to the benefit thereof and all other appurtenances and real property rights pertaining thereto (the "**Leased Premises**");

(iii) all tangible and intangible personal property and interests used or held for use primarily in, or that primarily arise from, the operation or conduct of the Energy Supply Business, including emissions allowances, machinery, equipment, IT Equipment, IT Systems, furniture and other furnishings, fixed assets, tools, vehicles, railcars, owned vessels, raw materials and construction materials, products, works-in-process, goods, supplies, parts, fuel inventory (including coal, uranium, lignite, limestone, petroleum coke, natural gas or alternative fuel inventory) and other inventories, and coal combustion by-products (including fly ash and synthetic gypsum) (in each case, where such is used or held for use primarily in the Energy Supply Business);

(iv) all Permits issued or granted to Parent or any of its Subsidiaries (including all pending applications therefor) and all rights under any Contract with any

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Governmental Authority that are used or held for use primarily in the Energy Supply Business (the "**Energy Supply Permits**");

(v) all past, present and future rights to such causes of action, lawsuits, judgments, claims (including insurance claims), rights, refunds, credits, rights of recovery, rights of set-off of any kind (or any share thereof) counterclaims or demands against a Person (other than in connection with this Agreement, the Transaction Agreement or any Ancillary Agreement) to the extent related to the Energy Supply Business, any Energy Supply Asset or any Energy Supply Liability; provided that any causes of action, lawsuits, judgments, claims, counterclaims or demands shall be assigned to Energy Supply or an Energy Supply Sub without warranty or recourse (other than pursuant to this Agreement, the Transaction Agreement or any Ancillary Agreement);

(vi) all Intellectual Property primarily used in the Energy Supply Business as of the Separation Time, including the Energy Supply Marks (the "**Energy Supply Intellectual Property**");

(vii) all warranties to the extent relating to the Energy Supply Assets or the Energy Supply Business;

(viii) any Contract (other than any Collective Bargaining Agreements (which are addressed in the Employee Matters Agreement)) that is primarily used by the Energy Supply Business (collectively, the "**Energy Supply Contracts**") and all interests, rights, claims and benefits pursuant to, and associated with, the Energy Supply Contracts;

(ix) (A) all business records to the extent related to the Energy Supply Assets, Energy Supply Liabilities or Energy Supply Business, including the corporate or limited liability company minute books and related stock records of any member of the Energy Supply Group, any North American Electric Reliability Corporation compliance records, information and records used to demonstrate compliance with reliability standards and other compliance records related to the Energy Supply Business, (B) all of the separate financial and Tax records of any member of the Energy Supply Group that do not form part of the general ledger of Parent Group and do not relate to any Consolidated Tax Return and (C) all other books, records, ledgers, files, documents, correspondence, lists, plats, drawings, photographs, product literature (including historical), equipment test records, advertising and promotional materials, distribution lists, customer lists, supplier lists, studies, reports, operating, production and other manuals, manufacturing and quality control records and procedures, research and development files, accounting and business books, records, files, documentation and materials, in all cases whether in paper, microfilm, microfiche, computer tape or disc, magnetic tape or any other form, that are primarily related to the Energy Supply Business, and (D) with respect to any Energy Supply Employee and subject to any applicable legal obligations, performance reviews in respect of the period while employed by a member of the Energy Supply Group, Forms I-9 and W-4, service credit records, vacation and other leave accrual/balance records, and employee benefit election records in effect as of the Distribution Date (collectively, the "**Energy Supply Books and Records**"); *provided*, *however*, that (x) Parent shall be entitled to retain a copy of

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any and all Energy Supply Books and Records, which shall be deemed Confidential Information of the Energy Supply Group subject to the provisions of Article VII, (y) neither clause (A), (C) nor (D) shall be deemed to include any books, records or other items or portions thereof that are subject to restrictions on transfer pursuant to applicable Law, including without limitation Laws regarding personally identifiable information, or Parent's privacy policies regarding personally identifiable information or with respect to which transfer would require any Governmental Approval under applicable Law, unless such records are required to be transferred to any member of the Energy Supply Group under applicable Law, and (z) in lieu of delivery Parent may retain materials described in clauses (A) and (C) that are both (1) not primarily related to the Energy Supply Business and (2) not reasonably practicable to identify and extract the portion thereof related to the Energy Supply Business from the portions thereof that relate to businesses of Parent and its Subsidiaries other than the Energy Supply Business, subject to the right of access of any member of the Energy Supply Group in Section 7.02, *provided* that such materials to the extent related to the Energy Supply Business shall be deemed Confidential Information of the Energy Supply Group and subject to the provisions of Article VII (and otherwise shall be Confidential Information of Parent);

(x) all accounts receivable, notes receivable or other amounts receivable to the extent arising out of the operation or conduct of the Energy Supply Business;

(xi) all Cash to the extent arising out of the operation or conduct of the Energy Supply Business (subject to any distributions permitted pursuant to the Transaction Agreement and the settlement of any Intercompany Accounts pursuant to Section 1.02(i));

(xii) those rights in the Shared Contracts as are allocated to any member of the Energy Supply Group pursuant to Section 2.05;

(xiii) the capital stock of, or equity or other ownership interest in, each Energy Supply Sub and each other member of the Energy Supply Group;

(xiv) all rights of any member of the Energy Supply Group under this Agreement, the Transaction Agreement or any Ancillary Agreement;

(xv) all goodwill of the Energy Supply Business;

(xvi) the right to enforce confidentiality provisions of any confidentiality, non-disclosure or similar Contracts to the extent related to confidential information of the Energy Supply Business;

(xvii) the Assets listed or described on Schedule 2.02(a)(xvii) attached hereto; and

(xviii) any and all Assets that are otherwise expressly contemplated by this Agreement, the Transaction Agreement or any Ancillary Agreement as Assets to be

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retained by or Conveyed to Energy Supply or any other member of the Energy Supply Group.

In the event of any inconsistency or conflict in the application or interpretation of this definition and the definition of "Excluded Assets", for purposes of determining what is or is not an Energy Supply Asset: the explicit inclusion of an item on a Schedule referred to in this definition shall take priority over any textual provision of this definition that would otherwise operate to exclude such Asset from this definition of "Energy Supply Assets".

(b) For purposes of this Agreement, "**Excluded Assets**" shall mean, without duplication and unless otherwise set forth in the definition of Energy Supply Assets, (x) all Assets of Parent and the Non-Energy Supply Subs other than those used or held for use primarily in, or that primarily arise or are produced from, the operation or conduct of the Energy Supply Business, (y) all Assets of Energy Supply and/or the Energy Supply Subs that are used or held for use primarily in, or that primarily arise or are produced from, the operation or conduct of the business of Parent and/or any Non-Energy Supply Subs as conducted immediately prior to the Separation Time consistent with past practice that are set forth on Schedule 2.02(b)(y), and (z) the following Assets:

(i) The Parent Name and Marks;

(ii) the Contracts set forth on Schedule 2.02(b)(ii) attached hereto and all interests, rights, claims and benefits pursuant to, and associated with such Contracts;

(iii) other than rights to enforce the confidentiality provisions of any confidentiality, non-disclosure or other similar Contract to the extent related to confidential information of the Energy Supply Business, all records relating to the negotiation and consummation of the transactions contemplated by this Agreement and the Transaction Agreement and all records prepared in connection with the potential separation and divestiture of all or a part of the Energy Supply Business, including (A) bids received prior to the date of this Agreement from third parties and analyses relating to such transactions and (B) confidential communications with legal counsel representing Parent or its Affiliates and the right to assert the attorney-client privilege with respect thereto; provided that for purposes of clarification Excluded Assets shall not include any records or documents relating to any actual or pending Conveyance of any portion of the Energy Supply Business;

(iv) all Cash to the extent arising out of the operation or conduct of the business of Parent and/or the Non-Energy Supply Subs (subject to any distributions permitted pursuant to the Transaction Agreement and the settlement of any Intercompany Accounts pursuant to Section 1.02(i));

(v) those rights in the Shared Contracts as are allocated to any member of the Parent Group pursuant to Section 2.05;

(vi) the right to enforce confidentiality provisions of any confidentiality, non-disclosure or similar Contracts to the extent related to confidential information of the Parent Group;

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(vii) all rights of any member of the Parent Group under this Agreement, the Transaction Agreement or any Ancillary Agreement;

(viii) the capital stock of, or equity or other ownership interest in, each member of the Parent Group;

(ix) the Assets listed or described on Schedule 2.02(b)(ix) attached hereto; and

(x) any and all Assets that are otherwise expressly contemplated by this Agreement, the Transaction Agreement or any Ancillary Agreement as Assets to be retained by or Conveyed to Parent or any other member of the Parent Group.

In the event of any inconsistency or conflict in the application or interpretation of this definition and the definition of "Energy Supply Assets", for purposes of determining what is or is not an Excluded Asset: the explicit inclusion of an item on a Schedule referred to in this definition shall take priority over any textual provision of this definition that would otherwise operate to exclude such Asset from this definition of "Excluded Assets".

Section 2.03 **Liabilities**.

(a) For the purposes of this Agreement, "**Energy Supply Liabilities**" shall mean, without duplication, (x) all Liabilities of Parent and/or any Non-Energy Supply Sub to the extent arising out of, relating to or produced from the operation or conduct of the Energy Supply Assets or primarily arising out of, relating to or produced from the operation or conduct of the Energy Supply Business that are Conveyed to a member of the Energy Supply Group in accordance with Section 1.02(e), in each case other than Excluded Liabilities, (y) all Liabilities of Energy Supply and/or the Energy Supply Subs other than (I) to the extent arising out of, related to or produced from the operation or conduct of the business of Parent and/or any of its Affiliates (other than the Energy Supply Business) or (II) any Excluded Liabilities, and (z) the Liabilities set forth in Section 2.03(a)(i) through Section 2.03(a)(iii) other than any Excluded Liability, in each case of clauses (x), (y) and (z) regardless of when or where such Liabilities arose or arise, or whether the facts on which they are based occurred prior to, at or subsequent to the Separation Time, or where or against whom such Liabilities are asserted or determined or whether asserted or determined prior to, on or after the date hereof.

(i) all Liabilities that are expressly contemplated to be assumed by Energy Supply or any Energy Supply Sub pursuant to this Agreement, the Transaction Agreement or any Ancillary Agreement;

(ii) those Liabilities under Shared Contracts as are allocated to any member of the Energy Supply Group pursuant to Section 2.05;

(iii) any Liability for Formerly Owned Asset Liabilities; and

(iv) the Liabilities listed or described on Schedule 2.03(a)(iv) attached hereto.

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For purposes of clarification, (1) from and after the Separation Date, the Energy Supply Liabilities shall not include any Liabilities that are included in the definition of Excluded Liabilities and (2) except as otherwise expressly set forth in any Transaction Document, no member of the Energy Supply Group shall assume or be responsible for the performance of any Liability of Parent or any member of the Parent Group except for the Energy Supply Liabilities. Notwithstanding anything to the contrary herein, nothing in the definition of Energy Supply Liabilities shall limit or reduce any Energy Supply Indemnitee's rights to indemnification from Parent, or Parent's obligations to indemnify any Energy Supply Indemnitee pursuant to Article V.

(b) For purposes of this Agreement, "**Excluded Liabilities**" shall mean (x) all Liabilities of Parent and/or any Non-Energy Supply Sub (other than Energy Supply Liabilities), (y) all Liabilities of Energy Supply and/or any Energy Supply Sub to the extent arising out of, relating to or produced from the operation or conduct of the business of Parent and/or any Non-Energy Supply Sub (other than the Energy Supply Liabilities) and (z) each of the Liabilities set forth in Section 2.03(b)(i) through Section 2.03(b)(vi), in each case of clauses (x), (y) and (z) regardless of when or where such Liabilities arose or arise, or whether the facts on which they are based occurred prior to, at or subsequent to the Separation Time, or where or against whom such Liabilities are asserted or determined or whether asserted or determined prior to, on or after the date hereof.

(i) the Liabilities listed or described on Schedule 2.03(b)(i) attached hereto;

(ii) any Liability of Parent and/or any of its Affiliates to the extent arising out of or relating to any Excluded Asset, or any other Asset of Parent or any of its Affiliates that is not an Energy Supply Asset or a Legacy Asset;

(iii) any Liability of Parent and/or member of the Parent Group arising from the making or performance of this Agreement, the Transaction Agreement or any Ancillary Agreement;

(iv) those Liabilities under Shared Contracts as are allocated to any member of the Parent Group pursuant to Section 2.05;

(v) any Liability of any member of the Parent Group in connection with the termination of any services or Contract between any member of the Parent Group, on one hand, and any member of the Energy Supply Group, on the other hand, that is terminated at or prior to Closing; and

(vi) all Liabilities that are expressly contemplated by this Agreement, the Transaction Agreement or any Ancillary Agreement as Liabilities to be retained or assumed by Parent or any other member of the Parent Group, and all Liabilities of any member of the Parent Group under this Agreement, the Transaction Agreement or any of the Ancillary Agreements.

Notwithstanding anything to the contrary herein, nothing in this definition of Excluded Liabilities shall limit or reduce any Parent Indemnitee's rights to indemnification from Energy

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Supply, or Energy Supply's obligations to indemnify any Parent Indemnitee pursuant to Article V.

Section 2.04 **Transfer in Violation of Laws or Requiring Consent or Governmental Approval**.

(a) Application to Shared Contracts or Parent Regulatory Approvals. Notwithstanding anything to the contrary in this Agreement, (i) this Section 2.04 shall only apply to a Shared Contract if and to the extent such Shared Contract is deemed to be a "Deferred Asset" or a "Deferred Liability" pursuant to Section 2.05 and (ii) this Section 2.04 shall not apply to Shared Locations (which are addressed in Section 8.07), the Parent Regulatory Approvals (which are addressed in Section 8.01 of the Transaction Agreement).

(b) Efforts to Obtain Consents. Parent shall use its reasonable best efforts to promptly obtain (or to cause its applicable Affiliates to promptly obtain) (i) the transfer, assignment, novation or reissuance of any Permit or Contract or any Consent from a Person (other than any member of the Parent Group or the Energy Supply Group) (each such item in this clause (i) being a "**Third-Party Consent**") and/or (ii) any approval of any Governmental Authority, in the case of clauses (i) and (ii) that is required in order to consummate any of the Spin Transactions or any other transactions contemplated herein; *provided* that in connection with obtaining any such Third-Party Consent or such approval of any such Governmental Authority, no member of the Parent Group and prior to the Closing no member of the Energy Supply Group shall enter into or otherwise agree to any modification to the terms of any Contract or any Permit that is required to effect any Spin Transaction or the other transactions contemplated herein that could reasonably be expected to adversely affect any member of the Energy Supply Group (including due to an increase in payment or other incremental cost to any member of the Energy Supply Group under such Contract or Permit) in any material respect without the prior written consent of (A) on or prior to Closing, RJS and (B) after Closing, NewCo, in each case not to be unreasonably withheld, conditioned or delayed. In furtherance of the foregoing, the Parties shall consult with each other and provide copies of any proposed consent or amendment prior to proposing and prior to entering into any such consent or approval.

(c) Consent Committee. Promptly following the date hereof (and in any event within 30 days following the date hereof), the Parties shall establish a committee (the "**Consent Committee**") composed of at least one representative of each of Parent and RJS (or, following Closing, a representative of NewCo), which shall be responsible for coordinating and overseeing the implementation of the provisions of Section 2.04(b) (including discussing and agreeing on action plans to resolve any outstanding obligations under Section 2.04(b)) for a period of time commencing on the date hereof and ending two years following the Closing Date. The Consent Committee will meet in person or by phone on a monthly basis (or such other interval agreed by the Parties). The Consent Committee process described in this Section shall be subject to modification or termination as agreed by (i) prior to Closing, RJS, or after Closing, NewCo and (ii) Parent.

(d) No Transfer; Deferred Assets and Liabilities. Notwithstanding anything in this Agreement (except as otherwise expressly provided in this Section 2.04), the Transaction Agreement or any Ancillary Agreement to the contrary, this Agreement shall not constitute an

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agreement to Convey, directly or indirectly, any Asset or assume any Liability if, but solely to the extent, an attempted direct or indirect Conveyance of such Asset or assumption of such Liability, without any applicable Third-Party Consent or approval of a Governmental Authority, would constitute a breach or default of the rights of such Person or Governmental Authority or of applicable Law until such time as the necessary Consent, waiver, reissuance, authorization or approval is obtained. To the extent any direct or indirect Conveyance of any Energy Supply Asset or Energy Supply Liability by any member of the Parent Group to any member of the Energy Supply Group, or, in the case of any Excluded Asset or Excluded Liability, by any member of the Energy Supply Group to any member of the Parent Group, or any direct or indirect acquisition or assumption by any member of the Energy Supply Group or of the Parent Group, as applicable, of, any interest in, or Liability, obligation or commitment under, any Energy Supply Asset or Energy Supply Liability, in each case as contemplated by this Agreement (including in connection with any Spin Transaction) requires any Third-Party Consent or approval or a Governmental Authority, then such Conveyance of such Asset (each, a "**Deferred Asset**") or assumption of such Liability (each, a "**Deferred Liability**") shall, notwithstanding the consummation of any other Spin Transaction, be made subject to such Third-Party Consent or approval of such Governmental Authority being obtained.

(e) Alternative Arrangements. To the extent any applicable Third-Party Consent or approval of a Governmental Authority with respect to any Deferred Asset or any Deferred Liability has not been obtained on or prior to the Distribution Date, then (i) the applicable Party (or its Affiliate or designee) that continues to hold, as a result of the operation of Section 2.04(d), such Deferred Asset or such Deferred Liability (each such Person, a "**Deferred Transfer Trustee**") shall (A) thereafter (1) in the case of a Deferred Asset, hold such Deferred Asset in trust for on behalf of the applicable Party (or its Affiliate) entitled to receive such Deferred Asset pursuant to this Agreement and shall promptly pay to such Deferred Transfer Beneficiary all income, proceeds and other monies received by the Deferred Transfer Trustee or any of its Affiliates with respect to such Deferred Asset or (2) in the case of a Deferred Liability, hold such Deferred Liability for the account of the applicable Party (or its Affiliate) obligated to assume such Deferred Liability, as applicable, pursuant to this Agreement (each such Party (or its Affiliate) referred to in this clause (A)(1) or (A)(2) being, a "**Deferred Transfer Beneficiary**") and (B) appoint (to the maximum extent permitted by Law and/or the applicable Contract or Permit that constitutes such Deferred Asset or Deferred Liability) such Deferred Transfer Beneficiary effective from and after Closing as the agent of such Deferred Transfer Trustee with respect to such Deferred Asset or such Deferred Liability, as applicable, and (ii) the Parties shall (and shall cause each of their respective Affiliates that are a Deferred Transfer Trustee to) enter into at Closing such arrangements (including agency, sublease, management, indemnity, payment or other arrangements) with the applicable Deferred Transfer Beneficiary as are reasonably satisfactory in form and substance to the Parties to provide the applicable Deferred Transfer Beneficiary, from and following the Distribution Date, with the benefits and obligations (in each case, as closely as possible to that which would be applicable to the Deferred Transfer Beneficiary if such Third Party-Consent or Governmental Authority approval had been obtained and such Deferred Asset or Deferred Liability had transferred) of such Deferred Asset or such Deferred Liability, as applicable (other than, where a Deferred Transfer Beneficiary is a member of (x) the Energy Supply Group, any Excluded Liability or other obligations for which Parent indemnifies any Energy Supply Indemnitee pursuant to this Agreement and (y) the Parent Group, any Energy Supply Liability or other obligations for which Energy Supply indemnifies

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any Parent Indemnitee pursuant to this Agreement), including enforcement of any and all rights of such Deferred Transfer Trustee against any other Person with respect to such Deferred Asset or such Deferred Liability. Notwithstanding anything to the contrary in this Agreement, any such Deferred Liability or Deferred Asset, as applicable, shall be considered an Energy Supply Liability or Energy Supply Asset, as applicable, (to the extent the applicable Deferred Transfer Trustee for such Deferred Liability or Deferred Asset, as applicable, is a member of the Parent Group) or an Excluded Liability or Excluded Asset, as applicable (to the extent the applicable Deferred Transfer Trustee for such Deferred Liability or Deferred Asset, as applicable, is a member of the Energy Supply Group), as applicable, for purposes of the indemnity in ARTICLE V.

(f) Transfers Upon Obtaining Consents. If and when any such Third-Party Consent or approval of such Governmental Authority is obtained with respect to any Deferred Asset or Deferred Liability after the Distribution Date, the Conveyance of the Deferred Asset or assumption of the Deferred Liability to which such Third-Party Consent or approval of such Governmental Authority relates shall be promptly effected in accordance with the terms of this Agreement without the payment of additional consideration and thereafter shall no longer be consider a Deferred Asset or a Deferred Liability, as applicable, for purposes of this Section 2.04.

(g) Allocation of Costs and Expenses. Notwithstanding anything in this Agreement to the contrary and except as otherwise set forth on Schedule 2.04(g) or in Section 11.02 of the Transaction Agreement, any fees, costs or expenses (other than payments to any attorney of any Party) incurred in connection with separation of a Shared Contract pursuant to Section 2.05 or obtaining any Third-Party Consent or approval of any Governmental Authority, in each case needed to effect (i) any Spin Transaction or any other transaction contemplated by this Agreement and (ii) the Merger, shall be borne and paid by Parent. For purposes of clarification, any fees, costs, or expenses (other than payments to any attorney of any Party) paid or incurred in connection with obtaining new Contracts or Permits pursuant to and in accordance with this Agreement (for the avoidance of doubt, other than any amounts payable under such Contracts) prior to, on or following the Closing in lieu of obtaining Consents to the transfer of Contracts or Permits are considered fees, costs, or expenses for purposes of this Section 2.04(g). The Parties shall use their respective reasonable best efforts to cooperate to minimize such fees, costs and expenses.

(h) The obligations to use reasonable best efforts to obtain any Third Party Consent or approval of any Governmental Authority set forth in Section 2.04(a) shall terminate on the date that is twenty-four months following the Distribution Date; provided however that such termination shall not affect the other provisions of this Section 2.04.

Section 2.05 **Shared Contracts**. Schedule 2.05 (as amended or supplemented as hereinafter set forth) sets forth the Contracts that are intended to be Shared Contracts under this Agreement. Parent (including on behalf of the other members of the Parent Group) and Energy Supply will use their reasonable best efforts to separate the Shared Contracts into separate Contracts effective as of the Distribution Date so that from and after the Distribution, the Energy Supply Group will have the sole benefit and Liabilities with respect to each Shared Contract to the extent related to the Energy Supply Business and the Parent Group will have the sole benefit

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and Liabilities with respect to each Shared Contract to the extent not related to the Energy Supply Business. Upon such separation of a Shared Contract, the separated Contract (or portion thereof) that is related to the Energy Supply Business will be an Energy Supply Asset and the other separated Contract (or portion thereof) will be an Excluded Asset. If any Shared Contract is not separated prior to the Distribution Date, then the applicable portion of such Shared Contract shall be treated as a Deferred Asset or a Deferred Liability for purposes of Section 2.04, including Sections 2.04(d) and (e). The obligations to use reasonable best efforts to separate any Shared Contract set forth in this Section 2.05 will terminate on the date that is twenty-four months following the Distribution Date; provided however that such termination shall not affect the obligations under Section 2.04(d), (e), (f) or (g) with respect to any Shared Contract that is a Deferred Asset or a Deferred Liability. No Party will (or will permit any of its Affiliates to) amend, renew, extend or otherwise modify any Shared Contract without the consent, not to be unreasonably withheld, delayed or conditioned, of the other Parties (or after Closing, without the consent of Parent and NewCo) to the extent such amendment, renewal, extension or modification would adversely affect such other Party (or any of its Affiliates) in any material respect. Parent shall bear any and all third-party fees and out-of-pocket expenses that may be reasonably required in connection with obtaining, whether before or after the Distribution Date, any such separation of a Shared Contract. From time to time, (a) with the prior written consent of RJS, not to be unreasonably withheld, delayed or conditioned, Parent may add additional Contracts to the list of Shared Contracts set forth on Schedule 2.05, (b) with the prior written consent of Parent, not to be unreasonably withheld, delayed or conditioned, RJS or NewCo may prior to the Closing add to Schedule 2.05 additional Contracts that are (i) on the list referenced in the immediately succeeding sentence or (ii) should have been included on such list, and (c) NewCo may from and after Closing and on or prior to the 18-month anniversary of the Closing Date add additional Contracts to the list of Shared Contracts set forth on Schedule 2.05 if and as needed to make the representation in Section 5.12(a)(i) of the Transaction Agreement true and correct in all material respects, and, in the case of clause (c) of this Section 2.05, such later identified Shared Contract shall constitute a Missing Asset and shall be subject to Section 1.04. Promptly (and in any event within 60 days) following the date hereof, Parent shall provide to RJS a list of all Contracts to which Parent or any of its Affiliates is a party pursuant to which the counterparty is anticipated to provide as of or after the Distribution Date more than a de minimis amount of products, services or intellectual property to both the Energy Supply Business and to any other business of Parent or any Non-Energy Supply Sub and Parent shall update such list from time to time thereafter.

Section 2.06 **Shared Locations**. Except as set forth in Schedule 2.06, there is no Energy Supply Real Property or Leased Premises that will be controlled, used, operated, leased or owned in common with, the Excluded Assets, or any other real property assets controlled, used, operated, leased or owned by Parent or any Non-Energy Supply Sub (collectively, the "**Shared Locations**").

Section 2.07 **No Representation or Warranty**. EACH OF PARENT (ON BEHALF OF ITSELF AND EACH OTHER MEMBER OF THE PARENT GROUP) AND EACH OF HOLDCO, NEWCO AND ENERGY SUPPLY (EACH ON BEHALF OF ITSELF AND EACH OTHER MEMBER OF THE ENERGY SUPPLY GROUP) UNDERSTANDS AND AGREES THAT, EXCEPT AS EXPRESSLY SET FORTH HEREIN, IN THE TRANSACTION AGREEMENT OR IN ANY ANCILLARY AGREEMENT, NO PARTY TO THIS

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AGREEMENT, THE TRANSACTION AGREEMENT, ANY ANCILLARY AGREEMENT OR ANY OTHER AGREEMENT OR DOCUMENT CONTEMPLATED BY THIS AGREEMENT, THE TRANSACTION AGREEMENT, ANY ANCILLARY AGREEMENT OR OTHERWISE, IS REPRESENTING OR WARRANTING IN ANY WAY AS TO THE ASSETS, BUSINESSES OR LIABILITIES CONVEYED, CONTRIBUTED, TRANSFERRED, DISTRIBUTED OR ASSUMED AS CONTEMPLATED HEREBY OR THEREBY, AS TO ANY CONSENTS OR GOVERNMENTAL APPROVALS REQUIRED IN CONNECTION HEREWITH OR THEREWITH, AS TO THE VALUE OR FREEDOM FROM ANY SECURITY INTERESTS OF, OR ANY OTHER MATTER CONCERNING, ANY ASSETS OF SUCH PARTY, OR AS TO THE ABSENCE OF ANY DEFENSES OR RIGHT OF SETOFF OR FREEDOM FROM COUNTERCLAIM WITH RESPECT TO ANY ASSET, INCLUDING ACCOUNTS RECEIVABLE, OF ANY PARTY, OR AS TO THE LEGAL SUFFICIENCY OF ANY CONTRIBUTION, DISTRIBUTION, ASSIGNMENT, DOCUMENT, CERTIFICATE OR INSTRUMENT DELIVERED HEREUNDER TO CONVEY TITLE TO ANY ASSET OR THING OF VALUE UPON THE EXECUTION, DELIVERY AND FILING HEREOF OR THEREOF. EXCEPT AS MAY EXPRESSLY BE SET FORTH HEREIN, IN THE TRANSACTION AGREEMENT OR IN ANY ANCILLARY AGREEMENT, (A) ALL ASSETS AND LIABILITIES ARE BEING TRANSFERRED ON AN "AS IS," "WHERE IS" BASIS (AND, IN THE CASE OF ANY REAL PROPERTY OR REAL PROPERTY RIGHT, BY MEANS OF A DEED OR CONVEYANCE WITHOUT WARRANTY AS TO TITLE OR OTHERWISE) AND (B) THE RESPECTIVE TRANSFEREES SHALL BEAR THE ECONOMIC AND LEGAL RISKS THAT (1) ANY CONVEYANCE SHALL PROVE TO BE INSUFFICIENT TO VEST IN THE TRANSFEREE GOOD TITLE, FREE AND CLEAR OF ANY SECURITY INTEREST AND (2) ANY NECESSARY CONSENTS OR GOVERNMENTAL APPROVALS ARE NOT OBTAINED OR THAT ANY REQUIREMENTS OF LAWS OR JUDGMENTS ARE NOT COMPLIED WITH. FOR THE AVOIDANCE OF DOUBT, THIS SECTION 2.07 SHALL HAVE NO EFFECT ON ANY REPRESENTATION OR WARRANTY MADE HEREIN, IN THE TRANSACTION AGREEMENT OR IN ANY ANCILLARY AGREEMENT AND NOTWITHSTANDING ANYTHING HEREIN TO THE CONTRARY, NOTHING HEREIN SHALL LIMIT ANY CLAIM BY ANY OF THE PARTIES RELATING TO OR ARISING FROM FRAUD.

ARTICLE III
COMPLETION OF THE SPIN TRANSACTIONS

Section 3.01 **Spin Transaction Closing**. On the terms and subject to the conditions set forth in this Agreement, the consummation of the Spin Transactions shall take place at the offices of Simpson Thacher & Bartlett LLP, 425 Lexington Avenue, New York, New York 10017, in accordance with the terms of this Agreement at 10 a.m., local time on the Closing Date and occur in the order set forth in this Agreement and the Transaction Agreement or such other date, time or place as the Parties may agree (such time, the "**Separation Time**," and such date the "**Separation Date**").

Section 3.02 **Parent Deliveries on the Separation Date**. On the Separation Date (and prior to the Separation Time), Parent shall execute and deliver, or shall cause the appropriate Non-Energy Supply Sub to execute and deliver, to Holdco, NewCo and Energy Supply (or the

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applicable member(s) of the Energy Supply Group) (with copies to RJS) all of the following instruments:

(a) such bills of sale, stock powers, certificates of title, deeds, easements, leases, real estate transfer documents and related filings, assignments of Contracts and Permits, Consents (to the extent obtained), and other instruments of Conveyance (in each case in a form that is consistent with the terms and conditions of this Agreement, and otherwise customary in the jurisdiction in which the relevant Assets are located and reasonably acceptable to the Parties), as and to the extent reasonably necessary or appropriate to evidence the Conveyance of all of Parent's and the Non-Energy Supply Subs' right, title and interest in and to each Energy Supply Asset (other than the HoldCo Common Stock) to Energy Supply (or the applicable member(s) of the Energy Supply Group) or the applicable Energy Supply Sub (it being understood that no such bill of sale, stock power, certificate of title, deed, assignment or other instrument of Conveyance shall impose obligations on any member of the Parent Group or any member the Energy Supply Group or require any member of the Parent Group or any member of the Energy Supply Group to make any additional representations, warranties or covenants, express or implied, not contained in this Agreement (but rather shall merely implement the obligations herein) except to the extent required to comply with applicable Law or except for customary obligations with respect to due execution, authority and similar matters, and in which case Parent shall cause the applicable member(s) of the Parent Group and applicable member(s) of the Energy Supply Group to enter into such supplemental agreements or arrangements as are effective to preserve the allocation of economic benefits and burdens contemplated by this Agreement);

(b) such instruments of assumption (in each case in a form that is consistent with the terms and conditions of this Agreement, and otherwise customary in the jurisdiction in which the relevant Liabilities are located and reasonably acceptable to the Parties) as and to the extent reasonably necessary to evidence the valid and effective assumption of each Excluded Liability by Parent or the applicable Non-Energy Supply Sub;

(c) evidence of Third-Party Consents or approvals of Governmental Authorities received on or prior to the Distribution Date pursuant to Section 2.04(b);

(d) such arrangements (including agency, sublease, management, indemnity, payment or other arrangements) with each Deferred Transfer Beneficiary or Deferred Transfer Trustee which are required to be entered into on the Distribution Date pursuant to Section 2.04(e);

(e) such arrangements with respect any Energy Supply Real Property and/or any Leased Premises which are to be entered into on or before the Separation Date pursuant to Section 8.07;

(f) executed copies of any Shared Contracts that have been separated for the benefit of the Energy Supply Business pursuant to Section 2.05;

(g) Energy Supply Books and Records (to the extent not located at the offices of a member of the Energy Supply Group on the Separation Date); and

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(h) each other Ancillary Agreement duly executed by the members of the Parent Group party thereto.

Section 3.03 **Energy Supply Deliveries on the Separation Date**. On the Separation Date, Parent shall cause HoldCo, NewCo and Energy Supply to execute and deliver, or shall cause the appropriate Energy Supply Sub to execute and deliver, to Parent (or the applicable member(s) of the Parent Group) (with copies to RJS) all of the following instruments:

(a) such bills of sale, stock powers, certificates of title, deeds, real estate transfer documents and related filings, assignments of Contracts and Permits, Consents (to the extent obtained) and other instruments of Conveyance (in each case in a form that is consistent with the terms and conditions of this Agreement, and otherwise customary in the jurisdiction in which the relevant Assets are located and reasonably acceptable to the Parties), as and to the extent reasonably necessary or appropriate to evidence the Conveyance of all of Energy Supply's and the Energy Supply Subs' right, title and interest in and to each Excluded Asset to Parent (or the applicable member(s) of the Parent Group) or the applicable Non-Energy Supply Sub (it being understood that no such bill of sale, stock power, certificate of title, deed, assignment or other instrument of Conveyance shall impose obligations on any member of the Parent Group or any member the Energy Supply Group (or RJS Group) or require any member of the Parent Group or any member of the Energy Supply Group (or RJS Group) to make any additional representations, warranties or covenants, express or implied, not contained in this Agreement (but rather shall merely implement the obligations herein) except to the extent required to comply with applicable Law or except for customary obligations with respect to due execution, authority and similar matters, and in which case Parent shall cause the applicable member(s) of the Parent Group and applicable member(s) of the Energy Supply Group to enter into such supplemental agreements or arrangements as are effective to preserve the allocation of economic benefits and burdens contemplated by this Agreement);

(b) such instruments of assumption (in each case in a form that is consistent with the terms and conditions of this Agreement, and otherwise customary in the jurisdiction in which the relevant Liabilities are located and reasonably acceptable to the Parties) as and to the extent reasonably necessary to evidence the valid and effective assumption of each Energy Supply Liability by Energy Supply or the applicable Energy Supply Sub;

(c) such arrangements (including agency, sublease, management, indemnity, payment or other arrangements) with each Deferred Transfer Beneficiary or Deferred Transfer Trustee which are required to be entered into on the Distribution Date pursuant to Section 2.04(e); and

(d) such arrangements with respect any Energy Supply Real Property and/or any Leased Premises which are to be entered into on or before the Separation Date pursuant to Section 8.07;

(e) executed copies of any Shared Contracts that have been separated for the benefit of the Parent Group pursuant to Section 2.05; and

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(f) each other Ancillary Agreement duly executed by the members of the Energy Supply Group party thereto.

Section 3.04 **Resignations**. At or prior to the Distribution, except as otherwise agreed between Parent and RJS in writing, Parent shall cause each employee and director of Parent and its Subsidiaries who will not be employed by any member of the Energy Supply Group after the Distribution Date to be removed or resign, effective not later than the Distribution Date, from all boards of directors or similar governing bodies, and from all positions as officers, of any member of the Energy Supply Group on which they serve. At or prior to the Distribution, except as otherwise agreed between Parent and RJS in writing, Parent shall cause each employee and director of any member of the Energy Supply Group who will not be employed by any member of the Parent Group after the Distribution Date to be removed or resign, effective not later than the Distribution Date, from all boards of directors or similar governing bodies, and from all positions as officers, of any member of the Parent Group on which they serve.

ARTICLE IV
MUTUAL RELEASES

Section 4.01 **Release of Pre-Distribution Date Claims**.

(a) Energy Supply Release.

(i) Except as otherwise provided in Section 4.02, effective as of the Closing, each of RJS, HoldCo, NewCo and Energy Supply does hereby, for itself and for each other member of the Energy Supply Group and the RJS Group (as applicable), in each case, together with their respective successors and assigns, to the fullest extent permitted by applicable Law, forever fully and irrevocably waive, release and discharge each member of the Parent Group and their respective officers, managers and directors, and their respective successors and assigns from any and all Liabilities whatsoever, and any and all rights, claims and causes of action (including the right to seek contribution, cost recovery, damages or any other recourse or remedy) it may have against any member of the Parent Group or their respective officers, managers or directors, and their respective successors and assigns, in each case whether arising under any Contract, by operation of Law or otherwise, existing or arising from any acts or events occurring or failing to occur or alleged to have occurred or to have failed to occur at or before the Closing or any conditions existing or alleged to have existed at or before the Closing, including in connection with the Separation Transactions, the Transactions and all other activities to implement the Separation Transactions and/or the Transactions (collectively the "**Parent Released Claims**").

(ii) Without limitation, the release set forth in Section 4.01(a)(i) includes a release of any rights and benefits with respect to any Parent Released Claims that any member of the Energy Supply Group, and their respective successors and assigns, now has or in the future may have conferred upon them by virtue of any statute or common law principle which provides that a general release does not extend to claims which a party does not know or suspect to exist in its favor at the time of executing the release, if knowledge of such claims would have materially affected such party's

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settlement with the obligor. Each of HoldCo, NewCo and Energy Supply, on behalf of itself and each other member of the Energy Supply Group, hereby expressly acknowledges and agrees that (A) it is aware that factual matters now unknown to it may have given or may hereafter give rise to Losses, Liabilities, rights, claims or causes of action that are presently unknown, unanticipated and unsuspected with respect to Parent Released Claims, (B) this release has been negotiated and agreed upon in light of that awareness and it nevertheless hereby intends to release each member of the Parent Group and their respective officers, managers and directors from all Liabilities, rights, claims and causes of action described in Section 4.01(a)(i), (C) it has had, or has had and waived, the opportunity to be advised by independent legal counsel in connection herewith and (D) that it hereby waives and relinquishes all rights and benefits afforded by Section 1542 of the California Civil Code (and any analogous law of any other state, locality, or other jurisdiction) with respect to the Parent Released Claims and does so understanding and acknowledging the significance and consequence of such specific waiver of Section 1542 (and any analogous law of any other state, locality, or other jurisdiction).

(b) Parent Release.

(i) Except as otherwise provided in Section 4.02, effective as of the Closing, Parent does hereby, for itself and for each other member of the Parent Group, in each case, together with their respective successors and assigns, to the fullest extent permitted by applicable Law, forever fully and irrevocably waive, release and discharge each member of the Energy Supply Group (including each member of the RJS Group) and their respective officers, managers and directors, and their respective successors and assigns from any and all Liabilities whatsoever, and any and all rights, claims and causes of action (including the right to seek contribution, cost recovery, damages or any other recourse or remedy) it may have against any member of the Energy Supply Group (including each member of the RJS Group) or their respective officers, managers or directors, and their respective successors and assigns, in each case whether arising under any Contract, by operation of Law or otherwise, existing or arising from any acts or events occurring or failing to occur or alleged to have occurred or to have failed to occur at or before the Closing or any conditions existing or alleged to have existed at or before the Closing, including in connection with the Separation Transactions, the Transactions and all other activities to implement the Separation Transactions and/or the Transactions (collectively the "**Energy Supply Released Claims**").

(ii) Without limitation, the release set forth in Section 4.01(b)(i) includes a release of any rights and benefits with respect to any Energy Supply Released Claims that Parent and/or any other member of the Parent Group, and their respective successors and assigns, now has or in the future may have conferred upon them by virtue of any statute or common law principle which provides that a general release does not extend to claims which a party does not know or suspect to exist in its favor at the time of executing the release, if knowledge of such claims would have materially affected such party's settlement with the obligor. Parent, on behalf of itself and each other member of the Parent Group, hereby expressly acknowledges and agrees that (A) it is aware that factual matters now unknown to it may have given or may hereafter give rise to Losses,

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Liabilities, rights, claims or causes of action that are presently unknown, unanticipated and unsuspected with respect to Energy Supply Released Claims, (B) this release has been negotiated and agreed upon in light of that awareness and it nevertheless hereby intends to release each member of the Energy Supply Group (including each member of the RJS Group) and their respective officers, managers and directors from all Liabilities, rights, claims and causes of action described in Section 4.01(b)(i), (C) it has had, or has had and waived, the opportunity to be advised by independent legal counsel in connection herewith and (D) that it hereby waives and relinquishes all rights and benefits afforded by Section 1542 of the California Civil Code (and any analogous law of any other state, locality, or other jurisdiction) with respect to the Energy Supply Released Claims and does so understanding and acknowledging the significance and consequence of such specific waiver of Section 1542 (and any analogous law of any other state, locality, or other jurisdiction).

Section 4.02 **No Impairment**. Nothing contained in Section 4.01(a) or Section 4.01(b) shall (a) release, limit or otherwise affect any Person's rights or obligations pursuant to or contemplated by this Agreement, the Transaction Agreement or any Ancillary Agreement, in each case in accordance with its terms, including (i) the obligations of Energy Supply and/or the applicable Energy Supply Sub to retain, assume and satisfy the Energy Supply Liabilities and the obligation of Parent or the Non-Energy Supply Subs to retain, assume and satisfy the Excluded Liabilities, (ii) the obligations of Parent and Energy Supply to provide the indemnities set forth in this Agreement, including pursuant to ARTICLE V or ARTICLE VI and (iii) the obligations of Parent, Energy Supply and RJS to perform their obligations under this Agreement, the Transaction Agreement, any Ancillary Agreements, (b) apply to any Liability the release of which would result in the release of any Person other than a Person expressly released pursuant to Section 4.01(a) or Section 4.01(b), (c) apply to any obligations under the Contracts set forth in Schedule 1.02(h) attached hereto or in Section 6.10(d) of the RJS Disclosure Letter or any other Contract that the Parties agree in writing after the date hereof to add to Schedule 4.02 or (d) apply to any obligation set forth in Schedule 1.02(i)(B) attached hereto. In addition, nothing in Section 4.01 shall release any member of the Parent Group from indemnifying any current or former director, officer, manager, employee or agent of any member of the Energy Supply Group or Parent Group, as applicable, who was a director, officer, manager, employee or agent of any member of the Parent Group or any member of the Energy Supply Group prior to the Separation Time if such person is or was entitled to a right of indemnification pursuant to (x) the Organizational Documents of the applicable member of the Energy Supply Group or the Parent Group, (y) any corporate policy of Parent and its Subsidiaries or (z) any Contract.

Section 4.03 **No Actions as to Released Claims**.

(a) Without limiting anything set forth in Section 4.01(a) or Section 4.01(b), from and after the Closing, each of RJS, HoldCo, NewCo and Energy Supply shall not, and shall cause each other member of the Energy Supply Group or the RJS Group (as applicable) not to, make (or permit any other Person to make on its behalf) any claim or demand, or commence any Action asserting any claim or demand, including any claim of contribution or for indemnification, against any member of the Parent Group or any of their respective officers, managers or directors with respect to any Parent Released Claim and no recourse shall be granted against any of them, by virtue of, or based upon any Parent Released Claim.

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(b) Without limiting anything set forth in Section 4.01(a) or Section 4.01(b), from and after the Closing, Parent shall not, and shall cause each other member of the Parent Group not to, make (or permit any other Person to make on its behalf) any claim or demand, or commence any Action asserting any claim or demand, including any claim of contribution or for indemnification, against any member of the Energy Supply Group (excluding any member of the RJS Group) or their respective officers, managers or directors with respect to any Energy Supply Released Claim and no recourse shall be granted against any of them, by virtue of, or based upon any Energy Supply Released Claim.

Each of the Parties acknowledges and agrees that the agreements contained in Section 4.01 through Section 4.03 are an integral part of the transactions contemplated by this Agreement and that, without such agreements, no Party would enter into this Agreement.

ARTICLE V
INDEMNIFICATION

Section 5.01 **Indemnification by Energy Supply**. Except as otherwise provided in ARTICLE VI, from and after the Closing, Energy Supply shall indemnify, defend and hold harmless the Parent Indemnitees from and against, and shall reimburse such Parent Indemnitees with respect to, any and all Losses that result from, relate to or arise out of, whether prior to or following the Closing, any of the following items (without duplication):

(a) any Energy Supply Liability;

(b) any Liability arising from, related to or in connection with the Financing, subject to or except as otherwise provided in Section 11.02 of the Transaction Agreement or ARTICLE VI;

(c) any breach by any member of the Energy Supply Group of any covenant, obligation or agreement to be performed subsequent to the Closing by such member pursuant to this Agreement, the Transaction Agreement or any Ancillary Agreement in each case, in accordance with the applicable survival periods set forth herein and therein; and

(d) any breach or inaccuracy of any representation or warranty of RJS set forth in the Transaction Agreement that survives the Closing pursuant to Section 11.01 of the Transaction Agreement.

Section 5.02 **Indemnification by Parent**. Except as otherwise provided in ARTICLE VI, from and after the Closing, Parent shall indemnify, defend and hold harmless the Energy Supply Indemnitees from and against, and shall reimburse such Energy Supply Indemnitees with respect to, any and all Losses that result from, relate to or arise out of, whether prior to or following the Closing, any of the following items (without duplication):

(a) any Excluded Liability;

(b) any breach by Parent or any other member of the Parent Group (excluding the Energy Supply Group) of any covenant, obligation or agreement to be performed subsequent to the Closing by such member of the Parent Group (excluding the Energy Supply Group)

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pursuant to this Agreement, the Transaction Agreement or any Ancillary Agreement in each case, in accordance with the applicable survival periods set forth herein and therein; and

(c) any breach or inaccuracy of any representation or warranty of Parent, any member of the Parent Group or any member of the Energy Supply Group (excluding the RJS Group) set forth in the Transaction Agreement that survives the Closing pursuant to Section 11.01 of the Transaction Agreement.

Section 5.03 **Survival; Exclusive Remedy**.

(a) Survival.

(i) Separation Agreement. Except as provided in the next sentence, and/or except as set forth in Section 6.11, none of the representations, warranties or agreements in this Agreement shall survive the Closing. Notwithstanding the preceding sentence, the covenants contained in this Agreement that by their terms are to be performed in whole or part after the Closing shall survive the Closing until they have been performed in accordance with their terms; it being understood that in the event notice of any claim for indemnification under this ARTICLE V shall have been given within the applicable survival period set forth in this Section 5.03(a)(i), the covenants, obligations and agreements that are the subject of such indemnification claim shall survive

(ii) Transaction Agreement. No claim or cause of action for indemnification under this ARTICLE V, with respect to a breach or inaccuracy of any representation, warranty or covenant set forth in the Transaction Agreement shall survive beyond the applicable survival period set forth in Section 11.01 of the Transaction Agreement; it being understood that in the event notice of any claim for indemnification under this ARTICLE V shall have been given within the applicable survival period set forth in Section 11.01 of the Transaction Agreement, the representations, warranties and covenants that are the subject of such indemnification claim shall survive until such time as such claim is finally resolved pursuant to this Agreement.

(b) Exclusive Remedy. Except as otherwise provided in Section 10.04, or any Ancillary Agreement, absent fraud by an Indemnifying Party, from and after Closing (i) the indemnification provisions set forth in this Agreement shall be the sole and exclusive remedy of an Indemnitee for any monetary or compensatory damages or Losses resulting from any breach of (A) this Agreement (including with respect to monetary or compensatory damages or Losses arising out of or relating to, as the case may be, any Energy Supply Liability or Excluded Liability) or (B) the Transaction Agreement or (C) any Ancillary Agreement and (ii) each Indemnitee expressly waives and relinquishes any and all rights claims or remedies such Person may have with respect to any of the foregoing other than under indemnification provisions set forth in this ARTICLE V and ARTICLE VI.

Section 5.04 **Procedures for Indemnification of Direct and Third-Party Claims**.

(a) If an Indemnitee determines that it is entitled to or reasonably expects to be entitled to a claim of indemnification under this Agreement with respect to direct or first-party

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Losses, such Indemnitee shall give the Indemnifying Party notice of any such matter within twenty (20) Business Days of such determination, stating the amount of the Loss claimed, if known, and method of computation thereof, and containing a reference to the provisions of this Agreement in respect of which such right of indemnification is claimed by such Indemnitee; provided, however, that the failure to provide such notice shall not release the Indemnifying Party from any of its obligations under this Agreement except and solely to the extent the Indemnifying Party shall have been materially prejudiced as a result of such failure.

(b) If a claim or demand is made against a Parent Indemnitee or an Energy Supply Indemnitee (each, an "**Indemnitee**") by any Person who is not a party to this Agreement or an Affiliate of such Indemnitee (a "**Third-Party Claim**") as to which such Indemnitee is or reasonably expects to be entitled to indemnification pursuant to this Agreement, such Indemnitee shall notify the Party that is or may be required pursuant to this ARTICLE V or ARTICLE VI or pursuant to any Ancillary Agreement to make such indemnification (the "**Indemnifying Party**") in writing of such Third-Party Claim promptly (and in any event within thirty (30) calendar days) after receipt by such Indemnitee of written notice of the Third-Party Claim; provided, however, that the failure to provide notice of any such Third-Party Claim pursuant to this sentence shall not release the Indemnifying Party from any of its obligations under this Agreement except and solely to the extent the Indemnifying Party shall have been materially prejudiced as a result of such failure (except that the Indemnifying Party or Indemnifying Parties shall not be liable for any expenses incurred in defending such Third-Party Claim during the period in which the Indemnitee failed to give such notice). Thereafter, the Indemnitee shall deliver to the Indemnifying Party, promptly (and in any event within ten (10) Business Days) after the Indemnitee's receipt thereof, copies of all notices and documents (including court papers) received by the Indemnitee relating to such Third-Party Claim.

(c) Other than in the case of any Liability being managed by a Party in accordance with any Ancillary Agreement or as provided in Section 5.06(a), an Indemnifying Party shall be entitled (but shall not be required) to assume, control the defense of, and settle any Third-Party Claim, at such Indemnifying Party's own cost and expense and utilizing such Indemnifying Party's own counsel, which counsel must be reasonably acceptable to the applicable Indemnitee, if it gives written notice of its intention to do so and its acknowledgment that the Indemnitee is entitled to indemnification under this ARTICLE V or ARTICLE VI in respect thereof, to the applicable Indemnitee within thirty (30) calendar days of the receipt of notice from such Indemnitee of the Third-Party Claim. After notice from an Indemnifying Party to an Indemnitee of its election to assume the defense of a Third-Party Claim, such Indemnitee shall have the right to employ separate counsel and to participate in (but not control) the defense, compromise or settlement thereof, at its own expense and, in any event, shall reasonably cooperate with the Indemnifying Party in such defense and use commercially reasonable efforts to make available to the Indemnifying Party all witnesses, pertinent and material information and materials in such Indemnitee's possession or under such Indemnitee's control relating thereto as are reasonably requested or required by the Indemnifying Party; provided, however, that such access shall not require the Indemnitee to disclose any information the disclosure of which would, in the reasonable judgment of the Indemnitee, result in the loss of any existing privilege with respect to such information or violate any applicable Law. In the event of a conflict of interest between the Indemnifying Party and the applicable Indemnitee(s), or in the event that any Third-Party Claim (i) seeks equitable relief that would restrict or limit the future conduct of

an Indemnitee's business or operations, (ii) involves alleged criminal conduct or a government enforcement agency with criminal enforcement powers, or (iii) is not being reasonably diligently defended and/or prosecuted, such Indemnitee(s) shall be entitled to retain separate counsel as required by the applicable rules of professional conduct (which counsel must be reasonably acceptable to the Indemnifying Party and the expense of which shall be included in the calculation of any Loss to the Indemnitee in respect of such Third Party Claim) and to control the defense of the Third Party Claim; provided, however, that in the case of a conflict of interest or Third-Party Claim described in clause (i) above, the Indemnitee's right to control the defense of the Third-Party Claim shall be limited to that portion of the Third-Party Claim that is a conflict of interest or seeks equitable relief with respect to the Indemnitee(s).

(d) If an Indemnifying Party elects not to assume responsibility for defending a Third-Party Claim, or fails to timely notify an Indemnitee of its election as provided in Section 5.04(c), such Indemnitee may defend such Third-Party Claim (the expense of which shall be included in the calculation of any Loss to the Indemnitee in respect of such Third Party Claim). If the Indemnitee is conducting the defense against any such Third-Party Claim, the Indemnifying Party shall reasonably cooperate with the Indemnitee in such defense and use commercially reasonable efforts to make available to the Indemnitee all witnesses, pertinent and material information and materials in such Indemnifying Party's possession or under such Indemnifying Party's control relating thereto as are reasonably requested or required by the Indemnitee; provided, however, that such access shall not require the Indemnifying Party to disclose any information the disclosure of which would, in the reasonable judgment of the Indemnifying Party, result in the loss of any existing privilege with respect to such information or violate any applicable Law.

(e) Unless the Indemnifying Party has failed to assume the defense of the Third-Party Claim in accordance with the terms of this Agreement, no Indemnitee may settle or compromise any Third-Party Claim for which it seeks indemnification pursuant to this ARTICLE V, without the consent of the Indemnifying Party, which consent shall not be unreasonably withheld, conditioned or delayed. If an Indemnifying Party has failed to assume the defense of the Third-Party Claim, it shall not be a defense to any obligation to pay any amount in respect of such Third-Party Claim about which the Indemnifying Party was not consulted in the defense thereof, such Indemnifying Party's views or opinions as to the conduct of such defense were not accepted or adopted, that such Indemnifying Party does not approve of the quality or manner of the defense thereof or such Third-Party Claim was incurred by reason of a settlement rather than by a judgment or other determination of liability.

(f) In the case of a Third-Party Claim, no Indemnifying Party shall consent to entry of any judgment or enter into any settlement of such Third-Party Claim without the consent (not to be unreasonably withheld, conditioned or delayed) of the Indemnitee if such judgment or settlement permits any injunction, declaratory judgment or other nonmonetary relief to be entered, directly or indirectly, against any Indemnitee or its Affiliates, does not release the Indemnitee or its Affiliates from all liabilities and obligations with respect to such Third-Party Claim or includes an admission of guilt or liability on behalf of the Indemnitee or its Affiliates.

Section 5.05 **<u>Indemnification Obligations Net of Proceeds Received from Third Parties on a Net-Tax Basis</u>.**

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(a) Any Loss subject to indemnification or contribution pursuant to this ARTICLE V or ARTICLE VI will (i) be reduced by any proceeds actually received by the Indemnitee (net of any costs of collection associated therewith) pursuant to or under any insurance policy, indemnity or similar arrangement with respect to such Loss ("**Third-Party Proceeds**"), and (ii) be determined on a Net-Tax Basis. Accordingly, the amount which any Indemnifying Party is required to pay to any Indemnitee pursuant to this ARTICLE V or ARTICLE VI will be reduced by Third-Party Proceeds theretofore actually recovered by or on behalf of such Indemnitee with respect to the applicable Loss. If an Indemnitee receives an indemnification payment pursuant to this Agreement from an Indemnifying Party in respect of any Loss (an "**Indemnity Payment**") and subsequently receives Third-Party Proceeds with respect to such Loss, then the Indemnitee will pay to the Indemnifying Party an amount equal to the excess of such Indemnity Payment actually received over the amount of the Indemnity Payment that would have been due if such Third-Party Proceeds had been received, realized or recovered before the Indemnity Payment was made.

(b) The Indemnitee shall use commercially reasonable efforts to seek to collect or recover any Third-Party Proceeds to which the Indemnitee is entitled in connection with any Liability for which the Indemnitee seeks contribution or indemnification pursuant to this ARTICLE V or ARTICLE VI; provided, that the Indemnitee's inability to collect or recover any such Third-Party Proceeds shall not limit the Indemnifying Party's obligations hereunder.

(c) The term "**Net-Tax Basis**" as used in this ARTICLE V means with respect to the calculation of any indemnification payment owed to any Indemnitee pursuant to this Agreement, calculation thereof in a manner taking into account (i) any actual savings in federal and state income Tax recognized by the Indemnitee or its Affiliates as a result of the payment or accrual of the indemnified Losses when and as realized as a cash benefit or reduction in cash federal and state income Tax otherwise payable (and if not realized in the year the indemnified Losses accrued or the indemnification payment was made, which amount shall be paid to the indemnifying party when such realization occurs, provided such realization occurs during a taxable period that ends on or prior to the fifth anniversary of the date on which the payment or accrual of the indemnified Losses occurred), and (ii) any cash income or franchise Tax owing or increase in cash income or franchise Tax otherwise payable by the Indemnified Party or its Affiliates as a result of the receipt or accrual of the indemnity payment (and if not owed or payable in the year the indemnification payment was made, which amount shall be paid to the Indemnified Party when such cash income or franchise Tax is paid, provided such payment occurs during a taxable period that ends on or prior to the fifth anniversary of the date on which the receipt or accrual of the indemnity payment occurred); provided that, any Net-Tax Basis related to the Section 336(e) Election (as defined below) (and any other elections set forth in Section 6.09(a) or (b)) shall be determined pursuant to Section 6.09.

(d) Unless otherwise required by a Final Determination, this Agreement or otherwise agreed to between the Parties, any payment made pursuant to this ARTICLE V or ARTICLE VI or any payment made after Closing pursuant to Section 8.17 of the Transaction Agreement by, in either case: (i) Energy Supply to a Parent Indemnitee shall be treated for all Tax purposes as a distribution by HoldCo to Parent with respect to the equity of HoldCo immediately before the Distribution; or (ii) any member of the Parent Group to an Energy Supply Indemnitee shall be treated for all Tax purposes as a tax-free contribution by Parent to

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HoldCo with respect to its equity immediately before the Distribution; and in each case, neither HoldCo, NewCo or Energy Supply (or any of their respective Affiliates), on the one hand, nor Parent (or any of its Affiliates), on the other hand, shall take any position inconsistent with such treatment. In the event that a taxing authority asserts that a party's (or any of its Affiliate's) treatment of a payment pursuant to this Agreement should be other than as required pursuant to this Agreement, such Party shall (and shall cause any Affiliate to) use its commercially reasonable efforts to contest such challenge.

Section 5.06 **Certain Actions; Subrogation**.

(a) Certain Actions. Notwithstanding anything to the contrary set forth in this Agreement, Parent may request of RJS and NewCo that Parent retain exclusive authority and control of the defense of any and all Actions pending at the Separation Time which primarily relate to or arise out of the Energy Supply Business, the Energy Supply Assets or the Energy Supply Liabilities and as to which a member of the Parent Group is also named as a target or defendant thereunder (but excluding any such Actions which solely relate to or solely arise in connection with the Energy Supply Business, the Energy Supply Assets or the Energy Supply Liabilities); provided, however, that (i) at or prior to Closing, RJS, and after Closing, NewCo shall have the right to determine whether to consent to such request and (ii) if such consent is so provided, (A) Parent shall defend such Actions in good faith, (B) Parent shall reasonably consult with NewCo on a regular basis with respect to strategy and developments with respect to any such Action, (C) NewCo shall have the right to participate in and employ separate counsel in connection with (but not control) the defense, compromise or settlement of such Action at its own cost and expense and (D) Parent must obtain the written consent of NewCo, such consent not to be unreasonably withheld, conditioned or delayed, to settle or compromise or consent to the entry of judgment with respect to such Action if such settlement, consent or judgment would require any member of the Energy Supply Group to modify its business practices or incur any Liabilities with respect thereto or if the effect thereof is to permit any injunction, declaratory judgment or other nonmonetary relief to be entered, directly or indirectly, against any Indemnitee or its Affiliates, does not release the Indemnitee and its Affiliates from all liabilities and obligations with respect to such Actions or includes an admission of guilt or liability on behalf of the Indemnitee or its Affiliates. After any such compromise, settlement, consent to entry of judgment or entry of judgment, Parent and NewCo shall agree upon a reasonable allocation, if any, to the Energy Supply Group of, and the Energy Supply Group shall be responsible for or receive, as the case may be, the Energy Supply Group's proportionate share, if any, of such compromise, settlement, consent or judgment attributable to the Energy Supply Business, the Energy Supply Assets or the Energy Supply Liabilities, including its proportionate share of the reasonable costs and expenses associated with defending the same; provided, however, if the Parties are unable to agree, such allocation shall be determined by an independent, nationally recognized accounting firm mutually agreed upon and selected by the Parties (the "**Independent Accountant**"). The determination of the Independent Accountant shall be binding on all Parties. Parent and NewCo will each bear one-half of fees and other costs charged by the Independent Accountant.

(b) Subrogation. In the event of payment by or on behalf of any Indemnifying Party to any Indemnitee in connection with any Third-Party Claim, such Indemnifying Party shall, to the extent of such payment, be subrogated to any rights, defenses or claims of the

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Indemnitee against any third party in connection with the Losses to which such payment relates. Such Indemnitee shall execute, upon the written request of the Indemnifying Party, any instrument reasonably necessary to evidence such subrogation rights and shall further cooperate with the Indemnifying Party in a commercially reasonable manner and at the cost and expense of the Indemnifying Party.

Section 5.07 **Non-Applicability to Taxes and Employee Matters**. (a) Except for Section 5.05 and as otherwise specifically provided herein, this ARTICLE V shall not apply to Taxes (which are covered by ARTICLE VI) and (b) this Agreement shall not apply to those employee matters which are specifically addressed by the Employee Matters Agreement and in the event of a conflict between this Agreement and the Employee Matters Agreement, the Employee Matters Agreement shall control with respect to employee matters which are specifically addressed by the Employee Matters Agreement.

Section 5.08 **Damages Waiver**. Notwithstanding anything to the contrary in this Agreement, no Party nor any of its Affiliates shall be liable to another Party or any of its Affiliates or any other Person for any exemplary damages or punitive damages, or any other damages to the extent not reasonably foreseeable, arising out of or in connection with this Agreement, the Transaction Agreement or any Ancillary Agreement (in each case, unless any such damages are payable to a third party pursuant to Third-Party Claim).

ARTICLE VI
TAX MATTERS

Section 6.01 **Tax Covenants**.

(a) Parent Covenants.

(i) Parent will not, and will cause each member of the Parent Group (and, on or prior to Closing, the Energy Supply Group), not to, take any action that would cause, or fail or omit to take any action the failure or omission of which would cause, any of the information or representations made in the Tax Documents or, to the extent related to or affecting Tax matters, in this Agreement to be untrue.

(ii) Parent will not, and will cause each member of the Parent Group (and, on or prior to Closing, each member of the Energy Supply Group) not to, take any action that would cause, or fail or omit to take any action the failure or omission of which would cause, or fail to resist, by whatever means available, the action of any third party that would cause the Distribution, the HoldCo Contribution, the Energy Supply Contribution, the Internal Distribution, the Energy Supply Election, the Merger, any Contribution or any other Separation Transaction to fail to qualify for the Intended Tax-Free Treatment.

(b) Energy Supply Covenants.

(i) After Closing, each of NewCo, HoldCo and Energy Supply will not, and will cause each member of the Energy Supply Group not to take any action that would cause, or fail or omit to take any action the failure or omission of which would

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cause, or fail to resist, by whatever means available, the action of any third party that would cause the Distribution, the HoldCo Contribution, the Energy Supply Contribution, the Internal Distribution, the Energy Supply Election, the Merger, any Contribution or any other Separation Transaction to fail to qualify for the Intended Tax-Free Treatment.

(c) Parent and Energy Supply Covenants. Without limiting the other requirements of this Section 6.01, and in order to protect the Intended Tax-Free Treatment of the Distribution, the HoldCo Contribution, the Energy Supply Contribution, the Internal Distribution, the Energy Supply Election, the Merger, any Contribution or any other Separation Transaction, during the period that begins on the Closing and ends two (2) years and one (1) day following the Closing Date, Parent and the other members of the Parent Group and NewCo and the other members of the Energy Supply Group will not do any of the following (except to the extent required or explicitly permitted to effect this Agreement or the Transaction Agreement):

(i) only with respect to Parent, Energy Funding, HoldCo, NewCo, or Energy Supply, merge or consolidate with any Person or Persons or liquidate or dissolve (other than mergers, consolidations, liquidations or dissolutions (A) involving one or more entities that are treated as disregarded from their tax owner(s), provided that such mergers, consolidations, liquidations, or dissolutions are nonevents for U.S. federal income tax purposes, (B) of a Subsidiary of Energy Supply with and into Energy Supply or any Subsidiary of Energy Supply in a transaction qualifying as a reorganization under Section 368 or a liquidation under Section 332 of the Code, or (C) of a Subsidiary of Parent or Energy Funding with and into Parent or Energy Funding (as applicable) or any Subsidiary of Parent or Energy Funding (as applicable) in a transaction qualifying as a reorganization under Section 368 or a liquidation under Section 332 of the Code);

(ii) in a single transaction or series of transactions, sell or transfer all or substantially all of the gross assets of Parent, Energy Funding, NewCo, HoldCo or Energy Supply or more than fifty percent (50%) of the consolidated gross assets of the Parent Group or the Energy Supply Group (such percentages to be measured based on fair market value as of the Distribution Date or the anticipated value on the proposed effective date of any such transaction, whichever yields the higher disposition percentage) (other than sales or transfers (A) involving one or more entities that are treated as disregarded from their tax owner(s), provided that such sales or transfers are nonevents for U.S. federal income tax purposes, (B) that are to entities within the "qualified group" (as defined in Treasury Regulation Section 1.368-1(d)) of Parent, Energy Funding, NewCo, HoldCo or Energy Supply (as applicable), or (C) that are required to be made in connection with any Parent Regulatory Approval or RJS Regulatory Approval);

(iii) redeem, repurchase, or otherwise reacquire (directly or through any member of the Parent Group or the Energy Supply Group) any Parent Capital Stock, Energy Funding Capital Stock, NewCo Capital Stock, HoldCo Capital Stock or Energy Supply Capital Stock, other than (in the case of Parent Capital Stock or NewCo Capital Stock) pursuant to open market stock repurchase programs meeting the requirements of Section 4.05(1)(b) of Rev. Proc. 96-30, 1996-1 C.B. 696;

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(iv) take any action, or fail or omit to take any action (or, in the case of Energy Supply, permit any other member of the Energy Supply Group to take any action, or fail or omit to take any action, and, in the case of Parent, permit any other member of the Parent Group to take any action, or fail or omit to take any action) where the taking of or the failure or omission to take such action could have, in the aggregate and taking into account the transactions contemplated by the Transaction Agreement, the effect of causing one or more Persons (including Persons acting in concert) to acquire a fifty percent (50%) or greater interest in Parent, Energy Funding, NewCo, HoldCo, Energy Supply for purposes of Section 355(d) or (e) of the Code (for the avoidance of doubt, nothing in this paragraph (iv) shall prevent a member of the Energy Supply Group from acquiring, solely in exchange for cash, an interest in a company that is unrelated to any of Parent, Energy Funding, NewCo, HoldCo, or Energy Supply); or

(v) take any action that could, or fail or omit to take any action the failure or omission of which could, result in the cessation of Parent's, Energy Funding's, NewCo's, HoldCo's or Energy Supply's active engagement in the active conduct of a trade or business for purposes of Section 355(b) of the Code, unless prior to taking any such action set forth in the foregoing clauses (i) through (v) Parent or NewCo has obtained or obtains the other's written consent, which may not be unreasonably withheld, conditioned or delayed.

(d) Notwithstanding anything to the contrary in this Agreement, Parent and any other member of the Parent Group, and NewCo and any other member of the Energy Supply Group may engage in any of the acts prohibited by Section 6.01(c) if, prior to taking any such act, either Parent or NewCo has obtained, at its sole cost, a ruling from the Internal Revenue Service or a tax opinion by a Tax Expert which (A) in the case of an opinion, is a "will" opinion constituting a "covered opinion" within the meaning of Circular 230 by a Tax Expert (provided, for the avoidance of doubt, that any such "covered opinion" may be a "limited scope opinion" within the meaning of Circular 230, addressing only the impact of engaging in such Prohibited Act on the conclusion in clauses of the definition of Intended Tax-Free Treatment), and (B) states that the Person engaging in such act will not alter the conclusion of the definition of Intended Tax-Free Treatment; provided that each of Parent and NewCo shall, and shall cause the other members of the Parent Group and Energy Supply Group, respectively, to, cooperate with the other Party, to the extent reasonably requested by such other Party, in connection with such other Party's obtaining an opinion described in this Section 6.01(d). For the avoidance of doubt, any such act with respect to which either Parent or NewCo obtains a ruling or opinion pursuant to the preceding sentence shall continue to be prohibited for purposes of Section 6.02 and Section 6.03.

Section 6.02 **Tax Indemnification by Parent**. From and after the Closing, Parent shall indemnify, defend and hold harmless the Energy Supply Indemnitees from and against, and shall reimburse such Energy Supply Indemnitees with respect to, any and all Losses that result from, relate to or arise out of, whether prior to or following the Separation Time, any of the following items (without duplication):

(a) subject to the responsibilities of Parent and Energy Supply pursuant to Section 8.17 of the Transaction Agreement, any Tax liability of (i) any member of the Parent

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Group and any Consolidated Group of which any member of the Parent Group was a member for any period and (ii) any member of the Energy Supply Group for any Pre-Distribution Taxable Period or for any Straddle Period that is allocable (in accordance with Section 6.10) to the portion of such Straddle Period ending on and including the Distribution Date, except in each case for any Tax liability arising from the breach of this ARTICLE VI by Energy Supply, NewCo or HoldCo or for which Energy Supply is responsible under Section 6.03(b) or Section 6.03(c);

(b) any Tax liability of any member of the Parent Group or any member of the Energy Supply Group resulting from a breach of this ARTICLE VI by (i) NewCo, HoldCo or Energy Supply on or prior to the Closing or (ii) any member of the Parent Group prior to, on or after the Closing; and

(c) any Tax liability of any member of the Parent Group or any member of the Energy Supply Group resulting from (i) any action of any member of the Energy Supply Group occurring on the Distribution Date and prior to the Closing or prior to the Distribution Date, (ii) any action of any member of the Parent Group (other than the Energy Supply Group) occurring prior to, on or after the Distribution Date, (iii) any direct or indirect acquisition of Parent Capital Stock or Energy Funding Capital Stock, or (iv) any action other than (A) a breach by Energy Supply described in Section 6.03(b) or (B) an action described in Section 6.03(c), in the case of clauses (i), (ii), (iii) and (iv) that results in the Distribution, the Internal Distribution, the HoldCo Contribution, the Energy Supply Contribution, the Energy Supply Election, the Merger, any Contribution or any other Separation Transaction failing to qualify for the Intended Tax-Free Treatment (regardless of whether (a) NewCo consented to such action or (b) any member of the Parent Group was otherwise permitted to take such action under the terms of this Agreement or the Transaction Agreement).

Section 6.03 **Tax Indemnification by Energy Supply**. From and after the Closing, Energy Supply shall indemnify, defend and hold harmless the Parent Indemnitees from and against, and shall reimburse such Parent Indemnitees with respect to, any and all Losses that result from, relate to or arise out of, whether prior to or following the Separation Time, any of the following items (without duplication):

(a) any Tax liability of any member of the Energy Supply Group for any Post-Distribution Taxable Period or for any Straddle Period that is allocable (in accordance with Section 6.10) to the portion of such Straddle Period beginning after the Distribution Date, except in each case for any Tax liability arising from the breach of this ARTICLE VI by Parent or for which Parent is responsible under Section 6.02(b) or Section 6.02(c);

(b) any Tax liability of any member of the Parent Group resulting from a breach of this ARTICLE VI by NewCo, HoldCo or Energy Supply after Closing; and

(c) any Tax liability of any member of the Parent Group or Energy Supply Group resulting from (i) any action (other than any action required or explicitly permitted by this Agreement or the Transaction Agreement or required in connection with any Parent Regulatory Approval or RJS Regulatory Approval) of any member of the Energy Supply Group occurring after the Distribution Date or on the Distribution Date but after the Closing or (ii) any direct or

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indirect acquisition of NewCo Capital Stock, HoldCo Capital Stock or Energy Supply Capital Stock (other than any acquisitions required or explicitly permitted by this Agreement or the Transaction Agreement), in the case of clauses (i) or (ii) that results in the Distribution, the Internal Distribution, the HoldCo Contribution, the Energy Supply Contribution, the Energy Supply Election, the Merger, any Contribution or any other Separation Transaction failing to qualify for the Intended Tax-Free Treatment or (iii) any action (other than any action required or explicitly permitted by this Agreement or the Transaction Agreement) of any member of the Energy Supply Group occurring on the Distribution Date but after the Closing and that is outside the ordinary course of business; provided, however, that, for the purposes of this Section 6.03(c), any action that is prohibited by Section 6.01(c) (or would be prohibited by such Section but for the application of Section 6.01(d) or because NewCo has obtained Parent's written consent) shall not be considered to be explicitly permitted by this Agreement or the Transaction Agreement.

Section 6.04 **Tax Controversies**.

(a) In the event any member of the Energy Supply Group receives written notice of any Tax Controversy with respect to a Tax for which Parent is or may be responsible pursuant to Section 6.02, NewCo, HoldCo or Energy Supply shall notify Parent in writing within fifteen (15) Business Days after the receipt by such member of the Energy Supply Group of such notice; provided, that any failure to provide such prompt notice of the existence of a Tax Controversy to Parent shall not result in any liability of any member of the Energy Supply Group hereunder or reduce any Energy Supply Indemnitee's right to indemnification hereunder, except to the extent that any member of the Parent Group is materially prejudiced thereby.

(b) In the event any member of the Parent Group receives written notice of any Tax Controversy with respect to a Tax for which Energy Supply is or may be responsible pursuant to Section 6.03, Parent shall notify NewCo in writing within fifteen (15) Business Days after the receipt by such member of the Parent Group of such notice; provided, that, any failure to provide such prompt notice of the existence of a Tax Controversy to NewCo shall not result in any liability of Parent hereunder or reduce any Parent Indemnitee's right to indemnification hereunder, except to the extent that NewCo or any member of the Energy Supply Group is materially prejudiced thereby.

(c) Parent shall have the right to control any Tax Controversy relating to any Consolidated Tax Return or Pre-Distribution Tax Return, and NewCo, HoldCo or Energy Supply shall have the right to control any Tax Controversy relating to any Straddle Tax Return or Post-Distribution Tax Return; provided, that, in the case of a Tax Controversy relating to Taxes which would reasonably be expected to give rise to an indemnity obligation pursuant to Section 6.02 or Section 6.03, as applicable, of the party not in control of such Tax Controversy pursuant to the preceding clause (a "**Participating Party**"), such Participating Party shall be entitled to participate in such Tax Controversy at its own cost and expense, and the party in control of such Tax Controversy shall not settle, compromise or concede any such Tax Controversy without the Participating Party's consent, which shall not be unreasonably withheld, conditioned or delayed. Notwithstanding the foregoing, in respect of any Tax Controversy that involves any action that results in the Distribution, the Internal Distribution, the HoldCo Contribution, the Energy Supply Contribution, the Energy Supply Election, the Merger, any Contribution or any other Separation Transaction failing to qualify for the Intended Tax-Free Treatment that would be expected to

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give rise to an indemnity obligation pursuant to Section 6.02(c) or Section 6.03(c), as applicable, of any party, such party (or both parties, jointly, in the event their respective indemnity obligations are both implicated) shall have the right to control such Tax Controversy; provided, that, a Participating Party (or, in the case of a jointly controlled Tax Controversy, each party) shall be entitled to participate in such Tax Controversy at its own cost and expense, and the party in control of such Tax Controversy shall not (or, in the case of a jointly controlled Tax Controversy, no party shall) settle, compromise or concede any such Tax Controversy without the Participating Party's (or, in the case of a jointly controlled Tax Controversy, the other party's) consent, which shall not be unreasonably withheld, conditioned or delayed.

(d) For the avoidance of doubt, in the event of any conflict, the provisions of this Section 6.04 control over those set forth in Section 5.04 with respect to any Tax Controversy.

Section 6.05 **Tax Returns**.

(a) Parent shall prepare or cause to be prepared (i) all Consolidated Tax Returns, and (ii) all Tax Returns of any member of the Parent Group or any member of the Energy Supply Group for a Pre-Distribution Taxable Period (each a "**Pre-Distribution Tax Return**"). NewCo shall prepare or cause to be prepared all Tax Returns of any member of the Energy Supply Group for a Straddle Period or Post-Distribution Taxable Period (each a "**Straddle Tax Return**" and a "**Post-Distribution Tax Return**", respectively). Each Party shall file or cause to be filed all such Tax Returns with the appropriate taxing authority.

(b) Notwithstanding Section 6.05(a), Parent and NewCo shall each have the right to review and comment on any Tax Returns prepared by the other party, if and to the extent such Tax Returns relate to Taxes for which such other Party would be liable under Sections 6.02 or 6.03; provided, however, NewCo shall not have any right to review or comment on the portions of any Consolidated Tax Return not specifically related to any member of the Energy Supply Group. The preparing party shall deliver to the other party a copy of each such Tax Return it prepares reasonably in advance of (which, in the case of an income Tax Return shall be at least sixty (60) days prior to) the date on which such Tax Return is required to be filed, and the other party shall provide the preparing party with any comments on such Tax Return within twenty (20) days (in the case of income Tax Returns) or five (5) days (in the case of any other Tax Return) of receipt of the Tax Return from the preparing party. Parent and NewCo will use all reasonable efforts to resolve any dispute with respect to such Tax Return, but, if such dispute cannot be resolved by the parties within fifteen (15) days of the preparing party's receipt of the other party's comments to the Tax Return, such dispute shall be referred to an independent accounting firm or other recognized expert, which is reasonably acceptable to both Parent and NewCo, for a final, binding resolution. The cost of such independent accounting firm or other expert shall be divided equally between Parent and NewCo.

(c) To the extent any Tax Return required to be prepared by Parent pursuant to Section 6.05(a) contains items relating to the Energy Supply Business or any Tax Return required to be prepared by NewCo pursuant to Section 6.05(a) contains items relating to the businesses of any member of the Parent Group other than the Energy Supply Business, the party not responsible for preparing such Tax Return (the "**Included Party**") shall, at its own cost and

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expense, prepare and deliver to the party responsible for preparing such Tax Return (the "**Preparing Party**") a true and correct accounting of all relevant Tax items (in a form reasonably requested by the Preparing Party) relating to the Included Party (or any of its Subsidiaries) for the taxable period covered by such Tax Return (a "**Tax Package**") within thirty (30) days following the written request of the Preparing Party. In the event an Included Party does not fulfill its obligations pursuant to this Section 6.05(c), the Preparing Party shall be entitled to prepare or cause to be prepared the information required to be included in the Tax Package for purposes of preparing any such Tax Return, and the Included Party shall reimburse the Preparing Party for any out-of-pocket expenses incurred in the preparation of such information.

(d) All Pre-Distribution Tax Returns and all Straddle Tax Returns shall be prepared in a manner consistent with past practices (e.g., accounting methods and accelerating deductions through bonus depreciation or otherwise), except to the extent otherwise required by applicable Law.

(e) All Tax Returns filed on or after the Distribution Date by any member of the Parent Group or any member of the Energy Supply Group shall be prepared in a manner that is consistent with the Tax Opinion (in the absence of a Final Determination to the contrary) and the Intended Tax-Free Treatment and shall be filed on a timely basis (taking into account any valid extension of the due date for filing) by the party responsible for filing pursuant to Section 6.05(a).

(f) Except to the extent required by a Final Determination, no member of the Parent Group shall amend any Pre-Distribution Tax Return without the written consent of NewCo, and no member of the Energy Supply Group shall amend any Straddle Tax Return without the written consent of Parent, in each case which consent shall not be unreasonably withheld, conditioned or delayed; provided, however, NewCo shall not have any consent rights with respect to the portions of any Consolidated Tax Return not specifically related to or affecting any member of the Energy Supply Group.

(g) Subject to Section 6.05(c), the party responsible for preparing any Tax Return under Section 6.05(a) shall be responsible for the costs and expenses associated with preparing such Tax Returns.

(h) To the extent permitted by Law, NewCo and each member of the Energy Supply Group shall elect to forego a carryback of any net operating losses, capital losses or credits for any taxable period ending after the Distribution Date to a taxable period, or portion thereof, ending on or before the Distribution Date. Notwithstanding anything herein to the contrary, the Energy Supply Group shall have the right to receive any cash Tax benefit actually realized by a member of the Parent Group (determined on a with and without basis) from any carryback of such Tax attributes created in a taxable period beginning after the Distribution Date into a Consolidated Tax Return if such carryback is unable to be waived; provided, however, that no member of the Energy Supply Group shall have the right to review any relevant Consolidated Tax Return in connection with such carryback and the determination of whether there has been any cash Tax benefit actually realized shall be made in Parent's sole discretion (exercised in good faith).

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Section 6.06 **Tax Cooperation**. Parent and NewCo shall reasonably cooperate (and shall cause the members of the Parent Group and the Energy Supply Group, respectively, to reasonably cooperate) in preparing and filing all Tax Returns, in resolving all Tax Controversies with respect to all taxable periods relating to Taxes and in obtaining any private letter ruling or opinion described in Section 6.01(d) (including making reasonable representations required in connection with any such ruling or opinion), including by maintaining and making available to each other all records necessary in connection with Taxes and making employees available on a mutually convenient basis to provide additional information or explanation of any material provided hereunder or to testify at proceedings relating to such Tax Controversies.

Section 6.07 **Refunds and Tax Savings**. Should Parent (or any member of the Parent Group) or NewCo (or any member of the Energy Supply Group) receive a refund in respect of Taxes for which the other party was responsible under this ARTICLE VI or ARTICLE V, or should any such amounts that would otherwise be refundable to such party or any of its Affiliates be applied or credited by any taxing authority to Taxes of such party or any of its Affiliates other than such indemnified Taxes, then such party shall, promptly following receipt (or notification of credit), remit such refund or an amount equal to such credit (including any statutory interest that is included in such refund or credited amount) to the other party (net of any costs, expenses or Taxes incurred in connection with the receipt of such refund or credit).

Section 6.08 **Transfer Taxes**. Notwithstanding any provision of this Agreement or the Transaction Agreement to the contrary, to the extent any Transfer Taxes are incurred in connection with (a) any Spin Transaction (other than the Merger or the Financing), Parent shall be responsible for and shall pay 100% of such Transfer Taxes and (b) the Merger or the Financing, NewCo shall be responsible for and shall pay 100% of any such Transfer Taxes, and such Transfer Taxes shall not be subject to indemnification under Section 6.02 or Section 6.03, as applicable. Parent and NewCo shall cooperate in timely making all filings, Tax Returns, reports and forms as may be required to comply with the provisions of any Laws applicable to any Transfer Tax. For purposes of this Agreement, "**Transfer Taxes**" shall mean transfer, documentary, sales, use, excise, real property transfer or gain, gross receipts, goods and services, purchase, documentary, stamp, registration and other similar Taxes.

Section 6.09 **Section 336(e) Elections**.

(a) Parent and HoldCo shall make a protective election under Section 336(e) (the "**Section 336(e) Election**") (and any similar election under state or local law) with respect to the Distribution in accordance with Treasury Regulation Section 1.336-2(h) and (j) (and any applicable provisions under state and local law) and shall cooperate in the timely completion and/or filing of such elections and any related filings or procedures. This Section 6.09(a) is intended to constitute a binding, written agreement to make an election under Section 336(e) with respect to the Distribution as required under Treasury Regulation Section 1.336-2(h). In connection with such election, Parent shall make an election under Treasury Regulation Section 1.1502-13(f)(5)(ii) with respect to the Distribution.

(b) In connection with the elections set forth in Section 6.09(a), HoldCo and Energy Supply shall make a protective election under Section 336(e) (and any similar election under state or local law) with respect to Energy Supply in accordance with Treasury Regulation

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Section 1.336-2(h) and (j) (and any applicable provisions under state and local law), and Parent, HoldCo and Energy Supply shall cooperate in the timely completion and/or filings of such elections and any related filings or procedures. This Section 6.09(b) is intended to constitute a binding, written agreement to make an election under Section 336(e) with respect to the Internal Distribution as required under Treasury Regulation Section 1.336-2(h).

(c) In connection with the elections set forth in Section 6.09(a) and Section 6.09(b), Parent and HoldCo shall cause the applicable parent and subsidiary entities to make a protective election under Section 336(e) of the Code (and any similar election under state or local law) in accordance with Treasury Regulation Section 1.336-2(h) and (j) (and any applicable provisions under state and local law) with respect to the entities set forth in Schedule 6.09, and Parent, HoldCo and Energy Supply shall cooperate (and shall cause their respective Affiliates to cooperate) in the timely completion and/or filings of such elections and any related filings or procedures. Parent and HoldCo shall cooperate (and shall cause their respective Affiliates to cooperate) in causing the applicable parent and subsidiary entities to enter into binding agreements to make such elections within twenty (20) days following the Separation Date.

(d) Notwithstanding anything to the contrary herein, in the event that the Section 336(e) Election becomes effective (i.e., if the Distribution constitutes a "qualified stock disposition" under Treasury Regulation Section 1.336-1(b)(6)) and Parent is not entitled to receive an indemnification payment pursuant to Section 6.03 for any Taxes arising from, or related to, the Distribution's constituting a "qualified stock disposition" under Treasury Regulation Section 1.336-1(b)(6), then Parent shall be entitled to periodic payments from HoldCo equal to the tax savings arising from the step up in tax basis resulting from the Section 336(e) Election (and any other elections set forth in Section 6.09(a), (b) or (c)), with such tax savings calculated using a "with and without" methodology; provided, however, that the total amount of such payments to Parent shall be limited to the amount equal to the amount of Taxes paid by Parent as a result of the Distribution's constituting a "qualified stock disposition" under Treasury Regulation Section 1.336-1(b)(6), taking into account the Section 336(e) Election (and any other elections set forth in Section 6.09(a), (b) or (c)).

Section 6.10 **Allocation Method**. For the purposes of ARTICLE VI, Taxes that are payable with respect to any Straddle Period shall be apportioned between the portion of a Straddle Period ending on and including the Distribution Date (or, for purposes of this Section 6.10, the date of this Agreement in the case of any Tax Return other than a Consolidated Tax Return) and the portion beginning after the Distribution Date such that the portion of any such Taxes that is attributable to the portion of the Straddle Period ending on the Distribution Date shall be:

(a) in the case of Taxes that are imposed on a periodic basis with respect to assets or capital (such as real or personal property Taxes), deemed to be the amount of such Taxes for the entire Straddle Period, multiplied by a fraction the numerator of which is the number of calendar days in the portion of the period ending on and including the Distribution Date and the denominator of which is the number of calendar days in the entire period; and

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(b) in the case of all other Taxes (such as Taxes that are either (i) based upon or related to income or receipts, or (ii) imposed in connection with any sale or other transfer or assignment of property (real or personal, tangible or intangible)), deemed equal to the amount that would be payable if the relevant Straddle Period ended with (and included) the Distribution Date; provided, that, exemptions, allowances or deductions that are calculated on an annual basis (including depreciation and amortization deductions) shall be allocated between the period ending on and including the Distribution Date and the period beginning after the Distribution Date in proportion to the number of days in each period. For the avoidance of doubt, to the extent that any member of the Energy Supply Group is included in any Consolidated Tax Return for a taxable period that includes the Distribution Date, Parent shall include in such Consolidated Tax Return the results of such members of the Energy Supply Group on the basis of the Closing of the Books Method consistent with Treasury Regulations Section 1.1502-76(b)(2)(i).

Section 6.11 **Survival**. The covenants, obligations and agreements set forth in this ARTICLE VI shall survive for, and a claim may be brought with respect to, any breach thereof, at any time prior to 60 days following the applicable statute of limitations; it being understood that in the event notice of any claim for indemnification under this ARTICLE VI shall have been given within the applicable survival period set forth in this Section 6.11, the covenants, obligations and agreements that are the subject of such indemnification claim shall survive until such time as such claim is finally resolved pursuant to this Agreement.

ARTICLE VII
CONFIDENTIALITY; ACCESS TO INFORMATION

Section 7.01 **Confidentiality**.

(a) The Parties acknowledge that in connection with the Transactions, the Parties have disclosed to each other Information, including Confidential Information. The Parties agree that, after the Separation Time, Information that constitutes an Energy Supply Asset shall be Information of the Energy Supply Group for purposes of this Section 7.01 and Parent shall be deemed a receiving party of such Information for purposes of this Section 7.01, and Information that constitutes an Excluded Asset shall be Information of the Parent Group for purposes of this Section 7.01 and NewCo, HoldCo and Energy Supply shall be deemed a receiving party of such Information for purposes of this Section 7.01.

(b) The Parties shall hold, and shall cause each of their respective Affiliates to hold, and each of the foregoing shall cause their respective directors, managers, officers, employees, agents, consultants and advisors to hold, in strict confidence, and not to disclose or release or use, for any purpose other than as expressly permitted pursuant to this Agreement, the Transaction Agreement or the Ancillary Agreements, without the prior written consent of the other Party, any and all Confidential Information concerning the other Party or such Party's Group; provided, that the Parties may disclose, or may permit disclosure of, Confidential Information (i) to their respective auditors, attorneys, financial advisors, bankers and other appropriate consultants and advisors who have a need to know such information for auditing and other non-commercial purposes and are informed of their obligation to hold such information confidential to the same extent as is applicable to the Parties and in respect of whose failure to comply with such obligations, the applicable Party will be responsible, (ii) if the Parties or any of

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their respective Affiliates are required or compelled to disclose any such Confidential Information by judicial or administrative process or by other requirements of applicable Law or stock exchange rule, (iii) as required in connection with any legal or other proceeding by one Party against any other Party, (iv) (v) to its current or potential investors, members, partners and lenders or other financial or capital sources subject to an obligation of confidentiality with respect to such information and in respect of whose failure to comply with such confidentiality obligations, the applicable Party will be responsible, (vi) to the extent required by any Collective Bargaining Agreement or to comply with any obligation imposed as a result of the existence of a collective bargaining relationship or (vi) to the extent necessary in connection with any proposed merger, sale of assets, business combination, financing, or other similar transaction in which a Party or any member of such Party's Group may become a party; provided, that the counterparties to such transaction or potential transaction are bound by confidentiality provisions that are no less restrictive than this Section 7.01; provided, further, that each Party (and any of their respective Affiliates as necessary) may, subject to the terms herein, use and disclose, or may permit use and disclosure of, subject to reasonable confidentiality obligations at least substantially the same as those in this Section 7.01, Confidential Information concerning the other Party or such Party's Group in connection with, and solely to the extent necessary for, performing its obligations under this Agreement or any Ancillary Agreement. Notwithstanding the foregoing, in the event that any demand or request for disclosure of Confidential Information is made pursuant to clause (ii) above, each Party, as applicable, shall promptly, to the extent commercially practicable and legally permissible, notify the other of the existence of such request or demand and shall provide the other Party thirty (30) calendar days to seek, at its sole cost, an appropriate protective order or other remedy, which such Parties will use commercially reasonable efforts to cooperate in obtaining. In the event that such appropriate protective order or other remedy is not obtained, the Party disclosing such information shall only disclose that portion of the Confidential Information that is legally required to be disclosed and shall take commercially reasonable steps to ensure that confidential treatment is accorded such information.

(c) Each Party acknowledges that it and its Affiliates may have in their possession confidential or proprietary information of third parties that was received under confidentiality or non-disclosure agreements or agreements containing confidentiality or non-disclosure provisions that the other Party or its Affiliates entered into with a third party prior to the Separation Time. Such Party will hold, and will cause its Affiliates and their respective Representatives to hold, in strict confidence the confidential and proprietary information of third parties to which they or any of its respective Affiliates has had access, in accordance with the terms of such agreements entered into prior to the Separation Time or, if more restrictive, the terms set forth herein.

(d) The provisions of this Section 7.01 are in furtherance of, and do not limit the obligations of the parties to the Transaction Agreement pursuant to Section 8.03 of the Transaction Agreement; provided, that the provision of Information of RJS or any Person who is an Affiliate of RJS immediately prior to the Separation Time shall be governed exclusively by Section 8.03 of the Transaction Agreement.

Section 7.02 **Access to Personnel and Property**. From and after the Separation Time until the sixth (6th) anniversary of the Separation Date, each of Parent, on the one hand, and

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NewCo, on the other hand, shall afford to the other (the "**Requesting Party**"), at such Requesting Party's expense on a time-and-materials basis, and its Representatives, reasonable access upon reasonable advance written notice, such notice to specifically identify the personnel, property and, in connection with access to such personnel and properties, Information that are the subject of the request, solely during normal business hours and for the duration reasonably requested by the Requesting Party, and subject to the restrictions for Privileged Information or Confidential Information set forth herein, to the personnel, properties, and Information of such Party insofar as such access is (a) reasonably required by the Requesting Party and (b) in the case of Parent, relates to the Energy Supply Assets, Energy Supply Liabilities or the Energy Supply Business prior to the Separation Time or, in the case of NewCo, relates to the Energy Supply Assets, the Energy Supply Liabilities or the Energy Supply Business; provided, however, that (i) the Party providing such access may require that any such Representatives execute a non-disclosure agreement agreeing to be bound by restrictions similar to those set forth in Section 7.01, (ii) such access does not unreasonably interfere with the normal operations of such Party and (iii) nothing in this Section 7.02 shall require a Party to provide access, or disclose Information to a Requesting Party if such access or disclosure would reasonably be expected to (x) waive any legal privilege or (y) be in violation of applicable Law; and provided, further, that nothing in this Section 7.02 shall be deemed to grant any member of the Energy Supply Group any license, easement, servitude or similar right with respect to any real property that is an Excluded Asset.

Section 7.03 **Witness Services**. Between the Separation Time and the date that is at least two (2) years after the Separation Time, each of Parent and NewCo shall use its commercially reasonable efforts to make available to the other, upon such Person's reasonable prior written request, its and its Affiliates' directors, managers, officers, employees and agents (taking into account the work schedules and other commitments of such Persons) as witnesses to the extent that (a) such Persons may reasonably be required to testify in connection with the prosecution or defense of any Action for which the requesting Party may have Liability under this Agreement (except for claims, demands or Actions between members of the Parent Group, on the one hand, and the Energy Supply Group, on the other hand) and (b) there is no conflict of interest in the Action between the requesting Party and the other Party except for the time and effort required in connection with the services of the officers, directors and employees and agents of the other Party. The out-of-pocket costs and expenses incurred in the provision of such witnesses shall be paid by the Party requesting the availability of such persons.

Section 7.04 **Privileged Matters**.

(a) The Parties recognize that certain legal and other professional services have been and will be provided prior to the Separation Time for the collective benefit of one or more members of the Parent Group and one or more members of the Energy Supply Group, and that each such Person should be deemed to be the client with respect to such pre-transfer services for the purposes of asserting all privileges which may be asserted under applicable Law with respect thereto (each a "**Shared Representation**"). The Parties also recognize that legal and other professional services will be provided following the Separation Time which will be rendered solely for the benefit of Parent and/or its Affiliates, on the one hand, or NewCo and/or its Affiliates, on the other hand, and the provisions of this Section 7.04 shall have no bearing or

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impact on any Person's right to maintain, preserve, assert or waive any privileges with respect thereto.

(b) Except as otherwise set forth in Section 2.02(b)(iii), the Parties agree that, to the extent permitted by applicable Law, their respective rights and obligations to maintain, preserve, assert or waive any or all privileges with respect to any Shared Representation during any period prior to the Separation Time (collectively, the "**Privileges**") shall be governed by the provisions of this Section 7.04. The rights and obligations created by this Section 7.04 shall also apply to all information pertaining to a Shared Representation during any period prior to the Separation Time with respect to which one or more members of the Parent Group and one or more members of the Energy Supply Group would be entitled to assert or has asserted a Privilege (such information, the "**Privileged Information**"), including any information transferred pursuant to this Agreement, the Transaction Agreement or any Ancillary Agreement.

(c) Parent shall be entitled, in perpetuity, to control the assertion or waiver of all Privileges in connection with Privileged Information which relates solely to the businesses conducted by Parent and its Subsidiaries other than the Energy Supply Business, whether or not such Privileged Information is in the possession of or under the control of Parent or any Non-Energy Supply Sub. Parent shall be entitled, in perpetuity, to control the assertion or waiver of all Privileges in connection with Privileged Information which relates solely to the Excluded Assets or the Excluded Liabilities, whether or not the Privileged Information is in the possession of or under the control of Parent or any Non-Energy Supply Sub. Parent shall also be entitled, in perpetuity, to control the assertion or waiver of all Privileges in connection with Privileged Information that relates solely to the subject matter of any claims constituting Excluded Liabilities, now pending or which may be asserted in the future, in any lawsuits or other Actions initiated against or by any member of the Parent Group, whether or not the Privileged Information is in the possession of or under the control of Parent or any Non-Energy Supply Sub. Each of NewCo, HoldCo and Energy Supply agrees not to knowingly take any action, and to prevent any member of the Energy Supply Group from taking any action, after the Separation Time that would be reasonably likely to (i) result in the waiver of any Privilege or (ii) result in the assertion of any Privilege, which Parent has retained control over the assertion or waiver of pursuant to this Section 7.04(c).

(d) NewCo shall be entitled, in perpetuity, to control the assertion or waiver of all Privileges in connection with Privileged Information which relates solely to the Energy Supply Business, whether or not such Privileged Information is in the possession of or under the control of any member of the Energy Supply Group. NewCo shall be entitled, in perpetuity, to control the assertion or waiver of all Privileges in connection with Privileged Information which relates solely to the Energy Supply Assets or Energy Supply Liabilities, whether or not the Privileged Information is in the possession of or under the control of any member of the Energy Supply Group. NewCo shall also be entitled, in perpetuity, to control the assertion or waiver of all Privileges in connection with Privileged Information that relates solely to the subject matter of any claims constituting Energy Supply Liabilities, now pending or which may be asserted in the future, in any lawsuits or other Actions initiated against or by any member of the Energy Supply Group, whether or not the Privileged Information is in the possession of or under the control of any member of the Energy Supply Group. Parent agrees not to knowingly take any action, and to prevent any member of the Parent Group from taking any action, after the

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Separation Time that would be reasonably likely to (i) result in the waiver of any Privilege or (ii) result in the assertion of any Privilege, which NewCo has retained control over the assertion or waiver of pursuant to this Section 7.04(d).

(e) The Parties agree that they shall have a shared privilege (a "**Shared Privilege**"), with equal right to assert or waive such Shared Privilege, subject to the restrictions in this Section 7.04, with respect to all Privileges not allocated pursuant to the terms of Section 7.04(c) or Section 7.04(d). All privileges relating to any Actions or other matters that involve both one or more members of the Parent Group and one or more members of the Energy Supply Group in respect of which both Parent and NewCo retain any responsibility or liability under this Agreement shall be subject to a Shared Privilege among them.

(f) No Party may waive, and shall prevent the other members of its respective Group from waiving, any Shared Privilege without the consent of the other Party, which consent shall not be unreasonably withheld, conditioned or delayed. A Party's consent shall be in writing, or shall be deemed to be granted unless written objection is made within twenty (20) calendar days after receipt of written notice from the Party requesting such consent.

(g) In the event of any litigation or dispute between or among any of the Parties, or any members of their respective Groups, either Party may use Privileged Information covered by Shared Privilege, including, without limitation, use by the Parties' counsel, counsel's agents, expert witnesses, advisors, and other agents, without obtaining the consent of the other Party; provided, neither Party may waive the Shared Privileged and any Privileged Information covered by the Shared Privilege will only be filed with any applicable court under seal.

(h) If a dispute arises between or among the Parties, or any members of their respective Groups, regarding whether a Shared Privilege should be waived to protect or advance the interest of any Party, each Party agrees that it shall negotiate in good faith, shall endeavor to minimize any prejudice to the rights of the other Party and the members of such other Party's Group, and shall not unreasonably withhold consent to any request for waiver by the other Party. Each Party specifically agrees that it will not withhold consent to waiver for any purpose except to protect its own legitimate interests and the legitimate interests of any member of its Group.

(i) Upon receipt by any Party, any members of such Party's Group or by any of their respective Affiliates, of any subpoena, discovery or other request which arguably calls for the production or disclosure of Privileged Information which such Party knows is subject to a Shared Privilege or as to which such Party knows another Party has the sole right hereunder to assert a Privilege, or if any Party obtains knowledge that any of its or any of its Affiliate's current or former directors, officers, agents or employees have received any subpoena, discovery or other requests which arguably call for the production or disclosure of such Privileged Information, such Party shall promptly notify the other Party of the existence of the request and shall provide the other Party a reasonable opportunity to review such request and to assert any rights it may have under this Section 7.04 or otherwise to prevent the production or disclosure of such Privileged Information.

(j) The transfer of all Information pursuant to this Agreement is made in reliance on the agreement of Parent and NewCo as set forth in Section 7.01 and this Section 7.04,

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to maintain the confidentiality of Confidential Information and to assert and maintain all applicable Privileges. The access to information being granted pursuant to Section 7.02 hereof, the agreement to provide witnesses and individuals pursuant to Section 7.03 hereof, the furnishing of notices and documents and other cooperative efforts contemplated by Section 5.06(a) and this Section 7.04, and the transfer of Privileged Information between and among the Parties and their respective Groups pursuant to this Agreement shall not be deemed a waiver of any privilege that has been or may be asserted under this Agreement, the Transaction Agreement or otherwise.

ARTICLE VIII
ADDITIONAL AGREEMENTS

Section 8.01 **Efforts**. Subject to the limitations or other provisions of this Agreement, the Transaction Agreement and any Ancillary Agreement, each of the Parties shall use its reasonable best efforts (subject to, and in accordance with applicable Law) to take promptly, or cause to be taken, all actions, and to do promptly, or cause to be done, and to assist and cooperate with the other Parties in doing, all things necessary, proper or advisable that are required to be taken by it to consummate and make effective the transactions contemplated by and carry out the intent and purposes of this Agreement.

Section 8.02 **Transitional Use of Signage and/or Other Materials Incorporating Trademarks**.

(a) Parent Names and Marks.

(i) "**Parent Names and Marks**" includes (A) the name "PPL Corporation" (in any style or design), "PPL," the "sunburst logo," "EnergyPlus," or the Trademark portion of the name of any other member of the Parent Group and any Trademark confusingly similar to or to the extent including any of the foregoing, (B) all Trademarks registered by Parent and/or any Non-Energy Supply Sub in their respective names prior to the Separation Date and not primarily used in the Energy Supply Business, (C) all Trademarks registered by Energy Supply and/or any Energy Supply Sub in their respective names prior to the Separation Date and not primarily used in the Energy Supply Business and (D) those Trademarks set forth on Schedule 8.02(a)(i). Each of NewCo, HoldCo and Energy Supply, on behalf of itself and its Affiliates and the other members of the Energy Supply Group, acknowledges that it will have no ongoing claim or rights in or to the Parent Names or Marks or any other Trademarks not primarily used in the Energy Supply Business, including those Trademarks set forth on Schedule 8.02(a)(i). Except as set forth herein, no member of the Energy Supply Group or its Affiliates shall use or permit their respective Subsidiaries to use any Parent Names or Marks in the operation (including any marketing, advertising, or other publication of material of the Energy Supply Group) of the Energy Supply Business. Each of NewCo, HoldCo, Energy Supply and their respective Affiliates shall promptly following Closing change the corporate names of each member of the Energy Supply Group to remove all Parent Names and Marks, and thereafter remove or cause the removal of all Parent Names and Marks from all signage or other items utilizing Parent Names and Marks at or on (x) each of the facilities of each member of the Energy Supply Group or other Energy

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Supply Assets (including vehicles) that are visible to consumers or the public, as soon as practicable, and in any event within ninety (90) days following the Closing Date, (y) any external facilities over which the Energy Supply Group has the right to change or remove such signage or other items (including Xfinity Live and DeSales University), as soon as practicable, and in any event within ninety (90) days following the Closing Date, and (z) PPL Park, as soon as practicable and in any event within one hundred eighty (180) days following the Closing Date; and shall remove or replace all Parent Names and Marks from any internal materials in the ordinary course of business. From the Separation Time until the earlier of such removal or the expiration of the applicable period set forth above, Parent grants the Energy Supply Group a non-exclusive, non-assignable, non-sublicensable license to use the Parent Names and Marks consistent with this Section 8.02(a). Except as expressly provided in this Section 8.02(a), Parent reserves for itself and its Affiliates all rights in the Parent Names and Marks, and no other rights therein are granted to any member of the Energy Supply Group, whether by implication, estoppel or otherwise. All use of the Parent Names and Marks by any member of the Energy Supply Group shall inure to the benefit of Parent and its Affiliates.

(ii) The license granted under this Section 8.02(a) may be terminated by written notice if any member of the Energy Supply Group or their respective Affiliates is in material breach of any provision hereof that remains uncured for more than ten (10) calendar days after written notice thereof from Parent. Upon such termination, no member of the Energy Supply Group shall use, and each of NewCo, HoldCo and Energy Supply shall cause its Affiliates to not use, any of the Parent Names and Marks in commerce or otherwise.

(iii) Notwithstanding anything to the contrary provided in this Section 8.02(a), Energy Supply may use the name "PPL Corporation", "PPL", the "sunburst logo," "EnergyPlus," the Trademark portion of the name of any other member of the Parent Group, the Trademarks set forth on Schedule 8.02(a)(i) or variants thereof (A) on internal office supplies or signage not visible to consumers or the public (until they are replaced in the ordinary course of business), (B) in a neutral, non-trademark manner to describe the historical relationship of Energy Supply and Parent, or (C) to the extent required by Law in legal or business documents already in existence at the Separation Time.

(iv) Except to describe the historical relationship of Energy Supply and Parent in a neutral, non-trademark manner, no member of the Parent Group or its Affiliates shall use or permit their respective Subsidiaries to use the name "EnergyPlus" in the operation of its business.

(b) Energy Supply Marks.

(i) "**Energy Supply Marks**" includes any Trademarks primarily used in the Energy Supply Business (other than components thereof consisting of "PPL," "EnergyPlus" or the sunburst logo), including any Trademark that is confusingly similar to any such Trademarks, except for Parent Names and Marks. Except as set forth herein, no member of the Parent Group shall use or permit their respective Subsidiaries to use

any Energy Supply Marks in the operation of its business. Each member of the Parent Group shall, as soon as practicable, and in any event within ninety (90) days following the Closing Date (the "**Energy Supply Mark License Term**"), remove or cause the removal of all Energy Supply Marks from all signage or other items utilizing Energy Supply Marks at or on (x) each of the facilities of each member of the Parent Group or other Excluded Assets (including vehicles) that are visible to consumers or the public and (y) any external facilities over which the Parent Group has the right to change or remove such signage or other items. From the Separation Time until the earlier of such removal or the expiration of the Energy Supply Mark License Term, each of NewCo, HoldCo and Energy Supply, on behalf of itself and its Affiliates and the other members of the Energy Supply Group grants the Parent Group a non-exclusive, non-assignable, non-sublicensable license to use the Energy Supply Marks consistent with this Section 8.02(b). Except as expressly provided in this Section 8.02(b), each member of the Energy Supply Group reserves for itself and its Affiliates all rights in the Energy Supply Marks, and no other rights therein are granted to any member of the Parent Group, whether by implication, estoppel or otherwise. All use of the Energy Supply Marks by any member of the Parent Group shall inure to the benefit of the Energy Supply Group.

(ii) The license granted under this Section 8.02(b) may be terminated by written notice if any member of the Parent Group or their respective Affiliates is in material breach of any provision hereof that remains uncured for more than ten (10) calendar days after written notice thereof from any member of the Energy Supply Group. Upon such termination, no member of the Parent Group shall use, and each member of the Parent Group shall cause its Affiliates to not use, any of the Energy Supply Marks in commerce or otherwise.

(iii) Notwithstanding anything to the contrary provided in this Section 8.02(b), Parent may use certain Energy Supply Marks or variants thereof to the extent necessary or appropriate to describe the historical relationship of Energy Supply and Parent.

Section 8.03 **Removal of Tangible Assets**.

(a) Except as may be otherwise provided in the Ancillary Agreements or otherwise agreed to by the Parties, all tangible Energy Supply Assets that are located at any facilities of any member of the Parent Group shall be moved as promptly as practicable after the Separation Time from such facilities, at NewCo's expense and in a manner so as not to unreasonably interfere with the operations of any member of the Parent Group and to not cause damage to such facility, and such member of the Parent Group shall provide reasonable access during normal business hours to such facility to effectuate the same.

(b) Except as may be otherwise agreed to by the Parties, all tangible Excluded Assets that are located at any facilities which are deemed Energy Supply Assets pursuant to the terms hereof shall be moved as promptly as practicable after the Separation Time from such facilities, at Parent's expense and in a manner so as not to unreasonably interfere with the operations of any member of the Energy Supply Group and to not cause damage to such facility,

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and such member of the Energy Supply Group shall provide reasonable access during normal business hours to such facility to effectuate such movement.

Section 8.04 **Intellectual Property Covenants and Representations**.

(a) Effective as of the Separation Time, Parent, on behalf of itself and its Subsidiaries other than any member of the Energy Supply Group covenants to the Energy Supply Group that after the Separation Time, none of them shall bring an Action against any member of the Energy Supply Group that alleges that such parties' current and future conduct of the Energy Supply Business infringes, misappropriates or violates any patents, inventions, know-how, trade secrets, copyrights, techniques, methods or processes or any other Intellectual Property necessary to conduct the Energy Supply Business ("**Covenant IP**") that is owned by Parent or its Subsidiaries and is used or held for use in the Energy Supply Business as of the Separation Time, consistent with past practice, except where use is otherwise expressly prohibited by any Transaction Document. The members of the Energy Supply Group may grant the benefits of this covenant to (i) any immediate or successive successors or assignees of their businesses (but not with respect to any other Affiliates, businesses, products, services or activities of such successors or assignees), and (ii) to their clients, customers, vendors and business partners, solely as relates to their activities performed on behalf of or for the benefit of the Energy Supply Business or the Energy Supply Group. For clarity, the above covenant does not include any Covenant IP that is invented or acquired by Parent or its Subsidiaries after the Closing Date, but does include any patents issued after the Closing Date, to the extent they arise from any Covenant IP in existence as of the Closing Date.

(b) Effective as of the Separation Time, NewCo, HoldCo and Energy Supply, on behalf of itself and the other members of the Energy Supply Group, each covenants to Parent and its Subsidiaries that after the Separation Time, none of them shall bring an Action against Parent or its Subsidiaries that alleges that such parties' current and future conduct of the businesses of Parent and its Subsidiaries other than the Energy Supply Business infringes, misappropriates or violates any Covenant IP that is owned by Energy Supply or the Energy Supply Subs and is used in the business other than the Energy Supply Business as of the Separation Time, except where use is otherwise expressly prohibited by any Transaction Document. Parent and its Subsidiaries may grant the benefits of this covenant to (i) any immediate or successive successors or assignees of their businesses (but not with respect to any other Affiliates, businesses, products, services or activities of such successors or assignees), and (ii) to their clients, customers, vendors and business partners, solely as relates to their activities performed on behalf of and for the benefit of Parent and its Subsidiaries with respect to such businesses. For clarity, the above covenant does not include any Covenant IP that is invented or acquired by Energy Supply or the Energy Supply Subs after the Closing Date, but does include any patents issued after the Closing Date, to the extent they arise from any Covenant IP in existence as of the Closing Date.

Section 8.05 **Directors' and Officers' Indemnification; Liability Insurance**.

(a) Parent shall, for a period of at least six (6) years after the Closing, indemnify and hold harmless, and provide advancement of expenses to, all past and present directors, managers or officers of any member of the Energy Supply Group (other than the RJS

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Group), and each individual who prior to the Closing becomes a director, manager or officer of any member of the Energy Supply Group (other than the RJS Group), to the maximum extent that such member of the Energy Supply Group would have been allowed to be so indemnified under applicable Law, in respect of acts or omissions occurring at or prior to the Closing, including for acts or omissions occurring in connection with any of the Transactions.

(b) Parent shall maintain in effect for each of the applicable indemnified persons referred to in Section 8.05(a), for a period of at least six (6) years after the Closing, policies of "directors' and officers'" liability insurance of at least the same coverage and containing terms and conditions which are, in the aggregate, no less advantageous to the insured, as the policies of "directors' and officers'" liability insurance maintained by Parent or any of its Subsidiaries at the Separation Time for its or their former directors and officers, with respect to claims arising from acts or omissions that occurred at or prior to the Closing, including for acts or omissions occurring in connection with any of the Transactions.

Section 8.06 **Insurance Matters**.

(a) Notwithstanding any other provision of this Agreement, from and after the Distribution Date, no member of the Energy Supply Group will have any rights whatsoever with respect to any Parent Group Policies, except that Parent will, if requested by NewCo, use reasonable best efforts to (i) request, assert, maintain or settle claims on behalf of NewCo or another member of the Energy Supply Group with respect any Loss, Liability or damage identified by NewCo with respect to any Energy Supply Assets or Energy Supply Liabilities under Parent Group Policies, if any, with third-party insurers which are "occurrence based" insurance policies ("**Occurrence Policies**") arising out of insured incidents occurring from the date coverage thereunder first commenced until the Distribution Date, to the extent that the terms and conditions of any such Occurrence Policy and agreements relating thereto so allow and (ii) assist NewCo or another member of the Energy Supply Group to pursue and settle claims with respect to the Energy Supply Business, Energy Supply Assets or Energy Supply Liabilities that were reported to any third party insurer according to the terms and conditions of the applicable Parent Group Policies written on a "claims made" basis ("**Claims Made Policies**") prior to the Distribution Date; provided that (A) all of Parent's and each member of the Parent Group's reasonable costs and expenses incurred in connection with the foregoing are promptly paid by NewCo, (B) Parent and the Parent Group may, at any time, without Liability or obligation to NewCo or any member of the Energy Supply Group (other than as set forth in Section 8.06(c)), amend, commute, terminate, buy-out, extinguish liability under or otherwise modify any Occurrence Policies (and such claims will be subject to any such amendments, commutations, terminations, buy-outs, extinguishments and modifications), in each case provided that such modifications are not discriminatory with respect to the Energy Supply Assets or the Energy Supply Liabilities (C) any such claim will be subject to all of the terms and conditions of the applicable Parent Group Policy and (D) NewCo promptly pays to Parent any applicable deductible.

(b) Prior to the Distribution Date, Parent will use reasonable best efforts to acquire in the name of NewCo or the applicable member of the Energy Supply Group insurance coverage with respect to the Energy Supply Business for claims made by a member of the Energy Supply Group on or after the Distribution Date with respect to incidents occurring prior

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to the Distribution Date, on substantially the same terms and retroactive dates as the Parent Group Policies; provided, that all of Parent's costs and expenses incurred in connection with the foregoing shall be deemed to be Shared Expenses.

(c) In the event that after the Distribution Date, Parent or any member of the Parent Group proposes to amend, commute, terminate, buy-out, extinguish liability under or otherwise modify any Parent Group Policies under which NewCo has rights to assert claims pursuant to Section 8.06(a) in a manner that would adversely affect any such rights of NewCo, (i) Parent will give NewCo prior written notice thereof (it being understood that the decision to take any such action will be in the sole discretion of Parent) and (ii) Parent will pay to NewCo its equitable share (which shall be determined by Parent in good faith based on the amount of premiums paid or allocated to the Energy Supply Business in respect of the applicable Parent Group Policy) of any net proceeds actually received by Parent from the insurer under the applicable Parent Group Policy as a result of such action by Parent (after deducting Parent's reasonable costs and expenses incurred in connection with such action).

(d) The obligations of Parent and the Parent Group set forth in this Section 8.06 will terminate on the two-year anniversary of the Distribution Date.

(e) Nothing in this Section 8.06 will be construed to limit or otherwise alter in any way the indemnity obligations of the Parties to this Agreement, including those created by this Agreement.

Section 8.07 **Real Estate Matters**. With respect to the Energy Supply Real Property and the Leased Premises, and in connection with the Separation Transactions and/or the contribution of the Energy Supply Assets under the Transaction Agreement, (i) Parent shall, and shall cause each of the Non-Energy Supply Subs and/or any member of the Energy Supply Group, as applicable, to take any and all actions (to the extent consented to by RJS, such consent not to be unreasonably withheld, delayed or conditioned) as may be necessary to establish on or prior to the Separation Date (except with respect to any such actions that require the approval of the Pennsylvania Public Utility Commission, to the extent that the filings to obtain any applicable filings or requests with respect to such approvals have been timely made with the Pennsylvania Public Utility Commission by Parent or its Affiliates but have not been obtained on or prior to the Separation Date), valid fee ownership of, a valid leasehold interest in, and/or valid easement or similar rights over, on, under or across their respective real properties and facilities, including such ownership or rights as may be necessary to accommodate any reasonably foreseeable future expansion needs, to enable the Energy Supply Business to operate its facilities and to conduct its business in all material respects in the ordinary course consistent with past practice, in accordance with the terms, conditions and intent of this Agreement and the Transaction Agreement and (ii) Parent shall, and shall cause each of the Non-Energy Supply Subs and/or any member of the Energy Supply Group, as applicable, to take any and all actions as may be reasonably necessary, subject to RJS consent, such consent not to be unreasonably withheld, delayed or conditioned, to provide each member of the Parent Group, on the one hand, and each member of the Energy Supply Group, on the other hand, with sufficient access to and/or rights over, such member's respective real properties and facilities that are located on a Shared Location as may be necessary to enable such member to operate its applicable facilities that are located on a Shared Location in all material respects (A) in the ordinary course of

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business consistent with past practice and (B) to the extent consented to by RJS, such consent not to be unreasonably withheld, delayed or conditioned, in accordance with any reasonably foreseeable future expansion needs. In furtherance of the foregoing:

(a) to the extent reasonably necessary to effectuate the Separation Transactions and/or the contribution of the Energy Supply Assets under the Transaction Agreement or as may otherwise be required in connection with the Energy Supply Financing, Parent shall obtain, as soon as practicable following the date of this Agreement, surveys, as built drawings, title searches or title insurance policies (or irrevocable ALTA title insurance binders or commitments to insure) of the Energy Supply Real Property and Leased Premises set forth on Schedule 8.07(a) (collectively, the "Title and Survey Documents");

(b) Parent shall use reasonable best efforts, and the Parties shall reasonably cooperate with Parent, to obtain (i) any subdivision, re-subdivision, surveys, re-surveys, zoning changes and governmental permits, approvals and consents that may be required to separate ownership, use and control of the Energy Supply Real Property and the Leased Premises from the Excluded Assets and (ii) obtain such consents from third parties which are required for the separation and contribution of the Energy Supply Real Property and the Leased Premises pursuant to this Agreement and the Transaction Agreement;

(c) to the extent reasonably necessary to effect the foregoing, the Parties shall enter into mutually agreeable deeds, easements, rights of way, access agreements, shared used agreements, leases, subleases, licenses or other similar documentation; provided, however that this provision shall not require the transfer of title of any real property owned by any member of the Energy Supply Group without the consent (not to be unreasonably, withheld, delayed or conditioned) of RJS (prior to Closing) or NewCo (from and after Closing); and, provided further, that in the event any proposed manner of conveyance or granting of rights would require any regulatory consent or approval or third party consent or approval, the Parties shall consider in good faith pursuit of a mutually agreeable alternative means of effecting such conveyance or granting of rights.

(d) Parent shall use commercially reasonable efforts to cause all relevant taxing authorities to separately assess the Energy Supply Real Property and the Leased Premises for property tax and similar Tax purposes; and

(e) the Parties agree that the costs and expenses of any actions or deliveries contemplated by the foregoing (a) through (d) shall be borne and paid solely by Parent, other than with respect to the costs and expenses of title searches and title insurance policies (or irrevocable ALTA title insurance binders or commitments to insure), which shall constitute Shared Expenses to the extent requested by RJS or NewCo but reasonably determined by Parent not to be necessary to effectuate the Separation Transactions.

Without limiting the foregoing obligations of the Parties under this Section 8.07, to the extent that the foregoing actions cannot be achieved in a reasonably practicable manner prior to the Separation Time, the Parties shall enter into appropriate arrangements regarding the Energy Supply Real Property and the Leased Premises, on terms and conditions reasonably acceptable to the Parties, to accomplish the foregoing actions as soon as practicable following the Separation Time.

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ARTICLE IX
CONDITIONS TO THE SEPARATION TRANSACTIONS

Section 9.01 **Conditions to Separation Transactions, etc.** The obligations of the Parties to consummate the Separation Transactions pursuant to this Agreement shall be subject to fulfillment (or waiver by the applicable Parties) on or prior to the Separation Date of the following conditions: (a) each of the conditions to Parent's and Energy Supply's obligations to effect the Closing of the Closing Transactions contemplated by the Transaction Agreement, as provided in Section 9.01 (other than 9.01(b)) and Section 9.03 of the Transaction Agreement, shall have been satisfied or waived (other than those conditions that, by their nature, are to be satisfied between the Separation Time and Closing or contemporaneously with the Closing), and (b) each of the conditions to RJS' obligations to effect the Closing of the transactions contemplated by the Transaction Agreement, as provided in Section 9.01 (other than Section 9.01(b)) and Section 9.02 of the Transaction Agreement, shall have been satisfied or waived (other than those conditions that, by their nature, are to be satisfied between the Separation Time and Closing or contemporaneously with the Closing).

ARTICLE X
MISCELLANEOUS

Section 10.01 **Expenses**. Except as otherwise provided in this Agreement, the Transaction Agreement or any Ancillary Agreement, each Party shall be responsible for the fees and expenses of the Parties as provided in Section 11.02 of the Transaction Agreement.

Section 10.02 **Entire Agreement**. This Agreement (including the Exhibits and Schedules), the Confidentiality Agreements, the Transaction Agreement and the Ancillary Agreements, including any related annexes, schedules and exhibits hereto and thereto, as well as any other agreements and documents referred to herein and therein, shall together constitute the entire agreement between the Parties with respect to the express subject matter hereof and thereof and shall supersede all prior negotiations, agreements and understandings of the Parties of any nature, whether oral or written, with respect to such subject matter.

Section 10.03 **Governing Law**. This Agreement and all issues and questions concerning the construction, validity, enforcement and interpretation of this Agreement (and all schedules, annexes and exhibits hereto) shall be governed by and construed in accordance with the laws of the State of Delaware, without giving effect to any choice or conflict of law provision or rule (whether of the State of Delaware or any other jurisdiction) that would cause the application of the laws of any jurisdiction other than the State of Delaware.

Section 10.04 **Specific Performance; Jurisdiction**. The Parties understand and agree that the covenants and agreements on each of their parts herein contained are uniquely related to the desire of the Parties and their respective Subsidiaries to consummate the Spin Transactions, that the Spin Transactions are a unique business opportunity at a unique time for each of the Parties and their respective Subsidiaries, and further agree that irreparable damage would occur in the event that any provision of this Agreement were not performed in accordance with its specific terms and further agree that, although monetary damages may be available for the breach of such covenants and agreements, monetary damages would be an inadequate remedy

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therefor. The Parties understand and agree that the right of specific performance is an integral part of the Spin Transactions and, without that right, none of the Parties would have entered into this Agreement. It is accordingly agreed that, in addition to any other remedy that may be available to it at law or equity, including monetary damages, each of the Parties shall be entitled to seek an injunction or injunctions to prevent actual or threatened breaches of any of the terms, conditions or provisions of this Agreement and to enforce specifically the terms and provisions of this Agreement exclusively in the Delaware Court of Chancery and any state appellate court therefrom within the State of Delaware (or, if the Delaware Court of Chancery declines to accept jurisdiction over a particular matter, any state or federal court within the State of Delaware). Each of the Parties further agree that no party to this Agreement shall be required to obtain, furnish or post any bond or similar instrument in connection with or as a condition to obtaining any remedy referred to in this Section 10.04 and each Party waives any objection to the imposition of such relief or any right it may have to require the obtaining, furnishing or posting of any such bond or similar instrument.

In addition, each of the Parties irrevocably and unconditionally agrees that any Action with respect to this Agreement and the rights and obligations arising hereunder, or for recognition and enforcement of any judgment in respect of this Agreement and the rights and obligations arising hereunder brought by any other Party or Parties or their respective successors or assigns, shall be brought and determined exclusively in the Delaware Court of Chancery and any state appellate court therefrom within the State of Delaware (or, if the Delaware Court of Chancery declines to accept jurisdiction over a particular matter, any state or federal court within the State of Delaware). Each of the Parties hereby irrevocably submits with regard to any such Action for itself and in respect of its property, generally and unconditionally, to the personal jurisdiction of the aforesaid courts and agrees that it will not bring any Action relating to this Agreement or any of the transactions contemplated by this Agreement in any court other than the aforesaid courts. Each of the Parties hereby irrevocably waives, and agrees not to assert, by way of motion, as a defense, counterclaim or otherwise, in any Action with respect to this Agreement, (a) any claim that it is not personally subject to the jurisdiction of the above named courts for any reason other than the failure to serve in accordance with this Section 10.04, (b) any claim that it or its property is exempt or immune from jurisdiction of any such court or from any legal process commenced in such courts (whether through service of notice, attachment prior to judgment, attachment in aid of execution of judgment, execution of judgment or otherwise) and (c) to the fullest extent permitted by the applicable Law, any claim that (i) the Action in such court is brought in an inconvenient forum, (ii) the venue of such Action is improper or (iii) this Agreement, or the subject matter hereof, may not be enforced in or by such courts.

Section 10.05 **Waiver of Jury Trial**. EACH OF THE PARTIES IRREVOCABLY WAIVES ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY ACTION ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY.

Section 10.06 **Notices**. All notices, demands and other communications to be given or delivered to a Party under or by reason of the provisions of this Agreement shall be in writing (including in electronic form) and shall be deemed to have been given (i) if personally delivered, delivered by express courier service of national standing (with charges prepaid), or deposited in the United States mail, first class postage prepaid, on the date of physical receipt or (ii) if

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delivered by facsimile or electronic mail, if delivered (and, in each case, receipt confirmed in writing) on or before 5:00 p.m. New York City time on a Business Day, on such Business Day, and if delivered after 5:00 p.m. New York City time, or during a non-Business Day, on the following Business Day; in each case, to such Party at the address set forth below:

(a) If to Parent:

c/o PPL Corporation
Two North Ninth Street
Allentown, PA 18101
Attention: General Counsel
Facsimile: (610) 774-4455
Telephone: (610) 774-5587
Email: rjgrey@pplweb.com

with copies to (which shall not constitute notice):

Simpson Thacher & Bartlett LLP
425 Lexington Avenue
New York, NY 10017-3954
Attention: Mario Ponce
Telephone: (212) 455-3442
Facsimile: (212) 455-2502
Email: mponce@stblaw.com

and

Simpson Thacher & Bartlett LLP
2 Houston Center
909 Fannin Street, Suite 1475
Houston, TX 77010
Attention: M. Breen Haire
Telephone: (713) 821-5640
Facsimile: (713) 821-5602
Email: breen.haire@stblaw.com

(b) If to RJS:

Riverstone Holdings LLC
712 Fifth Avenue, 36th Floor
New York, New York 10019
Attention: General Counsel
Telephone: (212) 993-0092
Facsimile: (888) 801-9301
Email: scoats@riverstonellc.com

with a copy to (which shall not constitute notice):

Vinson & Elkins LLP
1001 Fannin Street, Suite 2500

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Houston, TX 77002
Attention: Trina Chandler
Telephone: (713) 758-3218
Facsimile: (713) 615-5088
Email: tchandler@velaw.com

(c) If to NewCo, HoldCo or Merger Sub:

c/o PPL Corporation
Two North Ninth Street
Allentown, PA 18101
Attention: General Counsel
Telephone: (610) 774-4455
Facsimile: (610) 774-5587
Email: rjgrey@pplweb.com

with copies to (which shall not constitute notice):

Simpson Thacher & Bartlett LLP
425 Lexington Avenue
New York, NY 10017-3954
Attention: Mario Ponce
Telephone: (212) 455-3442
Facsimile: (212) 455-2502
Email: mponce@stblaw.com

and

Simpson Thacher & Bartlett LLP
2 Houston Center
909 Fannin Street, Suite 1475
Houston, TX 77010
Attention: M. Breen Haire
Telephone: (713) 821-5640
Facsimile: (713) 821-5602
Email: breen.haire@stblaw.com

(d) If to Energy Supply:

c/o PPL Corporation
Two North Ninth Street
Allentown, PA 18101
Attention: General Counsel
Telephone: (610) 774-4455
Facsimile: (610) 774-5587
Email: rjgrey@pplweb.com

with copies to (which shall not constitute notice):

Simpson Thacher & Bartlett LLP

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425 Lexington Avenue
New York, NY 10017-3954
Attention: Mario Ponce
Telephone: (212) 455-3442
Facsimile: (212) 455-2502
Email: mponce@stblaw.com

and

Simpson Thacher & Bartlett LLP
2 Houston Center
909 Fannin Street, Suite 1475
Houston, TX 77010
Attention: M. Breen Haire
Telephone: (713) 821-5640
Facsimile: (713) 821-5602
Email: breen.haire@stblaw.com

or to such other address(es) as shall be furnished in writing by any such Party to the other Party in accordance with the provisions of this Section 10.06.

Section 10.07 **Amendments and Waivers**.

(a) This Agreement may not be amended except by an instrument in writing signed by each of the Parties. Any provision of this Agreement may be waived, provided however, that any such waiver shall be binding upon a Party only if such waiver is set forth in a writing executed by such Party. No course of dealing between or among any Persons having any interest in this Agreement shall be deemed effective to modify, amend or discharge any part of this Agreement or any rights or obligations of any Party under or by reason of this Agreement.

(b) No delay or failure in exercising any right, power or remedy hereunder shall affect or operate as a waiver thereof; nor shall any single or partial exercise thereof or any abandonment or discontinuance of steps to enforce such a right, power or remedy preclude any further exercise thereof or of any other right, power or remedy. The rights and remedies hereunder are cumulative and not exclusive of any rights or remedies that any Party would otherwise have. Any waiver, permit, consent or approval of any kind or character of any breach or default under this Agreement or any such waiver of any provision of this Agreement must satisfy the conditions set forth in Section 10.07(a) and shall be effective only to the extent in such writing specifically set forth.

Section 10.08 **Termination**. This Agreement shall terminate without further action at any time before the Closing upon termination of the Transaction Agreement. If terminated, no Party shall have any Liability of any kind to the other Party or any other Person on account of this Agreement, except as provided in Section 10.02 of the Transaction Agreement.

Section 10.09 **No Third-Party Beneficiaries**. Except for (a) the provisions of ARTICLE IV relating to the release of certain Liabilities and (b) ARTICLE V and ARTICLE VI relating to certain indemnitees, this Agreement is solely for the benefit of the Parties (and their respective successors and permitted assigns) and does not confer on third parties (including any

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employees of any member of the Parent Group, the RJS Group or the Energy Supply Group) any remedy, claim, reimbursement, claim of action or other right in addition to those existing without reference to this Agreement.

Section 10.10 **Assignability; Binding Effect**. Neither this Agreement nor any of the rights, benefits or obligations hereunder may be assigned by any Party without the prior written consent of the other Parties and any attempt to assign this Agreement without such consent shall be void and of no effect, except that, without the consent of the other Parties, (a) each of Raven, Jade and/or Sapphire may, in accordance with the RJS Separation Plan, assign any or all of their respective rights, titles, interests, benefits and/or obligations under this Agreement to one or more newly formed Person(s) that, as of such date of assignment, individually or collectively, shall be wholly owned by Raven, Jade and/or Sapphire and that own, directly or indirectly, the RJS Subsidiaries (each such Person, an "RJS HoldCo") and upon such assignment and assumption by such assignee, such assignor shall be released from all liability or obligations under this Agreement, and (b) any Party (other than Parent) may assign all or any of its rights, titles, interests, benefits and/or obligations under this Agreement to (i) any Person providing any part of the Financings or any agent on behalf of any providers of the Financings for the purpose of creating a security interest herein or otherwise assign as collateral in connection therewith, (ii) one or more Affiliates of such Party, or (iii) from and after Closing, to any purchaser of all or substantially all of the assets of such Party; provided, however, that in the case of clause (b)(i), (ii) and (iii), no such assignment shall release such Party from any liability or obligation under this Agreement. This Agreement shall be binding upon and inure to the benefit of the Parties and their respective successors and permitted assigns.

Section 10.11 **Construction; Interpretation**. Headings of the Articles and Sections of this Agreement are for convenience of the Parties only and shall be given no substantive or interpretive effect whatsoever. The table of contents to this Agreement is for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement. Whenever required by the context, any pronoun used in this Agreement or the Schedules hereto shall include the corresponding masculine, feminine or neuter forms, and the singular forms of nouns, pronouns and verbs shall include the plural and vice versa. Unless otherwise specified, reference to any agreement, document, instrument or Law means such agreement, document, instrument or Law as amended or otherwise modified from time to time in accordance with the terms thereof, and if applicable hereof. Whenever the words "include," "includes" or "including" are used in this Agreement, they shall be deemed to be followed by the words "without limitation." The words "hereof," "herein" and "hereunder" and words of similar import when used in this Agreement shall refer to this Agreement as a whole and not to any particular provision of this Agreement. Unless expressly stated to the contrary in this Agreement, all references to "the date hereof," "the date of this Agreement," "hereby" and "hereupon" and words of similar import shall all be references to June 5, 2014, regardless of any amendment or restatement hereof. Unless the context otherwise requires, "or," "neither," "nor," "any," "either," and "and/or" shall not be exclusive. The word "extent" in the phase "to the extent" means the degree to which a subject or other thing extends, and such phrase does not simply mean "if." The words "shall" and "will" have the same meaning. Except as otherwise provided in this Agreement, all accounting terms shall have their respective meanings under GAAP. All references to dollars or "$" shall be references to United States dollars. Whenever this Agreement refers to a number of days, such number shall refer to calendar days unless Business Days are specified. Whenever

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any action must be taken hereunder on or by a day that is not a Business Day, then such action may be validly taken on or by the next day that is a Business Day. The Parties have participated jointly in the negotiation and drafting of this Agreement, the Transaction Agreement and the Ancillary Agreements. In the event an ambiguity or question of intent or interpretation arises, this Agreement shall be construed as if drafted jointly by the Parties, and no presumption or burden of proof shall arise favoring or disfavoring any Party by virtue of the authorship of any of the provisions of this Agreement. All article, section, subsection, schedules and exhibit references used in this Agreement are to articles, sections, subsections, schedules and exhibits to this Agreement unless otherwise specified. The exhibits and schedules attached to this Agreement constitute a part of this Agreement and are incorporated herein for all purposes. If a term is defined as one part of speech (such as a noun), it shall have a corresponding meaning when used as another part of speech (such as a verb).

Section 10.12 **Severability**. If any term or provision of this Agreement or the application of any such term or provision to any Person or circumstance is determined or declared judicially to be invalid, unenforceable or void in any jurisdiction, such decision shall not have the effect of invalidating or voiding the remainder of this Agreement, it being the intent and agreement of the Parties that this Agreement shall be deemed amended by modifying such term or provision to the extent necessary to render it valid, legal and enforceable to the maximum extent permitted while preserving its intent or, if such modification is not possible, by substituting therefor another provision that is valid, legal and enforceable and that achieves the original intent of the Parties.

Section 10.13 **Counterparts**. This Agreement may be executed in multiple counterparts (any one of which need not contain the signatures of more than one Party), each of which shall be deemed to be an original but all of which taken together shall constitute one and the same agreement. This Agreement, and any amendments hereto, to the extent signed and delivered by means of a facsimile machine or other electronic transmission, shall be treated in all manner and respects as an original agreement and shall be considered to have the same binding legal effects as if it were the original signed version thereof delivered in person. At the request of any Party, the other Party shall re-execute original forms thereof and deliver them to the requesting Party. No Party shall raise the use of a facsimile machine or other electronic means to deliver a signature or the fact that any signature was transmitted or communicated through the use of a facsimile machine or other electronic means as a defense to the formation of a Contract and each such Party forever waives any such defense.

Section 10.14 **Transaction Agreement; Ancillary Agreements**. Except as expressly set forth herein, this Agreement is not intended to address and should not be interpreted to address, the matters specifically covered by the Transaction Agreement or any Ancillary Agreement.

Section 10.15 **Plan of Reorganization**. Where applicable, this Agreement shall constitute a "plan of reorganization" for the Transactions under Treasury Regulation Section 1.368-2(g).

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ARTICLE XI
DEFINITIONS

Section 11.01 **Definitions**. For purposes of this Agreement, the following terms, when utilized in a capitalized form, shall have the following meanings:

"**Action**" means any demand, charge, claim, action, suit, counter suit, arbitration, mediation, hearing, inquiry, proceeding, audit, review, complaint, litigation or investigation, or proceeding of any nature whether administrative, civil, criminal, regulatory or otherwise, by or before any Governmental Authority.

"**Affiliate**" means, with respect to any Person, any other Person directly or indirectly controlling, controlled by, or under common control with such other Person as of the date on which, or at any time during the period for which, the determination of affiliation is being made. For purposes of this definition, the term "control" (including, with correlative meanings, the terms "controlled by" and "under common control with"), as used with respect to any Person means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Person, whether through the ownership of voting securities, by Contract or otherwise.

"**Aggregate Authorized NewCo Amount**" has the meaning set forth in the Transaction Agreement.

"**Aggregate HoldCo Amount**" has the meaning set forth in the Transaction Agreement.

"**Agreement**" has the meaning set forth in the preamble.

"**Ancillary Agreements**" has the meaning set forth in the Transaction Agreement.

"**Assets**" means any and all assets, properties and rights (including goodwill), wherever located (including in the possession of third parties or elsewhere), whether real, personal or mixed, tangible, intangible or contingent, in each case whether or not recorded or reflected or required to be recorded or reflected on the books and records or financial statements of any Person, including the following: (i) all accounting, business and other books, records and files, whether in paper, microfilm, microfiche, computer tape or disc, magnetic tape or any other form, (ii) all IT Equipment, processing equipment, fixtures, machinery, equipment, furniture, office equipment, motor vehicles and other transportation equipment, special and general tools, prototypes and models and other tangible personal property of any kind, (iii) all inventories of materials, parts, raw materials, packing materials, supplies, work-in-process, goods in transit and finished goods and products, (iv) all Real Property Interests, (v) all interests in any capital stock or other equity interests of any Subsidiary or any other Person, (vi) all bonds, notes, debentures or other securities issued by any other Person, (vii) all loans, advances or other extensions of credit or capital contributions to any Subsidiary or any other Person, and all other investments in securities of any Person, (viii) all Permits, distribution and supplier arrangements, sale and purchase agreements, joint operating agreements, leases of personal property, open purchase orders including for raw materials, supplies, parts or services, unfilled orders for the manufacture and sale of products and other Contracts and business arrangements, (ix) all deposits, letters of credit and performance and surety bonds, (x) all Intellectual Property, (xi) all IT Systems

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whether owned, licensed or used, (xii) all cost information; sales and pricing data; customer prospect lists; supplier records; customer, distribution and supplier lists; customer and vendor data, correspondence and lists; product literature (including historical); advertising and promotional materials; and other printed or written materials, artwork; design; development, manufacturing and quality control records, procedures and files; vendor and customer drawings, formulations and specifications; quality records and reports and other books, records, ledgers, files, documents, plats, photographs, studies, surveys, reports, plans and documents, operating, production and other manuals, including corporate minute books and related stock records, financial and Tax records (including Tax Returns), in all cases whether in paper, microfilm, microfiche, computer tape or disc, magnetic tape or any other form, (xiii) all prepaid expenses, including prepaid leases and prepaid rentals, trade accounts and other accounts and notes receivables (whether current or non-current), (xiv) all interests, rights to causes of action, lawsuits, judgments, claims, counterclaims, rights under express or implied warranties, rights of recovery and rights of set off of any kind, demands and benefits of any Person, including all claims or rights against any Person arising from the ownership of any Asset, all rights in connection with any bids or offers, causes of action or similar rights, whether accrued or contingent and (xv) all Governmental Approvals and other licenses and authorizations issued by any Governmental Authority.

"**Business Day**" means any day that is not a Saturday, a Sunday or other day that is a statutory holiday under the federal Laws of the United States. In the event that any action is required or permitted to be taken under this Agreement on or by a date that is not a Business Day, such action may be taken on or by the Business Day immediately following such date.

"**Cash**" has the meaning set forth in the Transaction Agreement.

"**Closing**" has the meaning set forth in the Transaction Agreement.

"**Closing Date**" has the meaning set forth in the Transaction Agreement.

"**Closing of the Books Method**" means the apportionment of items between portions of a Straddle Period based on a closing of the books and records on the Distribution Date (as if the Distribution Date was the end of the taxable period).

"**Code**" means the United States Internal Revenue Code of 1986 (or any successor statute), as amended from time to time.

"**Collective Bargaining Agreements**" means all Contracts with the collective bargaining representatives of employees including those that set forth the terms and conditions of employment of such employees.

"**Confidentiality Agreement**" has the meaning set forth in the Transaction Agreement.

"**Confidential Business Information**" means all Information, data or material other than Confidential Operational Information, including (i) earnings reports and forecasts, (ii) macro-economic reports and forecasts, (iii) business and strategic plans, (iv) general market evaluations and surveys, (v) litigation presentations and risk assessments, (vi) budgets and (vii) financing and credit-related information.

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"**Confidential Information**" means Confidential Business Information and Confidential Operational Information concerning a Party and/or its Subsidiaries which, prior to or following the Separation Time, has been disclosed by a Party or its Subsidiaries to the other Party or its Subsidiaries, in written, oral (including by recording), electronic or visual form, or otherwise has come into the possession of the other Party, including pursuant to the access provisions of Section 7.02 or any other provision of this Agreement or any Ancillary Agreement (except to the extent that such information can be shown to have been (i) in the public domain through no action of such Party or its Subsidiaries; (ii) lawfully acquired from other sources by such Party or its Subsidiaries to which it was furnished; (iii) is independently developed by a Party or its Subsidiaries after the date hereof without reference to the Confidential Business Information or Confidential Operational Information of the other Party or its Subsidiaries and without a breach of this Agreement; or (iv) approved for release by written authorization of the disclosing Party and/or the third-party owner of the disclosed information; *provided*, *however*, in the case of clause (ii) that, to the furnished Party's knowledge, such sources did not provide such information in breach of any confidentiality obligations).

"**Confidential Operational Information**" means all operational information, data or material including (i) specifications, ideas and concepts for products, services and operations, (ii) quality assurance policies, procedures and specifications, (iii) customer information, (iv) software, (v) training materials and information and (vi) all other know-how, methodologies, procedures, techniques and trade secrets related to design, development and operational processes.

"**Consent Committee**" has the meaning set forth in Section 2.04(c).

"**Consents**" means any consents, waivers or approvals from, or notification requirements to, or authorizations by, any Person other than a member of the Parent Group or a member of the Energy Supply Group.

"**Consolidated Group**" means any affiliated, combined, consolidated, unitary or similar group with respect to any Taxes, including any affiliated group within the meaning of Section 1504 of the Code electing to file Consolidated Tax Returns and any similar group under foreign, U.S. state or local law.

"**Consolidated Tax Return**" means any Tax Return filed pursuant to Section 1502 of the Code, or any comparable combined, consolidated, or unitary group Tax Return filed under U.S. state or local or foreign Tax Law with respect to which any member of the Parent Group is the parent entity.

"**Contract**" means any legally binding written or oral agreement, contract, subcontract, lease, sublease, understanding, instrument, note, evidence of indebtedness, mortgage, indenture, security agreement, letter of credit, option, warranty, purchase order, license, sublicense, insurance policy, benefit plan or commitment or undertaking of any nature, excluding any Permit.

"**Contributions**" has the meaning set forth in the Transaction Agreement.

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"**Convey**" has the meaning set forth in Section 1.02(a). Variants of this term such as "**Conveyance**" shall have correlative meanings.

"**Covenant IP**" has the meaning set forth in Section 8.04(a).

"**Deferred Asset**" has the meaning set forth in Section 2.04(a).

"**Deferred Liability**" has the meaning set forth in Section 2.04(a).

"**Deferred Transfer Beneficiary**" has the meaning set forth in Section 2.04(e).

"**Deferred Transfer Trustee**" has the meaning set forth in Section 2.04(e).

"**DGCL**" means the General Corporation law of the State of Delaware, as amended.

"**Distribution**" has the meaning set forth in the Transaction Agreement.

"**Distribution Date**" has the meaning set forth in the Transaction Agreement.

"**Distribution Time**" has the meaning set forth in the Transaction Agreement.

"**Employee Matters Agreement**" means the Employee Matters Agreement, dated the date hereof, entered into among Parent, NewCo and RJS.

"**Energy Funding**" has the meaning set forth in the Transaction Agreement.

"**Energy Funding Capital Stock**" means (i) all classes and series of capital stock of Energy Funding, (ii) all instruments properly treated as equity in Energy Funding for United States federal income tax purposes, and (iii) all options, warrants, convertible debt and other rights respecting (i) or (ii).

"**Energy Supply**" has the meaning set forth in the preamble.

"**Energy Supply Assets**" has the meaning set forth in Section 2.02(a).

"**Energy Supply Books and Records**" has the meaning set forth in Section 2.02(a)(xi).

"**Energy Supply Business**" means (i) the ownership and/or operation of electric generating facilities and related assets owned, leased or otherwise held or operated by any member of the Energy Supply Group; (ii) the ownership and operation of the Legacy Assets by Parent and its Subsidiaries prior to the Realignment; (iii) the ownership and/or operation of PPL Interstate Energy Company, Pennsylvania Mines Corporation, and Realty Company of Pennsylvania and their respective assets and businesses; (iv) the marketing, trading, purchase and sale of electricity, natural gas, petroleum and other commodities in wholesale and retail transactions by PPL EnergyPlus, LLC, PPL Treasure State, LLC and PPL EnergyPlus Retail, LLC, related hedging transactions; (v) the mechanical contracting business of PPL Energy Services Holdings, LLC and its Subsidiaries (to the extent any such Subsidiary is a member of the Energy Supply Group); and (vi) the ownership and operation of PPL Land Holdings, LLC;

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provided that notwithstanding anything to the contrary in this Agreement, the Energy Supply Business shall not be deemed to include any Excluded Asset or Excluded Liability.

"**Energy Supply Capital Stock**" means (i) all classes and series of capital stock of Energy Supply, (ii) all instruments properly treated as equity in Energy Supply for United States federal income tax purposes, and (iii) all options, warrants, convertible debt and other rights respecting (i) or (ii).

"**Energy Supply Contribution**" means any Conveyance of Energy Supply Assets from Parent to Energy Supply pursuant to Section 1.02(e).

"**Energy Supply Contracts**" has the meaning set forth in Section 2.02(a)(viii).

"**Energy Supply Election**" has the meaning set forth in Section 1.02(c).

"**Energy Supply Employee**" has the meaning set forth in the Employee Matters Agreement.

"**Energy Supply Group**" means HoldCo, NewCo, Merger Sub, Energy Supply and each of the Energy Supply Subs, and after the Closing, the RJS Group.

"**Energy Supply Indemnitees**" means each member of the Energy Supply Group (including the RJS Group) and each of their respective successors and assigns, and all Persons who are or have been directors, partners, managers, members, managing members, officers, agents or employees of any member of the Energy Supply Group (in each case, in their respective capacities as such), and their respective heirs, executors, administrators, successors and assigns.

"**Energy Supply Intellectual Property**" has the meaning set forth in Section 2.02(a)(vi).

"**Energy Supply Liabilities**" has the meaning set forth in Section 2.03(a).

"**Energy Supply Mark License Term**" has the meaning set forth in Section 8.02(b)(i).

"**Energy Supply Marks**" has the meaning set forth in Section 8.02(b)(i).

"**Energy Supply Permits**" has the meaning set forth in Section 2.02(a)(iv).

"**Energy Supply Real Property**" has the meaning set forth in Section 2.02(a)(i).

"**Energy Supply Released Claims**" has the meaning set forth in Section 4.01(b)(i).

"**Energy Supply SEC Filings**" has the meaning set forth in the Transaction Agreement.

"**Energy Supply Subs**" has the meaning set forth in the Transaction Agreement.

"**Excluded Assets**" has the meaning set forth in Section 2.02(b).

"**Excluded Liabilities**" has the meaning set forth in Section 2.03(b).

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"**Final Determination**" means (a) a decision, judgment, decree or other order by any court of competent jurisdiction, which decision, judgment, decree or other order has become final or (b) a closing agreement made under Section 7121 of the Code (or a comparable agreement under the laws of a state, local, or foreign taxing jurisdiction) with the relevant Governmental Authority or other administrative settlement with or final administrative decision by the relevant Governmental Authority.

"**Financing**" has the meaning set forth in the Transaction Agreement.

"**Formerly Owned Asset Liabilities**" means any Liability (other than any Excluded Liability) of a member of the Energy Supply Group with respect to Assets that were owned prior to the date of this Agreement by an Energy Supply Sub but that, as of the Distribution, are no longer owned by an Energy Supply Sub.

"**GAAP**" has the meaning set forth in the Transaction Agreement.

"**Governmental Approvals**" means any notices, reports or other filings to be made, or any Consents, registrations, permits or authorizations to be obtained from, any Governmental Authority; *provided*, *however*, that the Parent Regulatory Approvals and the RJS Regulatory Approvals shall not constitute Governmental Approvals for purposes of this Agreement.

"**Governmental Authority**" means any federal, state, local, foreign or international court, government, department, commission, board, bureau, agency, official or other regulatory, administrative or governmental authority or self-regulatory organization or any arbitrator or arbitration or mediation tribunal.

"**Group**" means the Parent Group, the RJS Group or the Energy Supply Group, as the context requires.

"**HoldCo**" has the meaning set forth in the preamble.

"**HoldCo Capital Stock**" means (i) all classes and series of capital stock of HoldCo, (ii) all instruments properly treated as equity in HoldCo for United States federal income tax purposes, and (iii) all options, warrants, convertible debt and other rights respecting (i) or (ii).

"**HoldCo Common Stock**" has the meaning set forth in the recitals.

"**HoldCo Contribution**" has the meaning set forth in Section 1.02(g).

"**Included Party**" has the meaning set forth in Section 6.05(c).

"**Indemnifying Party**" has the meaning set forth in Section 5.04(b).

"**Indemnitee**" has the meaning set forth in Section 5.04(b).

"**Indemnity Payment**" has the meaning set forth in Section 5.05(a).

"**Independent Accountant**" has the meaning set forth in Section 5.06(a).

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"**Information**" means information in written, oral, electronic or other tangible or intangible forms, stored in any medium, including studies, reports, records, books, Contracts, instruments, surveys, discoveries, ideas, concepts, know-how, techniques, designs, specifications, drawings, blueprints, diagrams, models, prototypes, samples, flow charts, data, computer data, disks, diskettes, tapes, computer programs or other software, marketing plans, customer names, communications by or to attorneys (including attorney-client privileged communications), memos and other materials prepared by attorneys or under their direction (including attorney work product), and other technical, financial, employee or business information or data, but in any case excluding (other than in connection with Confidential Information) back-up tapes.

"**Intellectual Property**" means all intellectual and proprietary rights, under the law of any jurisdiction, both statutory and common law rights, including, without limitation, (i) trademarks, trade names, service marks, domain names, trade dress, logos, social media identifiers and other source indicators (including all goodwill associated with the foregoing), and registrations and applications for registrations thereof (together, "**Trademarks**"); (ii) patents, inventions, methods, processes; (iii) copyrights, moral rights, database rights, other rights in works of authorship; (iv) technology, trade secrets, and know-how, rights in confidential information, including designs, formulations, concepts, compilations of information, methods, techniques, procedures, customer lists and information, supplier lists, manufacturer lists, manufacturing and production processes and techniques, blueprints, drawings, schematics, manuals, software, firmware and databases, whether or not patentable, and all registrations, applications, provisionals, divisions, continuations, continuations-in-part, re-issues, re-examinations, renewals, foreign counterpart and equivalents of any of the foregoing.

"**Intended Tax-Free Treatment**" has the meaning set forth in the Transaction Agreement.

"**Intercompany Account**" means any receivable, payable, loan, note, indebtedness, credit or debit between any member of the Parent Group, on the one hand, and any member of the Energy Supply Group, on the other hand, that exists prior to or at the Distribution except for any such receivable, payable, loan, note, indebtedness, credit or debit that arises pursuant to this Agreement, the Transaction Agreement or any Ancillary Agreement.

"**Internal Distribution**" has the meaning set forth in Section 1.02(d).

"**IT Equipment**" means all computers, servers, printers, computer hardware, wired or mobile telephones, on-site process control and automation systems, telecommunication assets, and other information technology-related equipment.

"**IT Systems**" means all computer software, the tangible media on which it is recorded (in any form) and all supporting documentation, including input and output format, program listings, narrative descriptions, source code, object code, executable code, algorithms, logic and development tools, operating instructions, construction and design specifications, training materials and user manuals, and data and databases, including those pertaining to the design, operation, maintenance, support, development, performance, and configuration of such software,

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together with all translations, adaptations, modifications, derivations, combinations and derivative works thereof.

"**Jade**" has the meaning set forth in the preamble.

"**Law**" means any statute, law (including common law), ordinance, regulation, rule, code or other requirement of, or Order issued by, a Governmental Authority.

"**Leased Premises**" has the meaning set forth in Section 2.02(a)(ii).

"**Legacy Assets**" means the Assets set forth in Schedule 11.01 - LA attached hereto.

"**Liabilities**" means all debts, liabilities (including liabilities for Taxes), guarantees, assurances, commitments and obligations, whether fixed, contingent or absolute, asserted or unasserted, matured or unmatured, liquidated or unliquidated, accrued or not accrued, known or unknown, due or to become due, whenever or however arising (including whether arising out of any Contract or tort based on negligence, strict liability or relating to Taxes payable by a Person in connection with compensatory payments to employees or independent contractors) and whether or not the same would be required by generally accepted principles and accounting policies to be reflected in financial statements or disclosed in the notes thereto.

"**Losses**" means Liabilities, damages, penalties, judgments, awards, assessments, fines, penalties, obligations, deficiencies, amounts paid in settlement, Taxes, losses, costs and expenses (including reasonable attorneys' fees and expenses) in any case, whether arising under strict liability or otherwise.

"**Merger**" has the meaning set forth in the Transaction Agreement.

"**Merger Sub**" has the meaning set forth in the recitals.

"**Merger Sub Common Stock**" has the meaning set forth in the recitals.

"**Missing Asset**" has the meaning set forth in Section 1.04.

"**Net-Tax Basis**" has the meaning set forth in Section 5.05(c).

"**NewCo**" has the meaning set forth in the preamble.

"**NewCo Capital Stock**" means (i) all classes and series of capital stock of NewCo, (ii) all instruments properly treated as equity in NewCo for United States federal income tax purposes, and (iii) all options, warrants, convertible debt and other rights respecting (i) or (ii).

"**NewCo Common Stock**" has the meaning set forth in the recitals.

"**Non-Energy Supply Subs**" has the meaning set forth in Section 1.02(e).

"**Order**" means any: (i) order, judgment, injunction, edict, decree, ruling, pronouncement, determination, decision, opinion, verdict, sentence, subpoena, writ or award issued, made, entered, rendered or otherwise put into effect by or under the authority of any

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Governmental Authority or (ii) Contract with any Governmental Authority entered into in connection with any Action.

"**Organizational Documents**" has the meaning set forth in the Transaction Agreement.

"**Parent**" has the meaning set forth in the preamble.

"**Parent Capital Stock**" means (i) all classes and series of capital stock of Parent, (ii) all instruments properly treated as equity in Parent for United States federal income tax purposes, and (iii) all options, warrants, convertible debt and other rights respecting (i) or (ii).

"**Parent Group**" means Parent and each of its Subsidiaries, but excluding any member of the Energy Supply Group.

"**Parent Group Policies**" means all insurance policies, insurance Contracts and claim administration Contracts of any kind of Parent and its Subsidiaries (other than members of the Energy Supply Group) and their predecessors which were or are in effect at any time at or prior to the Distribution Date.

"**Parent Indemnitees**" means Parent, each member of the Parent Group, and all Persons who are or have been directors, partners, managers, members, managing members, officers, agents or employees of any member of the Parent Group (in each case, in their respective capacities as such), together with their respective heirs, executors, administrators, successors and assigns.

"**Parent Names and Marks**" has the meaning set forth in Section 8.02(a).

"**Parent Regulatory Approvals**" has the meaning set forth in the Transaction Agreement.

"**Parent Released Claims**" has the meaning set forth in Section 4.01(a)(i).

"**Participating Party**" has the meaning set forth in Section 6.04(c).

"**Party**" or "**Parties**" means Parent, HoldCo, NewCo, Energy Supply, Raven, Jade and Sapphire.

"**Permits**" means all franchises, permits, approvals, licenses, easements, servitudes, variances, consents, authorizations, dockets, certificates, rights, exemptions and Orders from Governmental Authorities.

"**Person**" means an individual, a partnership, a corporation, a limited liability company, an association, a joint stock company, a trust, a joint venture, an unincorporated organization, other entity or a Governmental Authority.

"**Post-Distribution Taxable Period**" means any taxable period beginning after the Distribution Date (in the case of any Consolidated Tax Return) or the date of this Agreement (in the case of any Tax Return other than a Consolidated Tax Return).

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"**Post-Distribution Tax Return**" has the meaning set forth in Section 6.05(a).

"**Pre-Distribution Taxable Period**" means any taxable period ending on or before the Distribution Date (in the case of any Consolidated Tax Return) or the date of this Agreement (in the case of any Tax Return other than a Consolidated Tax Return).

"**Pre-Distribution Tax Return**" has the meaning set forth in Section 6.05(a).

"**Preparing Party**" has the meaning set forth in Section 6.05(c).

"**Privileged Information**" has the meaning set forth in Section 7.04(b).

"**Privileges**" has the meaning set forth in Section 7.04(b).

"**Raven**" has the meaning set forth in the preamble.

"**Real Property Interests**" means all interests in real property of whatever nature, including easements and servitudes, whether as owner or holder of a Security Interest, lessor, sublessor, lessee, sublessee or otherwise.

"**Realignment**" means the transactions effected as of July 1, 2000 pursuant to which PPL Electric Utilities Corporation (f/k/a PP&L Inc., f/k/a Pennsylvania Power & Light Co.) transferred the Legacy Assets and related Liabilities to certain Subsidiaries of Energy Supply.

"**Representatives**" means with respect to any Person, such Person's officers, employees, accountants, consultants, legal counsel, financial advisors, agents, directors and other representatives.

"**Requesting Party**" has the meaning set forth in Section 7.02.

"**RJS**" has the meaning set forth in the preamble.

"**RJS Group**" means RJS and the RJS Subsidiaries.

"**RJS Regulatory Approvals**" has the meaning set forth in the Transaction Agreement.

"**RJS Subsidiaries**" has the meaning set forth in the Transaction Agreement.

"**Sapphire**" has the meaning set forth in the preamble.

"**Section 336(e) Election**" has the meaning set forth in Section 6.09(a).

"**Security Interest**" means any mortgage, security interest, pledge, lien, charge, claim, option, right to acquire, voting or other restriction, right-of-way, condition, easement, servitude encroachment, restriction on transfer or other encumbrance of any nature whatsoever, excluding restrictions on transfer under securities Laws.

"**Separation Date**" has the meaning set forth in Section 3.01.

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"**Separation Plan**" has the meaning set forth in Section 1.01(a).

"**Separation Time**" has the meaning set forth in Section 3.01.

"**Separation Transactions**" has the meaning set forth in Section 1.01(a).

"**Shared Contracts"** means those Contracts to which Parent or any of its Affiliates is a party pursuant to which the counterparty provides as of the date hereof and/or expects to provide as of or after the Distribution Date more than a de minimis amount of products, services or Intellectual Property to both the Energy Supply Business and to any other business of Parent or any Non-Energy Supply Sub, including those Contracts set forth on Schedule 2.05.

"**Shared Location"** has the meaning set forth in Section 2.06.

"**Shared Privilege**" has the meaning set forth in Section 7.04(e).

"**Shared Representation**" has the meaning set forth in Section 7.04(a).

"**Spin Transactions**" has the meaning set forth in Section 1.01(a).

"**Straddle Period**" means any taxable period beginning before and ending after the Distribution Date (in the case of any Consolidated Tax Return) or the date of this Agreement (in the case of any Tax Return other than a Consolidated Tax Return).

"**Straddle Tax Return**" has the meaning set forth in Section 6.05(a).

"**Subsidiary**" means, with respect to any Person, any corporation or other entity (including partnerships and other business associations and joint ventures) of which at least a majority of the voting power represented by the outstanding capital stock or other voting securities or interests having voting power under ordinary circumstances to elect directors or similar members of the governing body of such corporation or entity (or, if there are no such voting interests, fifty percent (50%) or more of the equity interests in such corporation or entity) shall at the time be held, directly or indirectly, by such Person.

"**Tax**" or "**Taxes**" means (i) all taxes, charges, fees, levies, penalties or other assessments imposed by any federal, state, local, provincial or foreign taxing authority, including income, gross receipts, excise, real or personal property, sales, use, transfer, customs, duties, franchise, payroll, withholding, social security, receipts, license, stamp, occupation, employment, or any tax based upon, measured by or calculated with respect to the generation of electricity or other taxes, including any interest, penalties or additions attributable thereto, and any payments to any state, local, provincial or foreign taxing authorities in lieu of any such taxes, charges, fees, levies or assessments; (ii) any liability for the payment of any amounts of the type described in clause (i) as a result of being a member of a Consolidated Group for any period; and (iii) any liability of for the payment of any amounts of the type described in clause (i) or (ii) as a result of the operation of Law or any express or implied obligation to indemnify any other Person.

"**Tax Controversy**" means any audit, examination, claim, adjustment, litigation or other proceeding relating to Taxes.

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"**Tax Documents**" means the Tax Opinion, including any certificates or representation letters delivered in connection therewith.

"**Tax Expert**" means any nationally recognized tax counsel or KPMG, PricewaterhouseCoopers, Deloitte or Ernst & Young.

"**Tax Opinion**" means the opinion of Simpson Thacher & Bartlett LLP rendered in connection with the Distribution, the Internal Distribution, the Energy Supply Election, the HoldCo Contribution, the Separation Transactions, the Merger and the Contributions.

"**Tax Package**" has the meaning set forth in Section 6.05(c).

"**Tax Return**" means any return, report, information return, declaration, claim for refund or other document relating to Taxes (including any schedule or related or supporting information), including any amendment thereto, and including any return filed by a nuclear decommissioning trust.

"**Third-Party Claim**" has the meaning set forth in Section 5.04(b).

"**Third-Party Consent**" has the meaning set forth in Section 2.04(b).

"**Third-Party Proceeds**" has the meaning set forth in Section 5.05(a).

"**Title and Survey Documents**" has the meaning set forth in Section 8.07(a).

"**Trademarks**" has the meaning set forth in the definition of "Intellectual Property".

"**Transactions**" means the Separation Transactions, the Closing Transactions and the other transactions contemplated by this Agreement, the Transaction Agreement and Ancillary Agreements.

"**Transaction Agreement**" has the meaning set forth in the recitals.

"**Transfer Taxes**" has the meaning set forth in Section 6.08.

"**Transition Services Agreement**" has the meaning set forth in the Transaction Agreement.

"**Treasury Regulations**" means the regulations (including temporary regulations) promulgated by the United States Department of the Treasury pursuant to and in respect of provisions of the Code. All references in this Agreement to sections of the Treasury Regulations will include any corresponding provision or provisions of succeeding, similar or substitute, temporary or final Treasury Regulations.

[Signature Page Follows]

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IN WITNESS WHEREOF, each of the Parties has caused this Separation Agreement to be executed on its behalf by its officers hereunto duly authorized on the day and year first above written.

RAVEN POWER HOLDINGS LLC

By: ______________________
Name: Charles C. Cook
Title: President and Chief Operating Officer

SAPPHIRE POWER HOLDINGS LLC

By: ______________________
Name: Charles C. Cook
Title: President and Chief Operating Officer

C/R ENERGY JADE, LLC

By: ______________________
Name: Charles C. Cook
Title: President and Chief Operating Officer

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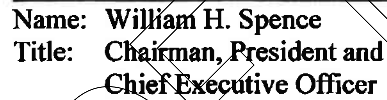
IN WITNESS WHEREOF, each of the Parties has caused this Separation Agreement to be executed on its behalf by its officers hereunto duly authorized on the day and year first above written.

PPL CORPORATION



By: ________________________

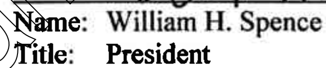
Name: William H. Spence
Title: Chairman, President and Chief Executive Officer

PPL ENERGY SUPPLY, LLC

By: ________________________

Name: Paul A. Farr
Title: Executive Vice President

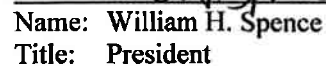
TALEN ENERGY CORPORATION



By: ________________________

Name: William H. Spence
Title: President

TALEN ENERGY HOLDINGS, INC.



By: ________________________

Name: William H. Spence
Title: President

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SEPARATION AGREEMENT SCHEDULES

HIGHLY CONFIDENTIAL

FILED UNDER SEAL

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APPENDIX B

TRANSACTION AGREEMENT

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Execution Version

TRANSACTION AGREEMENT

among

PPL CORPORATION,

TALEN ENERGY HOLDINGS, INC.,

TALEN ENERGY CORPORATION,

PPL ENERGY SUPPLY, LLC,

TALEN ENERGY MERGER SUB, INC.,

C/R ENERGY JADE, LLC,

SAPPHIRE POWER HOLDINGS LLC,

and

RAVEN POWER HOLDINGS LLC

dated as of

June 9, 2014

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TRANSACTION AGREEMENT

This Transaction Agreement (as hereafter amended, restated, supplemented or modified from time to time in accordance with the terms hereof, this "Agreement"), dated as of June 9, 2014, is among (i) PPL Corporation, a Pennsylvania corporation ("Parent"), (ii) Talen Energy Holdings, Inc., a Delaware corporation ("HoldCo"), (iii) Talen Energy Corporation, a Delaware corporation ("NewCo"), (iv) PPL Energy Supply, LLC, a Delaware limited liability company and, as of the date hereof, a wholly owned indirect Subsidiary of Parent ("Energy Supply"), (v) Talen Energy Merger Sub, Inc., a Delaware corporation ("Merger Sub"), (vi) C/R Energy Jade, LLC, a Delaware limited liability company ("Jade"), (vii) Sapphire Power Holdings LLC, a Delaware limited liability company ("Sapphire"), and (viii) Raven Power Holdings LLC, a Delaware limited liability company ("Raven," and together with Jade and Sapphire, "RJS").

RECITALS

WHEREAS, Parent, through certain of its Subsidiaries, is engaged in the Energy Supply Business;

WHEREAS, the board of directors of Parent has determined that it is advisable and in the best interests of its shareholders to separate the Energy Supply Business from Parent and to distribute the Energy Supply Business to Parent's shareholders in the manner contemplated by this Agreement and the Separation Agreement;

WHEREAS, as of the date hereof, (i) each of HoldCo, NewCo and Merger Sub is a newly formed direct or indirect wholly owned Subsidiary of Parent, and (ii) Energy Supply is a wholly owned indirect Subsidiary of Parent;

WHEREAS, prior to the date hereof, Parent caused HoldCo to be organized under the laws of the State of Delaware, with HoldCo having one (1) share of authorized common stock, par value $0.001 per share (the "HoldCo Common Stock"), which one (1) share was issued to, and as of the date hereof is held by, Parent;

WHEREAS, prior to the date hereof, HoldCo caused NewCo to be organized under the laws of the State of Delaware, with NewCo having one (1) share of authorized common stock, par value $0.001 per share (the "NewCo Common Stock"), which one (1) share was issued to, and as of the date hereof is held by, HoldCo;

WHEREAS, prior to the date hereof, NewCo caused Merger Sub to be organized under the laws of the State of Delaware, with Merger Sub having one hundred (100) shares of authorized common stock, par value $0.001 per share (the "Merger Sub Common Stock"), all of which was issued to, and as of the date hereof is held by, NewCo;

WHEREAS, following the Separation Transactions set forth in the Separation Agreement, the Energy Supply Business (including the Energy Supply Assets (including 100% of the outstanding Capital Stock of Energy Supply) and the Energy Supply Liabilities comprised thereof) will be owned directly or indirectly by HoldCo and its Subsidiaries;

WHEREAS, following the Separation Transactions and immediately prior to the Distribution (as defined below), the board of directors of HoldCo shall increase the authorized number of shares of HoldCo Common Stock to equal the Aggregate HoldCo Amount and cause the one (1)

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outstanding share of HoldCo Common Stock to split into a number of shares equal to the Aggregate HoldCo Amount;

WHEREAS, following the Separation Transactions and immediately prior to the Distribution, the board of directors of NewCo shall increase the authorized number of shares of NewCo Common Stock to equal the Aggregate Authorized NewCo Amount;

WHEREAS, following the Separation Transactions and the increase in authorized shares of HoldCo and NewCo referenced above and the consummation of the Energy Supply Financing in accordance with the terms of this Agreement, Parent shall consummate the disposition of the Energy Supply Business through a distribution of 100% of the HoldCo Common Stock to the Parent shareholders on a pro rata basis;

WHEREAS, following the Distribution, Merger Sub will be merged with and into HoldCo, with HoldCo surviving the Merger as a wholly owned Subsidiary of NewCo, on the terms and subject to the conditions set forth in this Agreement and in accordance with the DGCL;

WHEREAS, substantially contemporaneous to the Merger, RJS will contribute the RJS Subsidiaries to NewCo in exchange for shares of NewCo Common Stock;

WHEREAS, for United States federal income tax purposes, the Parties intend that (i) the Merger qualify as a tax-free "reorganization" pursuant to Section 368(a) of the Code and that the Merger and the Contribution together qualify as a transaction described in Section 351 of the Code and (ii) the execution of this Agreement constitute a "plan of reorganization" within the meaning of Section 368 of the Code and Treasury Regulation Section 1.368-2(g); and

WHEREAS, the Parties desire to set forth the principal arrangements among them regarding the Transactions and to make certain representations, warranties, covenants and agreements specified herein in connection with the Transactions and to prescribe certain conditions to the Transactions.

NOW, THEREFORE, in consideration of the foregoing and the representations, warranties, covenants and agreements contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and intending to be legally bound hereby, the Parties agree as follows:

ARTICLE I

PRE-CLOSING TRANSACTIONS

Section 1.01 Board of Directors and Management.

(a) NewCo Charter and Bylaws. On or prior to the Distribution Date (but prior to the Financing Time and the Distribution Time), Parent and NewCo shall take all necessary corporate action (i) to cause NewCo's certificate of incorporation to be amended and restated on the terms and conditions set forth in Exhibit A attached hereto and otherwise on terms and conditions mutually satisfactory to the Parties and (ii) to cause the adoption of amended and restated bylaws of NewCo on the terms and conditions set forth in Exhibit A attached hereto and otherwise on terms and conditions mutually satisfactory to the Parties.

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(b) HoldCo Charter and Bylaws. On or prior to the Distribution Date (but prior to the Financing Time and the Distribution Time), Parent and HoldCo shall take all necessary corporate action (i) to cause HoldCo's certificate of incorporation to be amended and restated on the terms and conditions set forth of Exhibit A attached hereto and otherwise on terms and conditions mutually satisfactory to the Parties and (ii) to cause the adoption of amended and restated bylaws of HoldCo on the terms and conditions set forth in Exhibit A attached hereto and otherwise on terms and conditions mutually satisfactory to the Parties.

(c) Boards of Directors of HoldCo; Merger Sub. On or prior to the Distribution Date (but prior to the Financing Time and the Distribution Time), Parent and the New Entities shall take all necessary corporate action to cause, as of immediately prior to the Closing, the board of directors of HoldCo and Merger Sub to consist of an identical number of directors to the number of directors of NewCo set forth on Exhibit A attached hereto, which directors shall be selected or designated in a manner consistent with the manner of selection or designation for the directors of NewCo set forth on Exhibit B attached hereto.

Section 1.02 Financing Arrangements; Payoff Letters.

(a) No later than five (5) Business Days prior to the Closing Date, Parent and Energy Supply shall deliver to the Parties wire instructions and one or more payoff letters (the "Energy Supply Payoff Letters") in respect of such portion of the Energy Supply Refinanced Debt to be repaid, refinanced or replaced at or substantially concurrently with the Closing from the proceeds of any Energy Supply Financing to be consummated on the Closing Date (such Indebtedness being repaid, refinanced or replaced, the "Energy Supply Closing Refinanced Debt"), providing confirmation that all Security Interests and payment obligations with respect to the Energy Supply Closing Refinanced Debt will be released effective as of the payment in full of the amounts indicated in such payoff letters at the Financing Time.

(b) No later than five (5) Business Days prior to the Closing Date, (i) RJS shall deliver to the Parties (x) wire instructions and one or more payoff letters in respect of the RJS Closing Refinanced Debt (the "RJS Payoff Letters"), if any, providing confirmation that all Security Interests and payment obligations with respect to such RJS Closing Refinanced Debt will be released effective as of the payment in full of the amounts indicated in such payoff letters at the Financing Time and (ii) to the extent that an RJS Financing or an Energy Supply Financing resulting in the repayment in full or replacement of the RJS Refinanced Debt has not been (or will not be) consummated at or prior to the Closing, RJS shall deliver (or cause to be delivered) to Parent and NewCo evidence of the satisfaction of the conditions (if any) in respect of (or the receipt of consents or waivers (if any) from any applicable lenders waiving or amending) any applicable change of control provisions and other events of default arising out of or in connection with the consummation of the Transactions in respect of any such RJS Refinanced Debt that will remain outstanding following the Closing.

Section 1.03 Expenses. No later than five (5) Business Days prior to the Closing Date, (a) each of Parent, NewCo and Energy Supply shall use their reasonable best efforts to deliver to RJS and NewCo and (b) Raven, Jade and Sapphire shall use their reasonable best efforts to deliver to Parent and NewCo, in each case, final invoices and/or releases for all Shared Expenses paid (or to be paid) by such Party or any of its Affiliates prior to or at Closing and, in the case of Parent, Raven, Jade and Sapphire, for all Transaction Expenses and Separation Costs paid (or to be paid) by such Party or any of its Affiliates, in each case subject to and pursuant to Section 11.02, which final invoices and/or releases (i) shall be in form and substance reasonably satisfactory to the Party or Parties to which such invoice and/or release shall be delivered pursuant to this Section 1.03, and (ii) shall indicate that all obligations of Parent, NewCo, Energy Supply or any of their respective Subsidiaries or of Raven, Jade, Sapphire or the

RJS Subsidiaries, as applicable, under or with respect to such Shared Expenses, Transaction Expenses and Separation Costs shall be satisfied (other than contingent indemnification obligations set forth in the written agreements governing such Transaction Expenses) and all amounts owing thereunder shall be paid in full upon receipt of the amounts indicated therein. At Closing, NewCo shall pay or reimburse Parent and/or RJS, as applicable, for such Shared Expenses in order to give effect to the provisions of Section 11.02, subject to true-up pursuant to Section 2.10.

Section 1.04 Distribution Record Date. Prior to the Distribution Date, the board of directors of Parent, in accordance with applicable Law and in consultation with RJS and consistent with the terms of the Separation Agreement, shall establish the Record Date for the Distribution and any necessary or appropriate procedures in connection with the Distribution, including compliance with any NYSE rules relating to notices of record dates and dividends.

Section 1.05 Increase in Authorized Shares; Stock Split. Prior to the Distribution, the board of directors of HoldCo, in accordance with the DGCL, shall take all actions necessary to (i) increase the authorized number of shares of HoldCo Common Stock to equal the Aggregate HoldCo Amount and (ii) cause each share of HoldCo Common Stock outstanding to be changed and converted into a number of shares of HoldCo Common Stock equal to the Aggregate HoldCo Amount. Prior to the Distribution, the board of directors of NewCo, in accordance with the DGCL, shall take all necessary action to increase the authorized number of shares of NewCo Common Stock to equal the Aggregate Authorized NewCo Amount.

ARTICLE II

CLOSING TRANSACTIONS

Section 2.01 Separation Transactions. Subject to the limitations or other provisions of the Separation Agreement, this Agreement and any Ancillary Agreement, each of Parent, NewCo, HoldCo and Energy Supply shall use its reasonable best efforts (subject to, and in accordance with applicable Law) to take promptly, or cause to be taken, all actions, and to do promptly, or cause to be done, and to assist and cooperate with the other Parties in doing, all things necessary, proper or advisable that are required to be taken by it to consummate and make effective the Separation Transactions.

Section 2.02 Closing.

(a) On the terms and subject to the conditions set forth in this Agreement, the consummation (the "Closing") of the transactions set forth in Section 2.06 through Section 2.09 (the "Closing Transactions") shall take place at the offices of Simpson Thacher & Bartlett LLP, 425 Lexington Avenue, New York, New York 10017, on the Separation Date and immediately following the Separation Time following satisfaction or waiver (to the extent waiver is permitted by applicable Law) of the conditions to Closing set forth in ARTICLE IX (other than those conditions that by their nature or pursuant to the terms of this Agreement are to be satisfied by performance at or immediately prior to the Closing, but subject to the satisfaction or, where permitted, the waiver of those conditions), or at such other date, time or place as Parent, NewCo and RJS may agree in writing. The date on which the Closing actually occurs is referred to herein as the "Closing Date."

(b) At the Closing, the Parties shall cause the Closing Transactions to be consummated as set forth in this ARTICLE II and intend that none of the Closing Transactions shall become effective unless all of the Closing Transactions become effective.

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Section 2.03 Plan of Reorganization. This Agreement shall constitute a "plan of reorganization" for the Merger under Treasury Regulation Section 1.368-2(g). Pursuant to the plan of reorganization, Merger Sub shall merge with and into HoldCo immediately following the Distribution, with HoldCo continuing as the surviving entity.

Section 2.04 Energy Supply Refinancing and Debt Payoff. Following the Separation Time and immediately prior to the Distribution (the "Financing Time"), Energy Supply shall use its reasonable best efforts to incur the portion of the Energy Supply Financing to be consummated on the Closing Date and receive the net proceeds thereof, in connection with which it shall pay to the intended beneficiaries thereof, as identified in the Energy Supply Payoff Letters delivered by Parent and Energy Supply prior to the Closing Date, the amounts specified in the Energy Supply Payoff Letters.

Section 2.05 The Distribution.

(a) Following the Financing Time and immediately prior to the Merger (the "Distribution Time"), Parent will cause the Exchange Agent to distribute (the "Distribution") all of the outstanding shares of HoldCo Common Stock then owned by Parent to the Record Holders as set forth in this Section 2.05(a), and to credit the appropriate number of such shares of HoldCo Common Stock to book entry accounts for each such Record Holder. Each Record Holder shall be entitled to receive one (1) share of HoldCo Common Stock for each share of Parent Common Stock held by such Record Holder as of the Record Date. No action by any Record Holder shall be necessary for such Record Holder to receive the applicable number of shares of HoldCo Common Stock such Record Holder is entitled to in the Distribution.

(b) Upon the consummation of the Distribution, Parent shall deliver to the Exchange Agent a global certificate or certificates representing the shares of HoldCo Common Stock being transferred in the Distribution for the account of the Record Holders entitled thereto. The Exchange Agent shall hold such certificate or certificates in trust, as the case may be, for the account of the Record Holders pending the Merger.

Section 2.06 The Merger.

(a) Merger. Following the Distribution Time and at the Effective Time, on the terms and subject to the conditions of this Agreement, Merger Sub shall be merged (the "Merger") with and into HoldCo in accordance with the provisions of the DGCL, whereupon the separate corporate existence of Merger Sub shall cease, and HoldCo shall continue as the surviving entity in the Merger (HoldCo, as the surviving entity in the Merger is sometimes referred to herein as the "Surviving Company") and shall be a wholly owned direct Subsidiary of NewCo. At the Effective Time, HoldCo shall return its one (1) share of NewCo Common Stock to NewCo for cancellation without payment of any consideration therefor.

(b) Certificate of Merger. Following the Distribution Time and substantially contemporaneous to the Contributions, HoldCo shall execute and file a certificate of merger (the "Certificate of Merger"), in accordance with, and containing such information as is required by, the relevant provisions of the DGCL, with the Secretary of State of the State of Delaware. The Merger shall become effective at such time as the Certificate of Merger is duly filed with the Secretary of State of the State of Delaware, or at such other time as is agreed among the Parties and specified in the Certificate of Merger in accordance with the relevant provisions of the DGCL (such date and time is hereinafter referred to as the "Effective Time").

(c) Effects of the Merger. The effects of the Merger shall be as provided in this Agreement (including ARTICLE III), the Certificate of Merger and the applicable provisions of the

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DGCL. Without limiting the generality of the foregoing, and subject thereto, at the Effective Time, all of the property, rights, privileges, powers and franchises of HoldCo and Merger Sub shall vest in the Surviving Company, and all debts, liabilities and duties of HoldCo and Merger Sub shall become the debts, liabilities and duties of the Surviving Company, all as provided under the DGCL.

(d) Certificate of Incorporation. At the Effective Time, the certificate of incorporation of HoldCo as in effect immediately prior to the Effective Time (which, for the avoidance of doubt shall be as provided in Section 1.01(b)) shall be the certificate of incorporation of the Surviving Company until thereafter amended in accordance with the provisions thereof and applicable Law; provided, that, from and after the Effective Time, a new article shall be added thereto, reading substantially as follows:

> "Other than the election or removal of directors of the Corporation, any act or transaction by or involving the Corporation that requires for its adoption under the General Corporation Law of the State of Delaware or this Certificate of Incorporation the approval of the shareholders of the Corporation shall, pursuant to Section 251(g)(7)(i) of the General Corporation Law of the State of Delaware, require, in addition, the approval of the shareholders of NewCo (or any successor by merger), by the same vote as is required by the General Corporation Law of the State of Delaware and/or this Certificate of Incorporation."

(e) Bylaws. At the Effective Time, the bylaws of HoldCo as in effect immediately prior to the Effective Time (which, for the avoidance of doubt shall be as provided in Section 1.01(b)) shall be the bylaws of the Surviving Company until thereafter amended in accordance with the provisions thereof and applicable Law.

(f) Directors and Officers. The directors of HoldCo immediately prior to the Effective Time shall be the directors of the Surviving Company as of the Effective Time (which, for the avoidance of doubt shall be as provided in Section 1.01(c)). The officers of HoldCo immediately prior to the Effective Time shall be the officers of the Surviving Company as of the Effective Time. Each of such officers and directors of the Surviving Company shall hold office from the Effective Time until their respective successors are duly elected or appointed and qualified in the manner provided by the certificate of incorporation and/or bylaws of the Surviving Company or until their earlier resignation or removal or as otherwise provided by applicable Law.

Section 2.07 RJS Separation Transactions and Contributions.

(a) RJS Separation Plan. Schedule 2.07(a) sets forth a separation plan (the "RJS Separation Plan") pursuant to which Raven, Jade and Sapphire may (but shall have no obligation to) (i) contribute all of the Capital Stock in the Existing RJS Subsidiaries to a newly formed Person that, as of such date and as of the Closing Date, individually or collectively, shall be wholly owned by Raven, Jade and Sapphire ("RJS HoldCo"), which may, in turn, further contribute such Capital Stock in the Existing RJS Subsidiaries to one or more wholly owned Subsidiaries (including newly formed Subsidiaries) of RJS Holdco (collectively, the "RJS Separation Transactions"). Notwithstanding anything in this Agreement to the contrary, to the extent Raven, Jade and Sapphire engage in the RJS Separation Transactions, (A) none of RJS or any RJS Subsidiary shall enter into or otherwise agree to any modification of the RJS Separation Plan adverse in any material respect to Parent, Energy Supply or any member of the Energy Supply Group without the consent of Parent and NewCo, which consent shall not be unreasonably withheld, delayed or conditioned, (B) RJS shall not, and shall not permit any of its Affiliates to, cause any RJS Separation Transaction to be accomplished or otherwise consummated in a manner that would (x) have any actual or potential materially adverse tax impact on Energy Supply or any

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member of the Energy Supply Group in a Post-Distribution Taxable Period or the post-Distribution portion of a Straddle Period or (y) be inconsistent with the Intended Tax-Free Treatment, and (C) RJS shall give notice to Parent and NewCo of any material modification to the RJS Separation Plan and will consult with Parent and NewCo in good faith to determine whether such change would be permitted under this Agreement.

(b) Raven Contribution. Substantially contemporaneous with the Merger and the other Contributions, Raven shall contribute, assign, transfer, convey and deliver to NewCo (the "Raven Contribution"), and NewCo shall accept, (i) all of the outstanding Capital Stock of Raven Management MM Inc., a Delaware corporation, (ii) 99.9% of the outstanding Capital Stock of Raven Power Group LLC, a Delaware limited liability company, and (iii) all of the outstanding Capital Stock of Raven Power Finance LLC, a Delaware limited liability company (or, to the extent Raven, Jade and Sapphire engage in the RJS Separation Transactions, in lieu of the foregoing Capital Stock described in the immediately preceding clauses (i) through (iii), all of the outstanding Capital Stock of RJS Holdco that is held by Raven), in each case free and clear of any Security Interest other than (x) Security Interests securing the Financings, (y) subject to the repayment of the RJS Refinanced Debt in accordance with Section 2.09 or solely to the extent that any RJS Refinanced Debt would remain outstanding following the Closing in accordance with the terms of this Agreement, any Security Interest securing such RJS Refinanced Debt and (z) Security Interests set forth on Section 6.04(a)(ii) of the RJS Disclosure Letter. In consideration of the Raven Contribution, NewCo shall issue to Raven a number of shares of NewCo Common Stock equal to (i) the Raven Percentage, multiplied by (ii) 35%, multiplied by (iii) the Aggregate Outstanding NewCo Amount.

(c) Jade Contribution. Substantially contemporaneous with the Merger and the other Contributions, Jade shall contribute, assign, transfer, convey and deliver to NewCo (the "Jade Contribution"), and NewCo shall accept, (i) all of the outstanding Capital Stock of Topaz Power Management II GP, LLC, a Delaware limited liability company, (ii) all of the outstanding Capital Stock of Topaz Power Management II LP, LLC, a Delaware limited liability company, (iii) all of the outstanding Capital Stock of Topaz Power Group, LLC, a Delaware limited company and (iv) all of the outstanding Capital Stock of C/R Topaz Holdings, LLC, a Delaware limited liability company (or, to the extent Raven, Jade and Sapphire engage in the RJS Separation Transactions, in lieu of the foregoing Capital Stock described in the immediately preceding clauses (i) through (iv), all of the outstanding Capital Stock of RJS Holdco that is held by Jade), in each case free and clear of any Security Interest other than (x) Security Interests securing the Financings, (y) subject to the repayment of the RJS Refinanced Debt in accordance with Section 2.09 or solely to the extent that any RJS Refinanced Debt would remain outstanding following the Closing in accordance with the terms of this Agreement, any Security Interest securing such RJS Refinanced Debt and (z) Security Interests set forth on Section 6.04(a)(ii) of the RJS Disclosure Letter. In consideration of the Jade Contribution, NewCo shall issue to Jade a number of shares of NewCo Common Stock equal to (i) the Jade Percentage, multiplied by (ii) 35%, multiplied by (iii) the Aggregate Outstanding NewCo Amount.

(d) Sapphire Contribution. Substantially contemporaneous with the Merger and the other Contributions, Sapphire shall contribute, assign, transfer, convey and deliver to NewCo (the "Sapphire Contribution" and together with the Raven Contribution and the Jade Contribution, the "Contributions"), and NewCo shall accept, (i) all of the outstanding Capital Stock of MEG Yellow Pine, LLC, a Delaware limited liability company, (ii) all of the outstanding Capital Stock of Sapphire Power LLC, a Delaware limited liability company and (iii) all of the outstanding Capital Stock of Morris Energy Management Company, LLC, a Delaware limited liability company (or, to the extent Raven, Jade and Sapphire engage in the RJS Separation Transactions, in lieu of the foregoing Capital Stock described in the immediately preceding clauses (i) through (iii), all of the outstanding Capital Stock of RJS Holdco that is held by Sapphire), in each case free and clear of any Security Interest other than (x) Security

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Interests securing the Financings, (y) subject to the repayment of the RJS Refinanced Debt in accordance with Section 2.09 or solely to the extent that any RJS Refinanced Debt would remain outstanding following the Closing in accordance with the terms of this Agreement, any Security Interest securing such RJS Refinanced Debt and (z) Security Interests set forth on Section 6.04(a)(ii) of the RJS Disclosure Letter. In consideration of the Sapphire Contribution, NewCo shall issue to Sapphire a number of shares of NewCo Common Stock equal to (i) the Sapphire Percentage, multiplied by (ii) 35%, multiplied by (iii) the Aggregate Outstanding NewCo Amount.

(e) BargeCo Contribution. Following the date of this Agreement and prior to the earlier of the second (2nd) anniversary of the Closing Date and the Termination Date, the Parties shall cooperate in good faith to identify a method for the contribution to NewCo of all of the outstanding Capital Stock of Raven Power BargeCo LLC, a Delaware limited liability company ("BargeCo"), which complies with all applicable Law. In the event the Parties are unable to identify such a method prior to the Closing Date, one or more of the RJS Subsidiaries, as applicable, shall enter into one or more agreements (or amendments to existing agreements) with BargeCo to be effective from and after the Closing for coal transportation and related services, which such agreements (or amendments to existing agreements) will provide for a term that extends for not less than two (2) years after the Closing and otherwise be in form and substance reasonably satisfactory to the Parties, subject to the requirements of applicable Law; provided, however, that such agreements (or amendments to existing agreements) shall result in neither increased Liability on the part of, nor increased benefits to, BargeCo compared to the agreements between BargeCo and any RJS Subsidiary in effect on the date of this Agreement. If, at any time following the Closing Date, an Affiliate of RJS that, directly or indirectly, owns the Capital Stock of BargeCo sells such Capital Stock of BargeCo to a third party or BargeCo sells its barges to a third party, then RJS shall cause the proceeds of any such sale to promptly be paid over to NewCo.

(f) RJS Allocations. No later than five (5) Business Days prior to the Closing Date, RJS shall provide written notice to Parent and NewCo of the Raven Percentage, the Jade Percentage and the Sapphire Percentage (it being understood that the sum of the Raven Percentage, the Jade Percentage and the Sapphire Percentage shall equal 100%).

(g) Tax Treatment. The Parties intend that the Merger and the Contributions shall together qualify as a contribution of property described in Section 351 of the Code, and that the Internal Contributions qualify as contributions of property described in Section 351 of the Code.

(h) Resignations. At or prior to the Closing, except as otherwise agreed between NewCo and RJS in writing, RJS shall cause each employee and director of RJS and its Affiliates who will not be employed by any RJS Subsidiary immediately after the Closing Date to be removed or resign, effective not later than the Closing Date, from all boards of directors or similar governing bodies, and from all positions as officers, of any RJS Subsidiary on which they serve.

Section 2.08 Internal Contribution. Immediately following the Contributions, NewCo shall contribute, assign, transfer, convey and deliver to HoldCo and HoldCo shall, contribute, assign, transfer, convey and deliver to Energy Supply, and Energy Supply shall accept, all of the Capital Stock or other interests received by NewCo pursuant to the Contributions (the "Internal Contributions").

Section 2.09 RJS Debt Payoff. With respect to any RJS Closing Refinanced Debt, Energy Supply shall, immediately following the Merger, the Contributions, and the contributions made pursuant to Section 2.08, use its reasonable best efforts to incur Indebtedness pursuant to the Energy Supply Financing sufficient to pay to the intended beneficiaries thereof, as identified in the RJS Payoff Letters delivered by RJS prior to the Closing Date, the amounts specified in the RJS Payoff Letters.

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Section 2.10 Expense True-Up. Not later than sixty (60) days following the Closing Date, each of Parent and RJS shall cause to be prepared and delivered to NewCo and each other a statement setting forth such Party's good faith calculation of the Shared Expenses paid by such Party or any of its Affiliates, including detailed calculations thereof (and of the components thereof) and accompanied by reasonable supporting documentation, including an indication of which entity or entities paid or will pay each such expense. NewCo shall promptly pay or reimburse Parent and/or RJS, as applicable, for such Shared Expenses to the extent not previously paid by NewCo in order to give effect to the provisions of Section 11.02.

ARTICLE III

CONVERSION AND EXCHANGE OF SHARES IN THE MERGER

Section 3.01 Effect on Capital Stock. At the Effective Time, by virtue of the Merger and without any action on the part of Parent, HoldCo, NewCo or Merger Sub or the holders of any securities of any of the foregoing:

(a) Each share of HoldCo Common Stock issued and outstanding following the Distribution and immediately prior to the Effective Time, other than any Cancelled Shares, shall be automatically converted into the right to receive one (1) share of NewCo Common Stock. The shares of NewCo Common Stock to be issued upon the conversion of the shares of HoldCo Common Stock pursuant to this Section 3.01(a) is referred to collectively as the "Merger Consideration." As of the Effective Time, the shares of HoldCo Common Stock converted pursuant to this Section 3.01(a) shall no longer be outstanding and shall automatically be cancelled and retired and shall cease to exist, and any holder of any such shares of HoldCo Common Stock shall cease to have any rights with respect thereto, except the right to receive its portion of the Merger Consideration without interest.

(b) Each share of HoldCo Common Stock that is owned or held, directly or indirectly, by NewCo or Merger Sub immediately prior to the Effective Time or owned or held by HoldCo (including in the treasury of HoldCo) or any Subsidiary of HoldCo, in each case immediately prior to the Effective Time (collectively, the "Cancelled Shares"), shall be cancelled and retired and shall cease to exist without any conversion thereof, and no consideration shall be delivered in exchange for such cancellation and retirement.

(c) At the Effective Time, each share of Merger Sub Common Stock issued and outstanding immediately prior to the Effective Time shall be converted into and become one (1) share of common stock, par value $0.001 per share of the Surviving Company and shall constitute the only outstanding capital stock of the Surviving Company. From and after the Effective Time, all certificates representing any share of Merger Sub Common Stock shall be deemed for all purposes to represent the number of shares of common stock, par value $0.001 per share of the Surviving Company into which they were converted in accordance with the immediately preceding sentence.

Section 3.02 Exchange of Certificates.

(a) Pursuant to Section 2.05(b), the Exchange Agent shall hold, in trust for the account of the Record Holders entitled thereto, the global certificate(s) representing all of the outstanding shares of HoldCo Common Stock distributed in the Distribution, and at the Effective Time, by virtue of the Merger, such shares of HoldCo Common Stock shall be converted into shares of NewCo Common Stock in accordance with the terms of Section 3.01.

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(b) Prior to the Closing, Parent shall appoint a bank or trust company as exchange agent as agreed upon with RJS (the "Exchange Agent"). Prior to or at the Effective Time, NewCo shall deposit with the Exchange Agent, in trust for the benefit of the holders of record of the outstanding shares of HoldCo Common Stock following the Distribution and immediately prior to the Effective Time, whose shares of HoldCo Common Stock were converted into the right to receive a portion of the Merger Consideration pursuant to Section 3.01 (each such holder of record, a "HoldCo Holder" and collectively the "HoldCo Holders"), evidence in book entry form of the shares of NewCo Common Stock issuable at the Effective Time pursuant to the Merger and in accordance with Section 3.01 and the other provisions of this ARTICLE III. Following the Effective Time, the Exchange Agent shall, pursuant to irrevocable instructions delivered by NewCo, deliver such NewCo Common Stock to the HoldCo Holders entitled thereto. For the avoidance of doubt, in no event shall the Exchange Agent have the right to vote any shares of NewCo Common Stock held by the Exchange Agent.

Section 3.03 No Further Ownership Rights in HoldCo Common Stock. The applicable portion of the Merger Consideration issued upon conversion of each share of HoldCo Common Stock shall be deemed to have been issued in full satisfaction of all rights pertaining to such share of HoldCo Common Stock. After the Effective Time, the stock transfer books of HoldCo shall be closed with respect to the shares of HoldCo Common Stock that were outstanding immediately prior to the Effective Time, and there shall be no further registration of transfers on the stock transfer books of the Surviving Company of the shares of HoldCo Common Stock that were outstanding immediately prior to the Effective Time. If, after the Effective Time, any certificates formerly representing shares of HoldCo Common Stock are presented to the Surviving Company or the Exchange Agent for any reason, they shall be cancelled and exchanged as provided in this ARTICLE III.

Section 3.04 Withholding Rights. Parent, NewCo, the Surviving Company or the Exchange Agent, as the case may be, shall be entitled to deduct and withhold from the consideration otherwise payable pursuant to this Agreement such amounts as may be required to be deducted and withheld with respect to the making of such payment under the Code or any provision of state, local or foreign Tax Law, as applicable. Any such withheld amounts shall be treated for all purposes of this Agreement, as having been paid to the Persons otherwise entitled thereto, and Parent, NewCo, the Surviving Company or the Exchange Agent, as the case may be, shall disburse such withheld amount to the applicable Tax authority.

Section 3.05 No Liability. None of the Parties or the Exchange Agent shall be liable to any Person in respect of any shares of HoldCo Common Stock or NewCo Common Stock (or dividends or distributions with respect thereto) delivered to a public official pursuant to any abandoned property, escheat or similar Law.

Section 3.06 No Appraisal Rights. In accordance with the DGCL, no appraisal rights shall be available to any holders of HoldCo Common Stock in connection with the Merger.

ARTICLE IV

[RESERVED]

ARTICLE V

REPRESENTATIONS AND WARRANTIES REGARDING THE ENERGY SUPPLY BUSINESS

For all purposes of this ARTICLE V, for the avoidance of doubt, Energy Supply and each other member of the Energy Supply Group shall be a Subsidiary of Parent immediately prior to the

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Distribution Time (without giving effect to the Distribution). Each of Parent, Holdco, NewCo and Merger Sub hereby represents and warrants to RJS that, except as set forth in the applicable section (or another section to the extent provided in Section 11.14) of the Parent Disclosure Letter:

Section 5.01 Due Organization, Good Standing and Corporate Power. Parent is a corporation duly organized, validly existing and in good standing under the Laws of the Commonwealth of Pennsylvania. Energy Supply is a limited liability company, duly organized, validly existing and in good standing under the Laws of the State of Delaware. Parent and each of its Subsidiaries has (and, as of the Distribution Time, each member of the Energy Supply Group will have) all requisite power and authority to own, lease and operate the Energy Supply Assets and to carry on the Energy Supply Business as it is now being conducted consistent with past practice. Parent and each of its Subsidiaries is, and, as of the Distribution Time, each member of the Energy Supply Group will be, duly qualified or licensed to do business and in good standing in each jurisdiction in which the Energy Supply Assets owned, leased or operated by it or the nature of the Energy Supply Business conducted by it makes such qualification necessary, except in such jurisdictions where the failure to be so qualified or licensed and in good standing has not had and would not reasonably be expected to have, individually or in the aggregate, an Energy Supply Business MAE. Each of NewCo, HoldCo and Merger Sub (collectively, the "New Entities") is a corporation duly organized, validly existing and in good standing under the Laws of the State of Delaware. Each New Entity was formed solely for the purpose of engaging in the Transactions and, prior to the Spin Transactions, will have engaged in no other business activities and will have incurred no Liabilities or obligations other than in connection with the performance of the Transactions in accordance with the terms of this Agreement and the Separation Agreement.

Section 5.02 Subsidiaries. Section 5.02 of the Parent Disclosure Letter sets forth a complete list of each Subsidiary of Energy Supply (collectively, other than PPL Infrastructure Services, LLC, which shall be transferred to PPL Energy Funding Corporation, a Pennsylvania corporation and a wholly owned direct Subsidiary of Parent ("Energy Funding"), in accordance with Section 1.02(a) of the Separation Agreement, the "Energy Supply Subs") and their respective jurisdictions of incorporation or organization.

Section 5.03 Authorization of Agreement.

(a) The execution, delivery and performance of this Agreement and the Other Transaction Documents by each of Parent, each Subsidiary of Parent and the members of the Energy Supply Group, as applicable, and the consummation by each of them of the Transactions, have been duly authorized and approved by their respective boards of directors or boards of managers or other requisite corporate action and no other corporate, limited liability company or shareholder action on the part of Parent, any Subsidiary of Parent or any member of the Energy Supply Group is necessary to authorize the execution, delivery or performance of this Agreement and the Other Transaction Documents or the consummation of the Transactions (except for (x) further action by the board of directors of Parent required to establish the Record Date for the Distribution and the Distribution Date in accordance with Section 1.04 and Section 2.05, respectively, and the effectiveness of the declaration of the Distribution by the board of directors of Parent and (y) further action by the board of directors of each of HoldCo and NewCo to increase the authorized number of shares of HoldCo Common Stock and NewCo Common Stock, respectively, in accordance with Section 1.05). The approval of the shareholders of Parent is not required to effect the Transactions.

(b) This Agreement and the Separation Agreement have been, and the applicable Ancillary Agreements and Other Transaction Documents to which each is a party, when executed, shall be, duly executed and delivered by each of Parent, each Subsidiary of Parent and the members of the Energy Supply Group, as applicable, and, to the extent it is a party thereto, each is (or when executed

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shall be) a legal, valid and binding obligation of each such Person enforceable against each such Person, as applicable, in accordance with their terms, except to the extent that its enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium and similar Law affecting the enforcement of creditors' rights generally and rules of Law governing specific performance, injunctive relief and other equitable remedies.

Section 5.04 Capital Structure.

(a) All of the authorized, issued and outstanding Capital Stock of Energy Supply is (i) owned by Energy Funding on the date of this Agreement (and, after giving effect to the Separation Transactions and the Spin Transactions, will, in each case, be owned by HoldCo), free and clear of any Security Interest other than Security Interests securing the Financings and (ii) were duly authorized, validly issued and are fully paid and non-assessable, and were not issued in violation of any purchase option, call option, right of first refusal or preemptive or other rights.

(b) Section 5.04(b) of the Parent Disclosure Letter sets forth all of the authorized, issued and outstanding Capital Stock of each of the Energy Supply Subs and the record and beneficial holders thereof. All of the issued and outstanding Capital Stock of each of the Energy Supply Subs is owned directly or indirectly by Energy Supply, free and clear of any Security Interest other than Security Interests securing the Financings, and were duly authorized and validly issued and were not issued in violation of any purchase option, call option, right of first refusal or preemptive or other rights.

(c) As of the date of this Agreement, the authorized Capital Stock of HoldCo consists solely of one (1) share of common stock, par value $0.001 per share. All of the issued and outstanding Capital Stock of HoldCo is (and will be as of the Distribution Time (without giving effect to the Distribution)) owned directly by Parent, free and clear of any Security Interest, and were (and, when issued in accordance with Section 1.05, will be) duly authorized and validly issued and were not (and, when issued in accordance with Section 1.05, will not be) issued in violation of any purchase option, call option, right of first refusal or preemptive or other rights. As of the date of this Agreement, the authorized Capital Stock of NewCo consists solely of one (1) share of common stock, par value $0.001 per share. All of the issued and outstanding Capital Stock of NewCo is (and will be as of the Effective Time (without giving effect to the Merger)) owned directly by HoldCo, free and clear of any Security Interest, and were (and, when issued in accordance with Section 1.05, will be) duly authorized and validly issued and were not (and, when issued in accordance with Section 1.05, will not be) issued in violation of any purchase option, call option, right of first refusal or preemptive or other rights. As of the date of this Agreement, the authorized Capital Stock of Merger Sub consists solely of one hundred (100) shares of common stock, par value $0.001 per share. All of the issued and outstanding Capital Stock of Merger Sub is (and will be as of the Effective Time (without giving effect to the Merger)) owned directly by NewCo, free and clear of any Security Interest other than Security Interests securing the Financings, and were duly authorized and validly issued and were not issued in violation of any purchase option, call option, right of first refusal or preemptive or other rights. Immediately prior to the Distribution, immediately following the Distribution and immediately prior to the Effective Time, there shall be outstanding the number of shares of Holdco Common Stock and NewCo Common Stock determined in accordance with Section 1.05. Immediately following the Effective Time, there shall be outstanding the number of shares of NewCo Common Stock, HoldCo Common Stock, Merger Sub Common Stock and the number of shares of the Surviving Corporation determined in accordance with Section 3.01.

(d) Parent has delivered or made available to RJS, prior to the execution of this Agreement and the Separation Agreement, true and complete copies of the Organizational Documents of each member of the Energy Supply Group.

(e) As of the date hereof, there are no (and, as of the Closing Date, except as required or otherwise permitted by this Agreement or the Employee Matters Agreement, there will be no) (i) authorized, issued, reserved for issuance or outstanding (A) profit participation rights with respect to any member of the Energy Supply Group, (B) securities or obligations convertible or exchangeable into or exercisable for, or giving any Person a right to subscribe for or acquire any Capital Stock of any member of the Energy Supply Group (including, but not limited to, subscriptions, warrants or options of any kind), or (C) rights that are linked to the value of all or any portion of the Capital Stock of any member of the Energy Supply Group (including, but not limited to, restricted stock units, stock-based performance units, stock appreciation rights or "phantom" stock awards), (ii) obligations, commitments or agreements to which Parent, any Subsidiary of Parent or any member of the Energy Supply Group is a party, to repurchase, redeem or otherwise acquire, or to issue, deliver or sell, or cause to be issued, delivered or sold, any Capital Stock of any member of the Energy Supply Group and (iii) outstanding Contracts, rights (including, but not limited to, any purchase option, call option, right of first refusal or preemptive or similar rights), obligations, commitments or agreements of any kind with respect to any Capital Stock of any member of the Energy Supply Group to which Parent, any Subsidiary of Parent or any member of the Energy Supply Group is a party or otherwise bound (including, but not limited to, the voting, registration or transfer of the Capital Stock of any member of the Energy Supply Group).

(f) Except pursuant to the Contracts set forth on Section 5.04(f) of the Parent Disclosure Letter, as of the date of this Agreement, the members of the Energy Supply Group and the Energy Supply Business have no outstanding Indebtedness of the types described in clauses (i), (ii) and/or (v) of the definition of "Indebtedness", and with respect to such Indebtedness, any obligations described in clauses (ix) and (x) of the definition of "Indebtedness".

Section 5.05 Consents and Approvals; No Violations.

(a) Non-Contravention. The execution and delivery of this Agreement and the Other Transaction Documents by each of Parent, each Subsidiary of Parent and the members of the Energy Supply Group, as applicable, do not, and the consummation of the Transactions by each of Parent, each Subsidiary of Parent and the members of the Energy Supply Group, as applicable, will not (with or without notice or lapse of time or both) (i) violate or conflict with any provision of the Organizational Documents of Parent, any Subsidiary of Parent or any member of the Energy Supply Group, (ii) assuming the Parent Regulatory Approvals have been obtained, violate or conflict in any material respect with any Laws or Orders applicable to Parent, any Subsidiary of Parent or any member of the Energy Supply Group, or any of their respective Assets (including the Energy Supply Assets), (iii) assuming the Parent Regulatory Approvals have been obtained, violate, conflict with, or result in a breach of any provision of, or constitute a default under, or trigger any obligation to repurchase, redeem or otherwise retire indebtedness under, or result in the termination of, or accelerate the performance required by, or result in a right of termination, cancellation, guaranteed payment or acceleration of any obligation or the loss of a benefit under, or trigger any buy-sell or similar arrangement under, in each case, any provisions of any Permit or Contract to which Parent, any Subsidiary of Parent or any member of the Energy Supply Group is now a party or by which they or any of their Assets (including the Energy Supply Assets) may be bound, or (iv) result in the imposition or creation of any Security Interest upon any of the Energy Supply Assets (including any Capital Stock of any member of the Energy Supply Group), other than (except in respect of any Capital Stock of any member of the Energy Supply Group) Permitted Encumbrances or Security Interests securing the Financings, except, in the case of clause (iii) for any breach, violation, termination, loss, default, acceleration, change or conflict that has not had and would not reasonably be expected to have, individually or in the aggregate, an Energy Supply Business MAE. Assuming the Parent Regulatory Approvals have been obtained, Section 5.05(a) of the Parent Disclosure Letter sets forth a correct and complete list of all consents or waivers, requirements of prior notice to, or prior action by, any Person that are required for the consummation of the Transactions by each of Parent, each

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Subsidiary of Parent and the members of the Energy Supply Group (whether or not subject to the qualification set forth above with respect to the immediately preceding clause (iii)), the failure of which to obtain or make would be material.

(b) Statutory Approvals. Other than in connection with or in compliance with (i) the Securities Act or the Exchange Act, (ii) the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended (the "HSR Act"), (iii) Section 203 of the FPA (the "FERC Approval"), (iv) pre-approvals of license transfers by the Federal Communications Commission (the "FCC"), (v) approvals, filings and/or notices to the Nuclear Regulatory Commission (the "NRC") of any indirect license transfer deemed to be created by any of the Transactions, (vi) the rules and regulations of the NYSE, (vii) any applicable state securities or blue sky Laws, (viii) the filing requirements in connection with the Merger under the DGCL, (ix) as set forth in Section 5.05(b)(ix) of the Parent Disclosure Letter (the immediately preceding clauses (i) through (ix) collectively, the "Parent Regulatory Approvals") and (x) as set forth in Section 5.05(b)(x) of the Parent Disclosure Letter and subject to the accuracy of the representations and warranties of RJS in Section 6.05(b), no authorization, consent, Order, license, Permit or approval of, or registration, declaration, notice or filing with, or action by any Governmental Authority is necessary or required to be obtained or made under applicable Law in connection with the execution and delivery of this Agreement or the Other Transaction Documents by Parent, any Subsidiary of Parent or any member of the Energy Supply Group, the performance by each of Parent, each Subsidiary of Parent and each member of the Energy Supply Group, as applicable, of its obligations hereunder or thereunder or the consummation of the Transactions by any of Parent, any Subsidiary of Parent or any member of the Energy Supply Group, except for such authorizations, consents, approvals or filings, the failure of which to obtain or make is not or would not be material (it being understood that references in this Agreement to "obtaining" or having "obtained" such Parent Regulatory Approvals shall mean making such declarations, filings or registrations; giving such notices; obtaining such authorizations, consents or approvals; and having such waiting periods expire as are necessary to avoid a violation of applicable Law).

Section 5.06 SEC Filings; Financial Information; Absence of Changes.

(a) Since January 1, 2012, Energy Supply has timely filed or furnished all registration statements, prospectuses, forms, reports and documents and related exhibits filed or furnished by it under the Securities Act or the Exchange Act, as the case may be, together with all certifications required pursuant to the Sarbanes-Oxley Act of 2002, as amended (together with the rules and regulations promulgated thereunder, the "Sarbanes-Oxley Act") (such documents and any other documents filed by Energy Supply with the SEC, as have been supplemented, modified or amended since the time of filing and including all schedules, exhibits and other information incorporated by reference therein, collectively, the "Energy Supply SEC Filings"). The Energy Supply SEC Filings (i) have complied as to form in all material respects with the requirements of the Securities Act, the Exchange Act and the Sarbanes-Oxley Act, as the case may be, and the applicable rules and regulations promulgated thereunder and (ii) did not at the time they were filed (and, if supplemented, modified or amended since the time of filing, as of the date of the most recent supplement, modification or amendment), contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary in order to make the statements made therein, in light of the circumstances under which they were made, not misleading. No other member of the Energy Supply Group is subject to the periodic reporting requirements of the Exchange Act or is otherwise required to file any forms, registration statements, prospectuses, reports or other documents with the SEC by Law or by Contract. Parent has made available to RJS true and complete copies of all comment letters from the staff of the SEC since January 1, 2012 relating to the Energy Supply SEC Filings and all written responses of Parent or Energy Supply thereto. As of the date hereof, there are no outstanding or unresolved comments in comment letters received from the SEC staff with respect to any Energy Supply SEC Filings.

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(b) (i) Energy Supply has established and maintains disclosure controls and procedures and internal control over financial reporting (as such terms are defined in paragraphs (e) and (f), respectively, of Rule 13a-15 under the Exchange Act), as required by Rule 13a-15 under the Exchange Act. Energy Supply's disclosure controls and procedures are reasonably designed to ensure that all material information disclosed by Energy Supply in the reports that it files or furnishes under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the rules and forms of the SEC, and that all such material information is accumulated and communicated to Energy Supply's management as appropriate to allow timely decisions regarding required disclosure and to make the certifications required pursuant to Sections 302 and 906 of the Sarbanes-Oxley Act, and all such required certifications have been made. Since January 1, 2012, Energy Supply has been and is in compliance in all material respects with the applicable provisions of the Sarbanes-Oxley Act. Energy Supply's management has completed an assessment of the effectiveness of Energy Supply's internal control over financial reporting in compliance with the requirements of Section 404 of the Sarbanes-Oxley Act for the year ended December 31, 2013, and such assessment concluded that such controls were effective.

(ii) Energy Supply has, based on its most recent evaluation of internal control prior to the date hereof, disclosed to its auditors (A) any significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect Energy Supply's ability to record, process, summarize and report financial information and (B) any fraud, whether or not material, that involves management or other employees who have a significant role in Energy Supply's internal control over financial reporting. Parent has made available to RJS a summary of any such disclosure made by management to the auditors of Energy Supply since January 1, 2012.

(iii) Since January 1, 2012, to the Knowledge of Parent, (A) none of Parent, any of its Subsidiaries or any member of the Energy Supply Group or any director, officer, employee, auditor, accountant or similar representative of any of Parent, any Subsidiary of Parent, or any member of the Energy Supply Group has received any material complaint, allegation, assertion or claim, whether written or oral, regarding the accounting or auditing practices, procedures, methodologies or methods of, or with respect to, any member of the Energy Supply Group or the Energy Supply Business, including any material complaint, allegation, assertion or claim that Parent, any Subsidiary of Parent, any member of the Energy Supply Group has engaged in improper accounting or auditing practices, and (B) no attorney representing Parent, any Subsidiary of Parent or any member of the Energy Supply Group, whether or not employed by any such Person, has reported evidence of a violation of securities laws, breach of fiduciary duty or similar violation, relating to periods after December 31, 2011. Each of the principal executive officer of each of Parent and Energy Supply and the principal financial officer of each of Parent and Energy Supply (or each former principal executive officer of each of Parent and Energy Supply and each former principal financial officer of each of Parent and Energy Supply, as applicable) has made all certifications required by Sections 302 and 906 of the Sarbanes-Oxley Act and the rules and regulations promulgated thereunder with respect to the Energy Supply SEC Documents and the statements contained in such certifications were true and accurate in all material respects as of their respective dates. There are no "significant deficiencies" or "material weaknesses" (as defined by the Sarbanes-Oxley Act) in the design or operation of Energy Supply's internal controls and procedures which would reasonably be expected to adversely affect Energy Supply's ability to record, process, summarize and report financial data.

(iv) To the Knowledge of Parent, as of the date hereof, there are no SEC inquiries or investigations, other governmental inquiries or investigations or internal investigations pending or threatened involving Parent, any Subsidiary of Parent or any member of the Energy Supply

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Group, in each case regarding any accounting practices of any of Parent, any Subsidiary of Parent or any member of the Energy Supply Group.

(c) Each of the consolidated financial statements of Energy Supply (including, in each case, any notes and schedules thereto, or incorporated by reference therein) contained in the Energy Supply SEC Filings (i) were prepared in accordance with GAAP (except as may be indicated in the notes thereto and except with respect to unaudited financial statements, the absence of footnote disclosures and normal and recurring adjustments, which are not material, individually or in the aggregate), and (ii) each presented fairly in all material respects the consolidated financial position and results of operations of Energy Supply and its consolidated Subsidiaries, as of the respective dates thereof and for the respective periods indicated therein, except as otherwise noted therein (subject, in the case of unaudited financial statements, to normal and recurring adjustments, which are not material, individually or in the aggregate).

(d) No member of the Energy Supply Group is a party to, or has any commitment to become a party to, any joint venture, off-balance sheet partnership or any similar Contract (including any Contract or arrangement relating to any transaction or relationship between or among any member of the Energy Supply Group, on the one hand, and any unconsolidated Affiliate, including any structured finance, special purpose or limited purpose entity or Person, on the other hand), or any "off-balance-sheet arrangement" (as defined in Item 303(a) of Regulation S-K under the Exchange Act), where the result, purpose or intended effect of such Contract is to avoid disclosure of any material transaction involving, or material liabilities of, the Energy Supply Business or any member of the Energy Supply Group.

(e) Except for matters reflected or reserved against on the audited consolidated balance sheet of Energy Supply as of the end of the fiscal year ended on December 31, 2013 (the "Energy Supply Audited Balance Sheet"), including the notes thereto, no member of the Energy Supply Group has or is subject to any Liabilities (and there are no Energy Supply Liabilities to which any member of the Energy Supply Group are subject (including, in each case, after giving effect to the Separation Transactions and after giving effect the Spin Transactions)) that would be required under GAAP (as in effect on the date hereof) to be reflected on a consolidated balance sheet of the Energy Supply Group, except in each case for Liabilities that (i) were incurred since December 31, 2013 and in the ordinary course of business, (ii) were incurred in connection with the Transactions or contemplated or permitted by this Agreement (including pursuant to the Energy Supply Financing) or (iii) have not had and would not, individually or in the aggregate, reasonably be expected to have an Energy Supply Business MAE.

(f) Since December 31, 2013, there has not occurred any event, change, effect, development, state of facts, circumstance, condition or occurrence (including any damage, destruction or loss, whether or not covered by insurance) that has had, or would reasonably be expected to have, individually or in the aggregate, an Energy Supply Business MAE.

(g) (i) Section 5.06(g)(i) of the Parent Disclosure Letter sets forth a true, correct and complete statement as of May 31, 2014 of the following in respect of the members of the Energy Supply Group: (i) the aggregate amount of Cash on hand; (ii) the aggregate amount of outstanding Indebtedness of the types described in clauses (i), (ii) and/or (v) of the definition of "Indebtedness", and with respect to such Indebtedness, any obligations described in clauses (ix) and (x) of the definition of "Indebtedness"; and (iii) the aggregate amount of intercompany payables and receivables between any member of the Parent Group, on the one hand, and any member of the Energy Supply Group, on the other hand.

(ii) From May 31, 2014 to the date of this Agreement, except as set forth in Section 5.06(g)(ii) of the Parent Disclosure Letter, none of Energy Supply, the New Entities or the Energy Supply Subs has (A) declared, set aside, made or paid any dividends or other distributions, payable in cash, stock, property or otherwise, with respect to any of its equity securities (other

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than dividends or distributions by any wholly owned Energy Supply Sub to its parent), (B) purchased or otherwise acquired, directly or indirectly, any of its equity securities, (C) incurred any Indebtedness or (D) incurred or settled any intercompany payables or receivables between any member of the Parent Group, on the one hand, and any member of the Energy Supply Group, on the other hand, except as would have been permitted pursuant to Section 7.01(c)(xv)(D) of the Parent Disclosure Letter if such payment or transaction had occurred after the date hereof.

Section 5.07 Information to be Supplied. The information supplied or to be supplied by Parent or its Subsidiaries or any member of the Energy Supply Group for inclusion or incorporation by reference in the NewCo Registration Statement and any other documents required to be filed with the SEC or any other Governmental Authority in connection with the Transactions (i) will comply as to form in all material respects with the requirements of the Exchange Act or the Securities Act, as applicable and (ii) shall not, on the date of its filing, at the time it becomes effective under the Securities Act (in the case of the NewCo Registration Statement) or on the Closing Date, contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they are made, not misleading; provided, however, that, with respect to projected financial information provided by or on behalf of Parent or its Subsidiaries or any member of the Energy Supply Group, each of Parent, NewCo, HoldCo and Energy Supply represents only that such information was prepared in good faith by management of Parent or its Subsidiaries on the basis of assumptions believed by such Persons to be reasonable as of the time made.

Section 5.08 Litigation. There is no pending or, to the Knowledge of Parent, threatened Action against Parent, any Subsidiary of Parent, any member of the Energy Supply Group or against or in respect of any of the Energy Supply Business, the Energy Supply Assets or the Energy Supply Liabilities, which would reasonably be expected to have, individually or in the aggregate, an Energy Supply Business MAE. None of Parent, any Subsidiary of Parent, any member of the Energy Supply Group or any of their respective Assets (including the Energy Supply Assets) is a party to or subject to the provisions of any settlement or Order (excluding Orders of general applicability which are not specific to any member of the Energy Supply Group or the Energy Supply Business) which, individually or in the aggregate, are or would reasonably be expected to have an Energy Supply Business MAE.

Section 5.09 Compliance with Laws; Permits.

(a) Except as has not had and would not reasonably be expected to have, individually or in the aggregate, an Energy Supply Business MAE, each member of the Energy Supply Group is and the Energy Supply Business is currently conducted, and since January 1, 2011, each member of the Energy Supply Group has been, and the Energy Supply Business has been conducted, in each case, in compliance with all applicable Laws and Orders to which they are subject. Since January 1, 2011, none of Parent, any Subsidiary of Parent or any member of the Energy Supply Group has received any written notice or, to the Knowledge of Parent, other communication from any Governmental Authority alleging that any member of the Energy Supply Group, the Energy Supply Business or any Energy Supply Asset is in actual violation of, or failure to comply with, any Law or Order, except as has not had and would not reasonably be expected to have, individually or in the aggregate, an Energy Supply Business MAE.

(b) Energy Supply and/or one or more of the Energy Supply Subs is in possession of all Permits and all rights under any Contract with any Governmental Authority that are necessary for the conduct of the Energy Supply Business as such business is currently being conducted consistent with past practice (the "Energy Supply Permits"), except where the failure to have any such Energy Supply Permits has not had and would not reasonably be expected to have, individually or in the aggregate, an Energy

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Supply Business MAE. All Energy Supply Permits are valid and in full force and effect, and no suspension or cancellation of such Energy Supply Permits is pending or, to the Knowledge of Parent, threatened, except where the failure to be in full force and effect, suspension or cancellation has not had and would not reasonably be expected to have, individually or in the aggregate, an Energy Supply Business MAE. Energy Supply and each of the Energy Supply Subs are and have been, and the Energy Supply Business is being and has been conducted, in compliance with the terms and requirements of such Energy Supply Permits, except where the failure to be in compliance has not had and would not reasonably be expected to have, individually or in the aggregate, an Energy Supply Business MAE.

(c) Notwithstanding anything contained in this Section 5.09, no representation or warranty shall be deemed to be made in this Section 5.09 in respect of Tax, employee benefits, labor, Intellectual Property, environmental or real property matters.

Section 5.10 Contracts.

(a) Except for this Agreement and the Other Transaction Documents or set forth on Section 5.10(a) of the Parent Disclosure Letter, no member of the Energy Supply Group, any of the Energy Supply Assets or the Energy Supply Business is, as of the date hereof, or will be, as a result of the Spin Transactions, a party to or bound by (other than Contracts solely among members of the Energy Supply Group):

(i) any "material contract" (as such term is defined in Item 601(b)(10) of Regulation S-K under the Exchange Act), as such term would be applied to the Energy Supply Business as if a separate entity;

(ii) any Contract containing a material covenant not to compete, for "most favored nation" treatment, or exclusivity arrangement in favor of a third party or otherwise purports to limit in any material respect either the Energy Supply Business or the type of business in which any member of the Energy Supply Group may engage or the manner or geographic area in which any of them may so engage in any business;

(iii) any Contract containing an exclusive license to Intellectual Property (whether or not such license is limited to a geographic area or field) that is an Energy Supply Asset;

(iv) any Contract that limits or otherwise restricts the ability of any member of the Energy Supply Group to pay dividends or make distributions to its members or shareholders. other than pursuant to the Financings;

(v) any Contracts under which any member of the Energy Supply Group is or may be liable (after giving effect to the Spin Transactions) for Indebtedness for money borrowed (whether evidenced by notes, debentures, bonds or other similar instruments or otherwise) or evidencing obligations as obligor, guarantor or surety of any other Person (other than another member of the Energy Supply Group) or pursuant to which a Security Interest is imposed upon any Energy Supply Asset in respect of Indebtedness for borrowed money (or a guarantee thereof), other than, in each case, pursuant to the Energy Supply Financing;

(vi) any Contract relating to the formation, creation, governance or control of any partnership, joint venture or similar arrangement that is material to the Energy Supply Business as currently conducted;

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(vii) any material Contract for the supply of water or utility services, in each case, that relates to the use, ownership, operation or maintenance of any Energy Supply Facility;

(viii) any interconnection Contract that relates to any Energy Supply Facility;

(ix) any energy management agreement or any other Contract providing for the management or operation of any Energy Supply Facility (and/or the output thereof) by a third party;

(x) any Energy Marketing and Trading Contract, which (with respect to its remaining term and/or obligations) if entered into as of the date of this Agreement would be considered a Specified Energy Marketing and Trading Contract;

(xi) any Contract (other than an Energy Marketing and Trading Contract) with required aggregate payments to or from any member of the Energy Supply Group in excess of $20 million;

(xii) any material Contract that contains a "change of control" provision to which any member of the Energy Supply Group or the Energy Supply Business is a party or is subject;

(xiii) any Contract that is a settlement, conciliation or similar agreement with any Governmental Authority or other Person in respect of any matter that is material to the Energy Supply Business, the Energy Supply Assets or the Energy Supply Liabilities or pursuant to which any member of the Energy Supply Business will be required after the date of this Agreement to pay consideration in excess of $5 million; and

(xiv) any Contract set forth or required to be set forth in Section 5.10(d) of the Parent Disclosure Letter;

(xv) any Contract that relates to the acquisition or disposition of any business or generation facility, whether by merger, sale of stock, sale of assets or otherwise (A) for aggregate consideration in excess of $20 million or (B) with respect to which any member of the Energy Supply Group or the Energy Supply Business has any material outstanding obligation, including any indemnification obligations; and

(xvi) any lease set forth or required to be set forth in Section 5.19(a) of the Parent Disclosure Letter.

Except for Contracts solely among members of the Energy Supply Group, all Contracts of the type described in this Section 5.10(a) and any other such Contracts that may be entered into by any member of the Energy Supply Group after the date hereof and on or prior to the Effective Time in accordance with Section 7.01, together with the Energy Supply Leases are referred to herein as "Energy Supply Material Contracts." Complete and correct copies (including all material amendments, modifications, extensions, renewals or waivers with respect thereto) of all Energy Supply Material Contracts existing as of the date hereof have been provided, or made available, to RJS.

(b) Each Energy Supply Material Contract is the legal, valid and binding obligation of, and enforceable against, Parent or the Subsidiary of Parent party thereto as of the date of this Agreement (and, as of the Distribution Date, such member of the Energy Supply Group that is or will become a party thereto in connection with or as a result of the Spin Transactions), as applicable, and, to the Knowledge of Parent, each other party thereto, and is in full force and effect in accordance with its

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terms, except (i) for terminations or expirations at the end of the stated term, (ii) such failures to be legal, valid and binding or to be in full force and effect as has not had and would not reasonably be expected to have, individually or in the aggregate, an Energy Supply Business MAE and (iii) as limited by Laws of general application relating to bankruptcy, insolvency, reorganization, moratorium or other similar Laws, now or hereafter in effect, relating to creditors' rights generally and the application of rules of Law governing equitable remedies of specific performance, injunctive relief and other equitable remedies.

(c) Except, in each case, where such violation, breach, default, event of default, right of termination, cancellation, guaranteed payment, acceleration of obligation or loss of benefit, has not had and would not reasonably be expected to have, individually or in the aggregate, an Energy Supply Business MAE, Parent, each Subsidiary of Parent, and each member of the Energy Supply Group which is a party to each Energy Supply Material Contract is in compliance with all terms and requirements of such Energy Supply Material Contract, and no event has occurred that, with notice or the passage of time, or both, would constitute a breach or default by Parent, any Subsidiary of Parent or any member of the Energy Supply Group, as applicable, or result in a right of termination, cancellation, guaranteed payment or acceleration of any obligation or the loss of a benefit, under any such Energy Supply Material Contract. To the Knowledge of Parent, no other party to any Energy Supply Material Contract is in breach or default (nor has any event occurred which, with notice or the passage of time, or both, would constitute such a breach or default) under any Energy Supply Material Contract, in each case where such violation, breach, default or event of default would reasonably be expected to have, individually or in the aggregate, an Energy Supply Business MAE.

(d) Section 5.10(d) of the Parent Disclosure Letter lists each Contract between or among any of the members of the Energy Supply Group, on the one hand, and any member of the Parent Group, on the other hand, that will remain in place following the Closing.

Section 5.11 Employees and Employee Benefits; Labor.

(a) Section 5.11(a) of the Parent Disclosure Letter contains a true and complete list of all material "employee benefit plans" (within the meaning of Section 3(3) of the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), including multiemployer plans within the meaning of Section 3(37) of ERISA), and all equity purchase, severance, employment, change-in-control, fringe benefit, collective bargaining, bonus, incentive, deferred compensation, equity compensation, employee loan and all other employee benefit plans, programs, policies or other arrangements, whether or not subject to ERISA (including any funding mechanism therefor now in effect or required in the future as a result of the Transactions or otherwise), which are contributed to, sponsored by or maintained by any member of the Energy Supply Group or by Parent or any Subsidiary of Parent and under which any current or former employee or any individual independent contractor (i.e., a natural person serving in a personal capacity) of any member of the Energy Supply Group or of Parent or any Subsidiary of Parent with respect to the Energy Supply Business (collectively, the "Energy Supply Employees") has any present or future right to compensation or benefits, excluding any Excluded Liabilities (the "Energy Supply Benefit Plans").

(b) With respect to each Energy Supply Benefit Plan identified on Section 5.11(a) of the Parent Disclosure Letter, Parent has made available to RJS complete copies of each of the following documents: (i) the Energy Supply Benefit Plan (including all amendments thereto); (ii) the most recent annual report and actuarial report, if required under ERISA or the Code; (iii) the most recent summary plan description, together with each summary of material modifications, if required under ERISA; (iv) if the Energy Supply Benefit Plan is funded through a trust or any third-party funding vehicle, the trust or other funding agreement (including all amendments thereto) and the most recent annual reports therefor;

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and (v) the most recent determination letter received from the IRS with respect to each Energy Supply Benefit Plan that is intended to be qualified under Section 401(a) of the Code.

(c) Each Energy Supply Benefit Plan has been operated and administered in all material respects in accordance with its terms and all applicable Laws, including ERISA and the Code. Each Energy Supply Benefit Plan intended to be "qualified" within the meaning of Section 401(a) of the Code is the subject of a favorable determination letter from the IRS as to its qualification and, to the Knowledge of Parent, no event has occurred that could reasonably be expected to result in the disqualification of such Energy Supply Benefit Plan or the imposition of any material penalty or Tax under ERISA or the Code.

(d) No material Liability under Title IV of ERISA has been incurred by Parent or any Subsidiary of Parent that would constitute an Energy Supply Liability or by any member of the Energy Supply Group, in each case, that has not been satisfied in full when due. No condition exists that could reasonably be expected to result in a material Liability to any member of the Energy Supply Group under Title IV of ERISA.

(e) Except as contemplated in the Employee Matters Agreement, the consummation of the Transactions will not (i) entitle any Energy Supply Employee to severance, bonus, retention or change in control pay, tax gross-up, unemployment compensation or any other payment, in each case, from or payable by any member of the Energy Supply Group or that would constitute an Energy Supply Liability or (ii) accelerate the time of payment or vesting, or increase the amount, of severance, compensation or equity due any such Energy Supply Employee, in each case, from or payable by, or pursuant to any equity compensation arrangement sponsored or maintained by, any member of the Energy Supply Group or that would constitute an Energy Supply Liability.

(f) (i) There are no material pending or, to the Knowledge of Parent, threatened Actions against, by or on behalf of, or any liens filed against or with respect to any of the Energy Supply Benefit Plans; and (ii) no administrative investigation, audit or other administrative proceeding by the United States Department of Labor, the Pension Benefit Guaranty Corporation, the IRS or other governmental agency is pending, or to the Knowledge of Parent, threatened.

(g) None of Parent, any Subsidiary of Parent or any member of the Energy Supply Group is a party to any agreement, Contract or arrangement that could result, separately or in the aggregate, in the payment or benefit to Energy Supply Employees of any "excess parachute payments" within the meaning of Section 280G of the Code.

(h) No Energy Supply Benefit Plan provides benefits, including death or medical benefits (whether or not insured), with respect to any Energy Supply Employees beyond their retirement from service or other termination of service, other than (i) coverage mandated solely by applicable Law, (ii) death benefits or retirement benefits under any "employee pension benefit plan" (as defined in Section 3(2) of ERISA), (iii) post-retirement welfare or deferred compensation benefits accrued as Liabilities on the books of Parent or its Subsidiaries, or (iv) benefits the full costs of which are borne by the Energy Supply Employee or his or her beneficiary.

(i) Each Energy Supply Benefit Plan that is a "nonqualified deferred compensation plan" (within the meaning of Section 409A(d)(1) of the Code) is, in all material respects, in documentary and operational compliance with Section 409A of the Code and associated Treasury Department guidance.

(j) Section 5.11(j) of the Parent Disclosure Letter lists all Energy Supply Collective Bargaining Agreements, other than any immaterial supplements, addendums or side-letters or other immaterial modifications thereto. No other Collective Bargaining Agreements or other Contracts with any labor union or representative of any Energy Supply Employee are being negotiated. There are no union organizing activities, strikes, slowdowns, work stoppages, lockouts or other similar labor controversies or, to the Knowledge of Parent, threats thereof by or with respect to any Energy Supply Employees, nor have there been any of the foregoing since January 1, 2011.

(k) None of Parent or any Subsidiary of Parent (with respect to the employment of Energy Supply Employees) or any member of the Energy Supply Group is subject to any consent or decree or Order with, or citation by, any Governmental Authority relating to employees or labor or employment practices, and, to the Knowledge of Parent, there are no material investigations, audits or similar proceedings by any Governmental Authority alleging breach or violation of any labor or employment Law.

(l) Except as has not had and would not reasonably be expected to have, individually or in the aggregate, an Energy Supply Business MAE, Parent and its Subsidiaries (with respect to the employment or engagement of Energy Supply Employees) and each member of the Energy Supply Group is, and since at least January 1, 2011 has been, in compliance with all applicable Laws, Contracts, policies, plans and programs relating to the employment of labor, including all Laws with respect to labor and employment practices, terms and conditions of employment, wages and hours, overtime payments, Fair Labor Standards Act compliance, recordkeeping, employee classification, non-discrimination, non-retaliation, employee benefits, employee leave, payroll documents, record retention, equal opportunity, immigration, occupational health and safety, severance, termination or discharge, collective bargaining, the payment of employee welfare and retirement and other taxes, and the full payment of all required social security contributions and taxes. To the Knowledge of Parent, each Energy Supply Employee is lawfully authorized to work in the United States.

(m) No Action (including those with respect to alleged unfair labor practices and wrongful employment practices) is pending or, to the Knowledge of Parent, is threatened against or with respect to any of Parent, any Subsidiary of Parent, any member of the Energy Supply Group or the Energy Supply Business by or on behalf of any Energy Supply Employee, any prospective employee or representative thereof, which would reasonably be expected to result in Liability for any of Parent, any Subsidiary of Parent, any member of the Energy Supply Group or against or in respect of any of the Energy Supply Business, the Energy Supply Assets or the Energy Supply Liabilities that would reasonably be expected to have, individually or in the aggregate, an Energy Supply Business MAE.

(n) To the Knowledge of Parent, as of the date of this Agreement, Parent reasonably expects that with respect to each "multiemployer plan", as such term is defined in Section 4001(a) of ERISA, to which a member of the Energy Supply Group is obligated to make (or makes) contributions as of the date hereof under a Collective Bargaining Agreement, the building and construction industry exemption contained in Section 4203(b)(1) of ERISA applies to Parent and each such Affiliate.

Section 5.12 Title to and Sufficiency of Energy Supply Assets.

(a) Following the Separation Transactions, following the Spin Transactions and as of immediately prior to the Closing Transactions, except as set forth on Section 5.12(a) of the Parent Disclosure Letter:

(i) the Energy Supply Assets will be sufficient to permit the Energy Supply Group to operate the Energy Supply Business independent from the Parent Group immediately following

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the Closing (A) in all material respects in compliance with all applicable Laws and Orders and (B) in a manner consistent in all material respects with the operation of the Energy Supply Business on the date of this Agreement consistent with past practice; and

(ii) the members of the Energy Supply Group will have, in all material respects, good, valid and marketable title (free and clear of all Security Interests, other than Permitted Encumbrances or Security Interests securing the Financings) to, or in the case of leased or licensed properties and assets, valid leasehold interests in or valid rights by Contract, Permit or otherwise to use, all of the Energy Supply Assets, in each case as such Energy Supply Assets are currently being used consistent with past practice.

(b) Section 5.12(b) of the Parent Disclosure Letter lists each outstanding Parent Guarantee, the applicable counterparty in favor of which each such Parent Guarantee is issued, and the underlying obligation that is secured thereby.

Section 5.13 Environmental Matters.

(a) Except as has not had and would not reasonably be expected to have, individually or in the aggregate, an Energy Supply Business MAE, as it relates to the Energy Supply Business, any Energy Supply Asset or any Energy Supply Liability:

(i) (A) there is no pending or, to the Knowledge of Parent, threatened Action or request for information against Parent, any Subsidiary of Parent or any member of the Energy Supply Group, under or pursuant to any Environmental Law, (B) neither Parent nor any Subsidiary of Parent has received written notice within the last five (5) years from any Person or Governmental Authority alleging that any Energy Supply Asset, the Energy Supply Business, Parent, any Subsidiary of Parent, or any member of the Energy Supply Group has been or is in violation or potentially in violation of any applicable Environmental Law or otherwise may be subject to Liability under any applicable Environmental Law, which violation or Liability is unresolved, and (C) to the Knowledge of Parent, there are no facts, events or circumstances that would reasonably be expected to result in any such Action;

(ii) (A) Parent and its Subsidiaries and each member of the Energy Supply Group are, and have been, in compliance with all applicable Environmental Laws and with all Permits required under any Environmental Laws for the conduct of their businesses or the operation of their facilities as currently conducted consistent with past practice, and to the Knowledge of Parent, there are no facts, events or circumstances that would reasonably be expected to prevent any member of the Energy Supply Group or the Energy Supply Business from complying with Environmental Laws;

(iii) Parent and its Subsidiaries have, and each member of the Energy Supply Group will have, as of the Distribution Time, all Permits required under Environmental Laws for the operation of their businesses and the operation of their facilities, all such Permits are in effect, and, to the Knowledge of Parent, there is no actual or alleged proceeding to revoke, modify or terminate such Permits or to renew any Permit applications that were not made in a timely manner;

(iv) to the Knowledge of Parent, there has been no past Release of Hazardous Materials at any real property currently or formerly owned, leased, or operated by Parent, any Subsidiary of Parent or any member of the Energy Supply Group or at any other location (including any location to which Hazardous Materials have been sent for reuse or recycling, or for

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treatment, storage or disposal) in concentrations or amounts or under conditions or circumstances that (A) would reasonably be expected to result in Liability to Parent, any Subsidiary of Parent, or any member of the Energy Supply Group under, or any Energy Supply Liability in respect of, any Environmental Law or would otherwise interfere with operations of Parent, any Subsidiary of Parent or any member of the Energy Supply Group as currently conducted consistent with past practice, or (B) would require reporting, investigation, remediation, or other corrective or response action by Parent, any Subsidiary of Parent or any member of the Energy Supply Group under any Environmental Law, or that would constitute an Energy Supply Liability, and that, in each case, has not otherwise been resolved through such reporting, investigation, remediation, or other corrective or response action by Parent, any Subsidiary of Parent or any member of the Energy Supply Group; and

(v) none of Parent, any Subsidiary of Parent or any member of the Energy Supply Group is party to any Order that imposes any obligations under any Environmental Law.

(b) The representations and warranties set forth in this Section 5.13, Section 5.05, Section 5.06, Section 5.07, Section 5.10, Section 5.16, and Section 5.18 are the sole representations and warranties relating to Environmental Law, the environment and Hazardous Materials made in this ARTICLE V.

Section 5.14 Taxes.

(a) Except as has not had and would not reasonably be expected to have, individually or in the aggregate, an Energy Supply Business MAE, (i) none of the members of the Energy Supply Group, the Energy Supply Business or the Energy Supply Assets is subject to any Security Interest for Taxes (other than Permitted Encumbrances) and no outstanding claims for Taxes have been asserted in writing with respect to any of the members of the Energy Supply Group, the Energy Supply Business, the Energy Supply Assets or the Energy Supply Liabilities and (ii) each of the members of the Energy Supply Group has, and Parent and its Subsidiaries have (in respect of the Energy Supply Business and the Energy Supply Assets) paid or withheld all Taxes, including withholding Taxes, required to be paid or withheld by them and, in respect of Taxes not yet due and payable, has made adequate provision for such Taxes on the consolidated financial statements of Energy Supply and in the Energy Supply Pre-Signing Balance Sheet, in each case in accordance with GAAP.

(b) Except as contemplated by this Agreement or the Separation Agreement, in the two (2) years prior to the Agreement Date, Parent, each Subsidiary of Parent and each member of the Energy Supply Group have not entered into any Proposed Acquisition Transaction or permitted or acquiesced in any Proposed Acquisition Transaction (including approving any Proposed Acquisition Transaction, whether for purposes of Section 203 of the DGCL or any similar corporate statute, any "fair price" or other provision of NewCo's or HoldCo's charter or bylaws or otherwise). None of Parent, any Subsidiary of Parent or any member of the Energy Supply Group has taken any action or knows of any fact or circumstance that could reasonably be expected to prevent the Merger from qualifying as a reorganization within the meaning of Section 368(a) of the Code or the Merger and the Contributions from together qualifying as a contribution of property described in Section 351 of the Code or prevent any Separation Transaction from qualifying for the Intended Tax-Free Treatment.

Section 5.15 Regulatory Status.

(a) Section 5.15(a) of the Parent Disclosure Letter identifies and describes in sufficient detail each electric generating facility that is owned or operated by any member of the Energy

Supply Group or is otherwise an Energy Supply Asset (such generating facilities, collectively, the "Energy Supply Facilities").

(b) None of Energy Supply or the New Entities is a "public utility" as defined in the FPA. Section 5.15(b) of the Parent Disclosure Letter identifies the Energy Supply Subs that are "public utilities" as defined in the FPA and are subject to regulation by FERC as public utilities. Except as set forth in Section 5.15(b) of the Parent Disclosure Letter, none of Parent, any Subsidiary of Parent or any member of the Energy Supply Group is subject to regulation as a "public utility" or "public service company" (or similar designation) with respect to its rates, securities issuances or capital structure by any state Governmental Authority.

(c) Each Energy Supply Sub that sells electric energy, capacity and/or certain ancillary services at wholesale in interstate commerce (i) is subject to the jurisdiction of FERC under the FPA, (ii) has been authorized by FERC to make wholesale sales of electric energy, capacity and certain ancillary services at market-based rates pursuant to Section 205 of the FPA ("MBR Authority") to make wholesale sales of electric energy, capacity and certain ancillary services into the markets in which it sells at market-based rates, subject to the mitigation listed in Section 5.15(c) of the Parent Disclosure Letter, and (iii) except for PPL EnergyPlus, is an Exempt Wholesale Generator ("EWG") under the Energy Policy Act of 2005 (the "EPAct 2005") and either has been determined by order of FERC to be an EWG or has filed with FERC a notification of self-certification of EWG status that is complete and accurate in all respects. Neither the MBR Authority of such Energy Supply Subs, nor such Energy Supply Subs' status as an EWG under the EPAct 2005, is the subject of any pending or, to the Knowledge of Parent, threatened, judicial or administrative proceeding to revoke or modify such status. To the Knowledge of Parent, there are no facts that are reasonably likely to cause such Energy Supply Sub to lose its MBR Authority or its status as an EWG under the EPAct 2005.

(d) Each hydroelectric generating facility that is owned or operated by any member of the Energy Supply Group or is otherwise an Energy Supply Asset is duly licensed by FERC under Part I of the FPA and each such hydroelectric generating facility (i) to the Knowledge of Parent, has continuously been duly licensed by FERC under Part I of the FPA and (ii) is not subject to any pending or, to the Knowledge of Parent, threatened, judicial or administrative proceeding to revoke or modify such license.

Section 5.16 NRC Status.

(a) The operation of Susquehanna Steam Electric Station ("Susquehanna") is and has since January 1, 2012 been conducted in compliance in all material respects with applicable health, safety, regulatory and other legal requirements. Such legal requirements include, but are not limited to, the NRC Facility Operating Licenses for Susquehanna issued pursuant to 10 C.F.R. Chapter I, and all regulations, requirements and orders related in any way thereto, and all obligations of PPL Susquehanna, LLC ("PPL Susquehanna"), as the operator of Susquehanna, pursuant to contracts with the United States Department of Energy for the disposal of spent nuclear fuel and high-level radioactive waste, and any Laws of the State of Pennsylvania or any agency thereof. As of the date hereof, to the Knowledge of Parent, the operations of Susquehanna are not (and, since the date hereof, except as has not had and would not reasonably be expected to have, individually or in the aggregate, an Energy Supply Business MAE, the operations of Susquehanna have not been) the subject of either any notice of violation that has not been addressed by corrective actions or any material request for information from the NRC or any other agency with jurisdiction over such facility. PPL Susquehanna maintains, and is in compliance in all material respects with, emergency plans designed to protect the health and safety of the public in the event of an unplanned release of radioactive materials and such plans are in compliance in all material respects with the NRC's rules and regulations.

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(b) With respect to all periods commencing on or after January 1, 2012 and ending on or prior to the Closing Date: (i) PPL Susquehanna's Qualified Decommissioning Fund consists of one or more trusts that are validly existing and in good standing under the Laws of their respective jurisdictions of formation with all requisite authority to conduct their affairs as they now do; (ii) PPL Susquehanna's Qualified Decommissioning Fund satisfies the requirements necessary for such fund to be treated as a "Nuclear Decommissioning Reserve Fund" within the meaning of Code Section 468A(a) and as a "Nuclear Decommissioning Fund" and a "Qualified Nuclear Decommissioning Fund" within the meaning of Treasury Regulation Section l.468A-l(b)(3); (iii) PPL Susquehanna's Qualified Decommissioning Fund is in compliance in all material respects with all applicable rules and regulations of any Governmental Authority having jurisdiction, including the requirements of the NRC with respect to the minimum funds for radiological decommissioning and NRC license termination and the requirements of the IRS, (iv) PPL Susquehanna's Qualified Decommissioning Fund has not engaged in any acts of "self-dealing" as defined in Treasury Regulation Section 1.468A-5(b)(2); (v) no "excess contribution", as defined in Treasury Regulation Section 1.468A-5(c)(2)(ii), has been made to PPL Susquehanna's Qualified Decommissioning Fund which has not been withdrawn within the period provided under Treasury Regulation Section 1.468A-5(c)(2)(i); and (vi) PPL Susquehanna has made timely and valid elections to make annual contributions to PPL Susquehanna's Qualified Decommissioning Fund and Parent has heretofore delivered copies of such elections to RJS. As used in this Agreement, the term "Qualified Decommissioning Fund" means all amounts contributed to qualified funds for administrative costs and costs incurred in connection with the entombment, dismantlement, removal and disposal of the structures, systems and components of a unit of common facilities, including all costs incurred in connection with the preparation for decommissioning, such as engineering and other planning expenses incurred with respect to the unit of common facilities after actual decommissioning occurs, such as physical security and radiation monitoring expenses.

(c) Parent has heretofore made available to RJS a copy of PPL Susquehanna's decommissioning trust agreements.

(d) With respect to all periods commencing on or after January 1, 2012 and ending on or prior to the Closing Date, PPL Susquehanna and/or The Bank of New York Mellon, the Trustee of the PPL Susquehanna's Qualified Decommissioning Fund (the "Trustee") has/have filed or caused to be filed with the NRC, the IRS and any other Governmental Authority all material forms, statements, reports, documents (including all exhibits, amendments and supplements thereto) required to be filed by PPL Susquehanna and/or the Trustee of PPL Susquehanna's Qualified Decommissioning Fund. Parent has made available to RJS a copy of the schedule of ruling amounts most recently issued by the IRS for PPL Susquehanna's Qualified Decommissioning Fund and a copy of any pending request for revised ruling amounts, in each case together with all exhibits, amendments and supplements thereto.

(e) Parent has made available to RJS a statement of assets prepared by the Trustee for PPL Susquehanna's Qualified Decommissioning Fund as of December 31, 2013 and as of May 31, 2014 and will make such a statement available as of the most recently available month end preceding the Closing, and such statements fairly presented and will fairly present as of such dates the financial position of each of PPL Susquehanna's Qualified Decommissioning Funds. Parent has made available to RJS information from which RJS can determine the Tax basis of all assets in PPL Susquehanna's Qualified Decommissioning Fund and will make such a statement available as of the most recently available month end preceding the Closing.

(f) PPL Susquehanna's Qualified Decommissioning Funds do not include funds designated or intended for obligations other than radiological decommissioning as required by the NRC for license termination.

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(g) PPL Susquehanna maintains or otherwise has access to funds to meet the requirements of the NRC with respect to NRC spent fuel management costs, NRC spent fuel storage installation decommissioning, and other state or federal decommissioning or site restoration obligations.

(h) PPL Susquehanna does not maintain any funds for radiological decommissioning and NRC license termination in any nonqualified decommissioning trusts.

Section 5.17 Intellectual Property Related to the Energy Supply Business.

(a) Except as has not had and would not reasonably be expected to have, individually or in the aggregate, an Energy Supply Business MAE, (i) the Energy Supply Business as currently conducted by Parent and its Subsidiaries and conducted since January 1, 2012 does not infringe, misappropriate or otherwise violate any Intellectual Property of any third party; (ii) to the Knowledge of the Parent, no third party is infringing, misappropriating or violating any Intellectual Property owned by any member of the Energy Supply Group or that is an Energy Supply Asset; (iii) Energy Supply and the Energy Supply Subs own or have the right to use all Intellectual Property necessary to conduct the Energy Supply Business as conducted since January 1, 2012 (the "Energy Supply Intellectual Property"); (iv) Parent and its Subsidiaries and the members of the Energy Supply Group take reasonable actions to protect their trade secrets and their material IT Systems and networks from unauthorized use or access; and (v) the Intellectual Property owned by any member of the Energy Supply Group or that is an Energy Supply Asset is free and clear of all Security Interests, other than Permitted Encumbrances or Security Interests securing the Financings. Except as set forth on Section 5.17(a) of the Parent Disclosure Letter, in the conduct of the Energy Supply Business as conducted since January 1, 2012, no member of the Energy Supply Group uses any Intellectual Property that is (x) material to the operation of the Energy Supply Business or involves total consideration of more than $100,000 individually and (y) subject to a license agreement to which a member of the Parent Group is a party.

(b) All employees, contractors and agents of any of Parent, any Subsidiary of Parent or any member of the Energy Supply Group involved in the conception, development, authoring, creation, or reduction to practice of any Energy Supply Intellectual Property that is material to the Energy Supply Business have executed agreements that assign such Intellectual Property to Energy Supply or the Energy Supply Subs.

(c) Section 5.17(c) of the Parent Disclosure Letter sets forth a complete and accurate list of all (i) patents and patent applications, (ii) registered trademarks, service marks, trade names, logos, trade dress, and slogans and applications to register any of the foregoing, (iii) registered copyrights and applications for copyright registration and (iv) domain name registrations (collectively, "Energy Supply Registered Intellectual Property") owned by any member of the Energy Supply Group or that is an Energy Supply Asset. All fees currently due and filings that need to be made to maintain the Registered Intellectual Property have been paid or made, as applicable. To the Knowledge of the Parent, the Registered Intellectual Property is valid, subsisting and enforceable.

(d) Except as has not had and would not reasonably be expected to have, individually or in the aggregate, an Energy Supply Business MAE, the software used by any of Parent and its Subsidiaries (in connection with the Energy Supply Business) and any member of the Energy Supply Group does not contain, and is not distributed with, any software that is licensed pursuant to an "open source" or other third party license agreement that, as such software is used by Parent or its Subsidiaries or any member of the Energy Supply Group, requires the disclosure or licensing of any of the Intellectual Property owned by any member of the Energy Supply Group or that is an Energy Supply Asset.

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(e) Except as has not had and would not reasonably be expected to have, individually or in the aggregate, an Energy Supply Business MAE, Parent and its Subsidiaries and the members of the Energy Supply Group own, lease or license, and, as of the Distribution Time (without giving effect to the Distribution), the members of the Energy Supply Group will own, lease or license, all IT Equipment that is necessary for the operations of the Energy Supply Business. Since January 1, 2013, there has been no failure or other material substandard performance of any IT Equipment which has caused any material disruption to conduct of the Energy Supply Business.

Section 5.18 Insurance. Section 5.18 of the Parent Disclosure Letter lists all material insurance policies, insurance Contracts or self-insurance programs and owned or held by Parent, any Subsidiary of Parent or any member of the Energy Supply Group as of the date of this Agreement which cover the Energy Supply Business, the Energy Supply Assets, the Energy Supply Employees or otherwise with respect to the operation or conduct of the Energy Supply Business. Except for failures to maintain insurance that, individually or in the aggregate, have not had, and would not reasonably be expected to have, an Energy Supply Business MAE, since January 1, 2011, each of Parent and its Subsidiaries (with respect to the Energy Supply Business), the members of the Energy Supply Group and the Energy Supply Assets have been continuously insured with recognized insurers or have self-insured, in each case in such amounts and with respect to such risks and losses as are consistent with the past practice of Parent and which, in Parent's judgment, are reasonable for the Energy Supply Business, and none of Parent, any Subsidiary of Parent or any member of the Energy Supply Group has received written notice of the cancellation or termination with respect to any such material insurance policy. Except as has not had and would not reasonably be expected to have, individually or in the aggregate, an Energy Supply Business MAE, all of the insurance policies of Parent and its Subsidiaries and the members of the Energy Supply Group covering the Energy Supply Business and the Energy Supply Assets are in full force and effect and none of Parent, any Subsidiary of Parent or any member of the Energy Supply Group is in default in any material respect regarding its obligations thereunder.

Section 5.19 Real Property.

(a) Section 5.19(a) of the Parent Disclosure Letter sets forth (i) a current, complete and correct list of the Leased Premises that are material to the operation of the Energy Supply Business as conducted as of the date of this Agreement and (ii) a current, complete and correct list of all Energy Supply Leases in respect of the Leased Premises described in the immediately preceding clause (i). Energy Supply and/or the Energy Supply Subs has a valid leasehold interest in each Leased Premises, free and clear of all Security Interests except for Permitted Encumbrances or Security Interests securing the Financings. Energy Supply and/or the Energy Supply Subs has a valid and existing, legally binding and enforceable interest in each of the Energy Supply Leases. Except as has not had and would not reasonably be expected to have, individually or in the aggregate, an Energy Supply Business MAE, all such Energy Supply Leases (x) are free and clear of all Security Interests except for Permitted Encumbrances or Security Interests securing the Financings and (y) are in full force and effect and there exists no default or event that with the passage of notice or time, or both, would constitute a default under any such Energy Supply Leases.

(b) Energy Supply and/or the Energy Supply Subs has a valid and existing, legally binding and enforceable interest in all easements, rights of way, options, licenses, crossing agreements or other similar agreements with respect to any gas, electric or water supply rights or other utility or access rights which are material to the conduct of the Energy Supply Business as currently conducted and consistent with past practice (the "Energy Supply Real Property Agreements"). Except as has not had and would not reasonably be expected to have, individually or in the aggregate, an Energy Supply Business MAE, all such Energy Supply Real Property Agreements (i) are free and clear of all Security Interests except for Permitted Encumbrances or Security Interests securing the Financings and (ii) are in full force

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and effect and there exists no default or event that with the passage of notice or time, or both, would constitute a default under any such Energy Supply Real Property Agreements.

(c) Section 5.19(c) of the Parent Disclosure Letter sets forth a current complete and correct address or other identification with respect to each Energy Supply Real Property site that is material to the operation of Energy Supply Business as conducted as of the date of this Agreement. Energy Supply and/or the Energy Supply Subs has good, marketable and indefeasible fee simple title to each parcel of Energy Supply Real Property, free and clear of all Security Interests, except Permitted Encumbrances or Security Interests securing the Financings. Except as has not had and would not reasonably be expected to have, individually or in the aggregate, an Energy Supply Business MAE, with respect to each parcel of Energy Supply Real Property: (i) none of Parent, any Subsidiary of Parent or any member of the Energy Supply Group has leased or otherwise granted to any Person the right to use or occupy such Energy Supply Real Property or any portion thereof, (ii) there are no outstanding options, rights of first offer or rights of first refusal to purchase such Energy Supply Real Property or any portion thereof and (iii) there is no default under any restrictive covenants affecting the Energy Supply Real Property.

(d) Except as has not had and would not reasonably be expected to have, individually or in the aggregate, an Energy Supply Business MAE, the Leased Premises and the Energy Supply Real Property, together with all Real Property Interests subject to the Energy Supply Real Property Agreements, include all of the real property or Real Property Interests used or held for use by the Energy Supply Business as currently conducted consistent with past practice.

Section 5.20 Trading and Derivative Products.

(a) Energy Supply and its Subsidiaries have established risk programs setting forth risk parameters, limits and guidelines in compliance with the Energy Supply Trading Guidelines to quantify and manage the level of risk that Energy Supply and the Energy Supply Subs are authorized to take with respect to Energy Marketing and Trading Transactions. Parent has provided, or made available, a copy of the Energy Supply Trading Guidelines to RJS prior to the date of this Agreement. Energy Supply and the Energy Supply Subs do not engage in Energy Marketing and Trading Transactions other than transactions of the type permitted under the Energy Supply Trading Guidelines. All Energy Marketing and Trading Transactions of Energy Supply and the Energy Supply Subs since March 27, 2014, have been within the risk limits that are set forth in the Energy Supply Trading Guidelines, except for waivers or exceptions granted or utilized in a manner consistent with the terms of the Energy Supply Trading Guidelines. Neither Parent nor any Subsidiary of Parent (other than Energy Supply or the Energy Supply Subs) engages in Energy Marketing and Trading Transactions.

(b) Section 5.20(b) of the Parent Disclosure Letter sets forth each outstanding Structured Transaction to which any of Energy Supply or any Energy Supply Sub is a party.

Section 5.21 Broker's or Finder's Fee. Except for Morgan Stanley & Co. LLC and Citigroup Global Markets Inc. (the fees and expenses of which will be the responsibility of Parent), none of Parent, any Subsidiary of Parent or any member of the Energy Supply Group has employed any investment banker, broker or finder in connection with the Transactions who might be entitled to any fee or any commission in connection with or upon consummation of the Transactions.

Section 5.22 No Other Representations or Warranties. EACH OF PARENT, THE NEW ENTITIES AND ENERGY SUPPLY (INDIVIDUALLY AND ON BEHALF OF THEIR SUBSIDIARIES) ACKNOWLEDGES AND AGREES THAT RJS MAKES NO REPRESENTATION OR WARRANTY AS TO ANY MATTER WHATSOEVER EXCEPT AS EXPRESSLY SET FORTH

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IN THIS AGREEMENT, ANY OTHER TRANSACTION DOCUMENT OR IN ANY CERTIFICATE DELIVERED BY RJS TO PARENT, THE NEW ENTITIES OR ENERGY SUPPLY, AS APPLICABLE, IN ACCORDANCE WITH THE TERMS HEREOF OR THEREOF, AND SPECIFICALLY (BUT WITHOUT LIMITING THE GENERALITY OF THE FOREGOING) THAT, EXCEPT AS EXPRESSLY SET FORTH IN THIS AGREEMENT AND THE OTHER TRANSACTION DOCUMENTS, RJS MAKES NO REPRESENTATION OR WARRANTY (A) AS TO THE CONDITION OR VALUE OF THE ASSETS, BUSINESSES OR LIABILITIES CONTRIBUTED, TRANSFERRED, DISTRIBUTED, OR ASSUMED AS CONTEMPLATED HEREBY OR PURSUANT TO ANY OTHER TRANSACTION DOCUMENT, AS TO ANY CONSENTS OR GOVERNMENTAL APPROVALS REQUIRED IN CONNECTION HEREWITH OR THEREWITH, AS TO THE FREEDOM FROM ANY SECURITY INTERESTS OF, OR ANY OTHER MATTER CONCERNING, OR AS TO THE ABSENCE OF ANY DEFENSES OR RIGHT OF SETOFF OR FREEDOM FROM COUNTERCLAIM WITH RESPECT TO ANY ASSET OR (B) WITH RESPECT TO (I) ANY PROJECTIONS, ESTIMATES OR BUDGETS DELIVERED OR MADE AVAILABLE TO PARENT (OR ANY OF ITS AFFILIATES, OFFICERS, DIRECTORS, EMPLOYEES OR REPRESENTATIVES) OF FUTURE REVENUES, RESULTS OF OPERATIONS (OR ANY COMPONENT THEREOF), CASH FLOWS OR FINANCIAL CONDITION (OR ANY COMPONENT THEREOF) OF THE RJS SUBSIDIARIES OR (II) THE FUTURE BUSINESS AND OPERATIONS OF THE RJS SUBSIDIARIES, IN EACH CASE EXCEPT AS EXPRESSLY SET FORTH IN THIS AGREEMENT. EXCEPT AS MAY EXPRESSLY BE SET FORTH HEREIN OR IN ANY OTHER TRANSACTION AGREEMENT, PARENT AND ENERGY SUPPLY (INDIVIDUALLY AND ON BEHALF OF THEIR SUBSIDIARIES) ACKNOWLEDGE THAT (1) ALL ASSETS ARE BEING TRANSFERRED ON AN "AS IS," "WHERE IS" BASIS (AND, IN THE CASE OF ANY REAL PROPERTY OR REAL PROPERTY RIGHT, BY MEANS OF A DEED OR CONVEYANCE WITHOUT WARRANTY AS TO TITLE OR OTHERWISE) AND (2) THE RESPECTIVE TRANSFEREES SHALL BEAR THE ECONOMIC AND LEGAL RISKS THAT (X) ANY CONVEYANCE SHALL PROVE TO BE INSUFFICIENT TO VEST IN THE TRANSFEREE GOOD TITLE, FREE AND CLEAR OF ANY SECURITY INTEREST AND (Y) ANY NECESSARY CONSENTS OR GOVERNMENTAL APPROVALS ARE NOT OBTAINED OR THAT ANY REQUIREMENTS OF LAWS OR JUDGMENTS ARE NOT COMPLIED WITH. NOTWITHSTANDING THE FOREGOING, NOTHING IN THIS AGREEMENT SHALL PREVENT ANY PARTY FROM BRINGING ANY CLAIM BASED ON FRAUD.

ARTICLE VI

REPRESENTATIONS AND WARRANTIES OF RJS

Raven, Jade and Sapphire hereby, jointly and severally, represent and warrant to Parent that, except as set forth in the applicable section (or another section to the extent provided in Section 11.14) of the RJS Disclosure Letter:

Section 6.01 Due Organization, Good Standing and Corporate Power. Each of Raven, Jade and Sapphire is a limited liability company, duly organized, validly existing and in good standing under the Laws of the State of Delaware. Each of Raven, Jade and Sapphire and each of the RJS Subsidiaries has all requisite power and authority to own, lease and operate its Assets and to carry on its business as it is now being conducted consistent with past practice. Each of Raven, Jade and Sapphire and each of the RJS Subsidiaries is duly qualified or licensed to do business and is in good standing in each jurisdiction in which the Assets owned, leased or operated by it or the nature of the business conducted by it makes such qualification necessary, except in such jurisdictions where the failure to be so qualified or licensed and in good standing has not had and would not reasonably be expected to have, individually or in the aggregate, an RJS MAE. The copies of the Organizational Documents of each of

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Raven, Jade, Sapphire and the RJS Subsidiaries previously delivered by RJS to Parent are true, correct and complete.

Section 6.02 Subsidiaries. Section 6.02 of the RJS Disclosure Letter sets forth a complete list of the RJS Subsidiaries.

Section 6.03 Authorization of Agreement.

(a) The execution, delivery and performance of this Agreement and the Other Transaction Documents by each of Raven, Jade and Sapphire, as applicable, and the consummation by each of them of the Transactions, have been duly authorized and approved by their respective boards of managers and no other limited liability company or equityholder action on the part of Raven, Jade or Sapphire or any of their respective Subsidiaries is necessary to authorize the execution, delivery or performance of this Agreement and the Other Transaction Documents or the consummation of the Transactions.

(b) This Agreement and the Separation Agreement have been, and the applicable Ancillary Agreements to which each is a party, when executed, shall be, duly executed and delivered by each of Raven, Jade and Sapphire, as applicable, and, to the extent it is a party thereto, each is (or when executed shall be) a legal, valid and binding obligation of each of Raven, Jade and Sapphire, enforceable against each of Raven, Jade and Sapphire, as applicable, in accordance with their terms, except to the extent that its enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium and similar Law affecting the enforcement of creditors' rights generally and rules of Law governing specific performance, injunctive relief and other equitable remedies.

Section 6.04 Capitalization.

(a) Section 6.04(a)(i) of the RJS Disclosure Letter sets forth all of the authorized, issued and outstanding Capital Stock of each of the RJS Subsidiaries and the record and beneficial holders thereof. All of the issued and outstanding Capital Stock of each of the RJS Subsidiaries is owned directly or indirectly by Raven, Jade or Sapphire, free and clear of any Security Interest other than pursuant to the Financings, the RJS Refinanced Debt (as of the date hereof and, as of the Closing, solely to the extent the RJS Refinanced Debt will remain outstanding following the Closing in accordance with the terms of this Agreement) or as set forth on Section 6.04(a)(ii) of the RJS Disclosure Letter, and were duly authorized and validly issued and were not issued in violation of any purchase option, call option, right of first refusal or preemptive or other rights.

(b) As of the date hereof, there are no (and, as of the Closing Date, except as required or otherwise permitted by this Agreement or the Employee Matters Agreement, there will be no) (i) authorized, issued, reserved for issuance or outstanding (A) profit participations rights with respect to any RJS Subsidiary, (B) securities or obligations convertible or exchangeable into or exercisable for, or giving any Person a right to subscribe for or acquire any Capital Stock of any RJS Subsidiary (including, but not limited to, subscriptions, warrants or options of any kind), or (C) rights that are linked to the value of all or any portion of the Capital Stock of any RJS Subsidiary (including, but not limited to, restricted stock units, stock-based performance units, stock appreciation rights or "phantom" stock awards), (ii) obligations, commitments or agreements to which Raven, Jade, Sapphire or any RJS Subsidiary is a party, to repurchase, redeem or otherwise acquire, or to issue, deliver or sell, or cause to be issued, delivered or sold, any Capital Stock of any RJS Subsidiary and (iii) outstanding Contracts, rights (including, but not limited to, any purchase option, call option, right of first refusal or preemptive or similar rights), obligations, commitments or agreements of any kind with respect to any Capital Stock of any RJS Subsidiary to which Raven, Jade, Sapphire or any RJS Subsidiary is a party or otherwise bound

(including, but not limited to, the voting, registration or transfer of the Capital Stock of any RJS Subsidiary).

(c) RJS has delivered or made available to Parent, prior to the execution of this Agreement and the Separation Agreement, true and complete copies of the Organizational Documents of each RJS Subsidiary.

(d) Except pursuant to the Contracts set forth on Section 6.04(d) of the RJS Disclosure Letter, as of the date of this Agreement, the RJS Subsidiaries have no outstanding Indebtedness of the types described in clauses (i), (ii) and/or (v) of the definition of "Indebtedness", and with respect to such Indebtedness, any obligations described in clauses (ix) and (x) of the definition of "Indebtedness".

Section 6.05 Consents and Approvals; No Violations.

(a) Non-Contravention. The execution and delivery of this Agreement and the Other Transaction Documents, as applicable, by each of Raven, Jade and Sapphire, does not, and the consummation of the Transactions by each of Raven, Jade and Sapphire will not (with or without notice or lapse of time or both), (i) violate or conflict with any provision of the Organizational Documents of Raven, Jade or Sapphire or any of the RJS Subsidiaries, (ii) assuming the RJS Regulatory Approvals have been obtained, violate or conflict in any material respect with any Laws or Orders applicable to Raven, Jade or Sapphire or any of the RJS Subsidiaries or any of their respective Assets, (iii) assuming the RJS Regulatory Approvals have been obtained, violate, conflict with, or result in a breach of any provision of, or constitute a default under, or trigger any obligation to repurchase, redeem or otherwise retire indebtedness under, or result in the termination of, or accelerate the performance required by, or result in a right of termination, cancellation, guaranteed payment or acceleration of any obligation or the loss of a benefit under, or trigger any buy-sell or similar arrangement under, in each case, any provisions of any Permit or Contract to which Raven, Jade or Sapphire or any of the RJS Subsidiaries is now a party or by which they or any of their Assets may be bound, or (iv) result in the imposition or creation of any Security Interest upon any Asset of any RJS Subsidiary, other than Specified Encumbrances, except, in the case of clause (iii) for any breach, violation, termination, loss, default, acceleration, change or conflict that has not had and would not reasonably be expected to have, individually or in the aggregate, an RJS MAE. Assuming the RJS Regulatory Approvals have been obtained, Section 6.05(a) of the RJS Disclosure Letter sets forth a correct and complete list of all consents or waivers, requirements of prior notice to, or prior action by, any Person that are required for the consummation of the Transactions by each of each of Raven, Jade and Sapphire or any of the RJS Subsidiaries (whether or not subject to the qualification set forth above with respect to the immediately preceding clause (iii)), the failure of which to obtain or make would be material.

(b) Statutory Approvals. Other than in connection with or in compliance with (i) the Securities Act or the Exchange Act, (ii) the HSR Act, (iii) the FERC Approval, (iv) the rules and regulations of the NYSE, (v) any applicable state securities or blue sky Laws (vi) pre-approvals of license transfers by the FCC and (vii) New Jersey's Industrial Site Recovery Act (the immediately preceding clauses (i) through (vii), collectively, the "RJS Regulatory Approvals") and (viii) as set forth in Section 6.05(b)(viii) of the RJS Disclosure Letter and subject to the accuracy of the representations and warranties of Parent in Section 5.05(b), no authorization, consent, Order, license, Permit or approval of, or registration, declaration, notice or filing with, or action by any Governmental Authority is necessary or required to be obtained or made under applicable Law in connection with the execution and delivery of this Agreement or the Other Transaction Documents, as applicable, by Raven, Jade or Sapphire, the performance by each of Raven, Jade and Sapphire of its obligations hereunder or thereunder or the consummation of the Transactions by Raven, Jade or Sapphire, except for such authorizations, consents,

approvals or filings, the failure of which to obtain or make is not or would not be material (it being understood that references in this Agreement to "obtaining" or having "obtained" such RJS Regulatory Approvals shall mean making such declarations, filings or registrations; giving such notices; obtaining such authorizations, consents or approvals; and having such waiting periods expire as are necessary to avoid a violation of applicable Law).

Section 6.06 Financial Statements; Absence of Changes.

(a) (i) Section 6.06(a)(i) of the RJS Disclosure Letter sets forth true, correct and complete copies of the following financial statements: (A) the audited consolidated balance sheet, income statement and statement of cash flows of Raven Power Finance as of and for annual periods ended December 31, 2013 and the related notes thereto, (B) the audited consolidated balance sheet, income statement and statement of cash flows of Topaz Power Holdings as of and for annual periods ended December 31, 2013 and the related notes thereto, (C) the audited consolidated balance sheet, income statement and statement of cash flows of Sapphire Power Finance as of and for annual periods ended December 31, 2013 and the related notes thereto (the financial statements set forth in the immediately preceding clauses (A) through (C) collectively, the "RJS Audited Financial Statements"), (D) the unaudited consolidated balance sheet, income statement and statement of cash flows of Raven Power Finance for the three-month period ended March 31, 2014, (E) the unaudited consolidated balance sheet, income statement and statement of cash flows of Topaz Power Holdings for the three-month period ended March 31, 2014, (F) the unaudited consolidated balance sheet, income statement and statement of cash flows of Sapphire Power Finance for the three-month period ended March 31, 2014 (the financial statements set forth in the immediately preceding clauses (D) through (F) collectively, the "RJS Unaudited Financial Statements", and together with the RJS Audited Financial Statements, the "RJS Financial Statements").

(ii) As of the date hereof, no RJS Subsidiary is subject to the periodic reporting requirements of the Exchange Act or is otherwise required to file any forms, registration statements, prospectuses, reports or other documents with the SEC by Law or by Contract.

(b) (i) Since January 1, 2012, to the Knowledge of RJS, (A) none of RJS, any RJS Subsidiary or any director, officer, employee, auditor, accountant or similar representative of any of RJS or any RJS Subsidiary has received any material complaint, allegation, assertion or claim, whether written or oral, regarding the accounting or auditing practices, procedures, methodologies or methods of, or with respect to, any member of the RJS Group, including any material complaint, allegation, assertion or claim that RJS or any RJS Subsidiary has engaged in improper accounting or auditing practices, and (B) no attorney representing RJS or any RJS Subsidiary, whether or not employed by any such Person, has reported evidence of a violation of securities laws, breach of fiduciary duty or similar violation, relating to periods after December 31, 2011.

(ii) To the Knowledge of RJS, as of the date hereof, there are no inquiries or investigations, other governmental inquiries or investigations or internal investigations pending or threatened involving RJS or any RJS Subsidiary, in each case regarding any accounting practices of RJS or any RJS Subsidiary.

(c) Each of the RJS Financial Statements (including, in each case, any notes and schedules thereto, or incorporated by reference therein) were prepared in accordance with GAAP (except as may be indicated in the notes thereto and except with respect to the RJS Unaudited Financial Statements, the absence of footnote disclosures and normal and recurring adjustments, which are not material, individually or in the aggregate), and each presented fairly in all material respects the consolidated financial position and results of operations of Raven Power Finance, Topaz Power Holdings

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and/or Sapphire Power Finance, as applicable, and its or their consolidated Subsidiaries as of the respective dates thereof and for the respective periods indicated therein, except as otherwise noted therein (subject, in the case of the RJS Unaudited Financial Statements, to normal and recurring adjustments, which are not material, individually or in the aggregate).

(d) Neither Raven, Jade, Sapphire nor any of the RJS Subsidiaries is a party to, or has any commitment to become a party to, any joint venture, off-balance sheet partnership or any similar Contract (including any Contract or arrangement relating to any transaction or relationship between or among RJS or any of the RJS Subsidiaries, on the one hand, and any unconsolidated Affiliate, including any structured finance, special purpose or limited purpose entity or Person, on the other hand, or any "off-balance-sheet arrangement" (as defined in Item 303(a) of Regulation S-K under the Exchange Act)), where the result, purpose or intended effect of such Contract is to avoid disclosure of any material transaction involving, or material liabilities of, Raven, Jade, Sapphire or any of the RJS Subsidiaries.

(e) Except for matters reflected or reserved against on the audited consolidated balance sheets of each of Raven Power Finance, Topaz Power Holdings and Sapphire Power Finance as of the end of the fiscal year ended on December 31, 2013 (the "RJS Audited Balance Sheets"), including the notes thereto, the RJS Subsidiaries do not have and are not subject to any Liabilities that would be required under GAAP (as in effect on the date hereof) to be reflected on a consolidated balance sheet of each of Raven, Jade or Sapphire and its consolidated Subsidiaries or in the notes thereto, except for Liabilities that (i) were incurred since December 31, 2013 and in the ordinary course of business, (ii) were incurred in connection with the Transactions or contemplated or permitted by this Agreement (including pursuant to the RJS Financing) or (iii) have not had and would not, individually or in the aggregate, reasonably be expected to have an RJS MAE.

(f) Since December 31, 2013, there has not occurred any event, change, effect, development, state of facts, circumstance, condition or occurrence (including any damage, destruction or loss, whether or not covered by insurance) that has had, or would reasonably be expected to have, individually or in the aggregate, an RJS MAE.

(g) (i) Section 6.06(g)(i) of the RJS Disclosure Letter sets forth a true, correct and complete statement as of May 31, 2014 of the following in respect of the RJS Subsidiaries: (i) the aggregate amount of Cash on hand; (ii) the aggregate amount of outstanding Indebtedness of the types described in clauses (i), (ii) and/or (v) of the definition of "Indebtedness", and with respect to such Indebtedness, any obligations described in clauses (ix) and (x) of the definition of "Indebtedness"; and (iii) the aggregate amount of intercompany payables and receivables between any RJS Subsidiary, on the one hand, and RJS or any of their respective Affiliates (other than an RJS Subsidiary), any Affiliated RJS Person or TPM, on the other hand.

(ii) From May 31, 2014 to the date of this Agreement, except as set forth in Section 6.06(g)(ii) of the RJS Disclosure Letter, none of the RJS Subsidiaries has (A) declared, set aside, made or paid any dividends or other distributions, payable in cash, stock, property or otherwise, with respect to any of its equity securities (other than dividends or distributions by any wholly owned RJS Subsidiary to its parent (it being understood that each RJS Subsidiary shall be regarded as a wholly owned RJS Subsidiary)), (B) purchased or otherwise acquired, directly or indirectly, any of its equity securities, (C) incurred any Indebtedness or (D) incurred or settled any intercompany payables or receivables between any RJS Subsidiary, on the one hand, and RJS or any of their respective Affiliates (other than an RJS Subsidiary), any Affiliated RJS Person or TPM, on the other hand, except as would have been permitted pursuant to Section 7.02(c)(xv)(D) of the RJS Disclosure Letter if such payment or transaction had occurred after the date hereof.

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Section 6.07 Information to be Supplied. The information supplied or to be supplied by Raven, Jade or Sapphire or any RJS Subsidiary for inclusion or incorporation by reference in the NewCo Registration Statement and any other documents required to be filed with the SEC or any other Governmental Authority in connection with the Transactions (i) will comply as to form in all material respects with the requirements of the Exchange Act or the Securities Act, as applicable and (ii) shall not, on the date of its filing, at the time it becomes effective under the Securities Act (in the case of the NewCo Registration Statement) or on the Closing Date, contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they are made, not misleading; provided, however, that, with respect to projected financial information provided by or on behalf of Raven, Jade or Sapphire, Raven, Jade and Sapphire represent only that such information was prepared in good faith by management of Raven, Jade, Sapphire or the RJS Subsidiaries on the basis of assumptions believed by such Persons to be reasonable as of the time made.

Section 6.08 Litigation. There is no pending or, to the Knowledge of RJS, threatened Action against Raven, Jade, Sapphire or any of the RJS Subsidiaries or any of their respective Assets, in each case which would reasonably be expected to have, individually or in the aggregate, an RJS MAE. None of Raven, Jade, Sapphire or any of the RJS Subsidiaries is a party to or subject to the provisions of any settlement or Order (excluding Orders of general applicability which are not specific to Raven, Jade, Sapphire or any of the RJS Subsidiaries) which, individually or in the aggregate, are or would reasonably be expected to have an RJS MAE.

Section 6.09 Compliance with Laws; Permits.

(a) Except as has not had and would not reasonably be expected to have, individually or in the aggregate, an RJS MAE, the RJS Subsidiaries are currently, and since the later of January 1, 2011 and the date on which such RJS Subsidiary was acquired by, or became a Subsidiary of, Raven, Jade or Sapphire, as applicable, have been, in compliance with all applicable Laws and Orders to which they are subject. Since the later of January 1, 2011 and the date on which such RJS Subsidiary was acquired by, or became a Subsidiary of, Raven, Jade or Sapphire, as applicable, neither Raven, Jade, Sapphire nor any of the RJS Subsidiaries has received any written notice or, to the Knowledge of RJS, other communication from any Governmental Authority alleging that any RJS Subsidiary is in actual violation of, or failure to comply with, any Law or Order, except as has not had and would not reasonably be expected to have, individually or in the aggregate, an RJS MAE.

(b) The RJS Subsidiaries are in possession of all Permits and all rights under any Contract with any Governmental Authority that are necessary for the conduct of their respective businesses as such businesses are currently being conducted consistent with past practice (the "RJS Permits"), except where the failure to have any such RJS Permits has not had and would not reasonably be expected to have, individually or in the aggregate, an RJS MAE. All RJS Permits are valid and in full force and effect, and no suspension or cancellation of such RJS Permits is pending or, to the Knowledge of RJS, threatened, except where the failure to be in full force and effect, suspension or cancellation has not had and would not reasonably be expected to have, individually or in the aggregate, an RJS MAE. The RJS Subsidiaries are and have been in compliance with the terms and requirements of such RJS Permits, except where the failure to be in compliance has not had and would not reasonably be expected to have, individually or in the aggregate, an RJS MAE.

(c) Notwithstanding anything contained in this Section 6.09, no representation or warranty shall be deemed to be made in this Section 6.09 in respect of Tax, employee benefits, labor, Intellectual Property, environmental or real property matters.

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Section 6.10 Contracts.

(a) Except for this Agreement and the Other Transaction Documents or set forth on Section 6.10(a) of the RJS Disclosure Letter, no RJS Subsidiary is, as of the date hereof, a party to or bound by (other than Contracts solely among the RJS Subsidiaries):

(i) any "material contract" (as such term is defined in Item 601(b)(10) of Regulation S-K under the Exchange Act), as such term would be applied to the RJS Subsidiaries, taken as a whole, as if a separate entity;

(ii) any Contract containing a material covenant not to compete, for "most favored nation" treatment, or exclusivity arrangement in favor of a third party or otherwise purports to limit in any material respect either the type of business in which any RJS Subsidiary may engage or the manner or geographic area in which any of them may so engage in any business;

(iii) any Contract containing an exclusive license to Intellectual Property (whether or not such license is limited to a geographic area or field);

(iv) any Contract that limits or otherwise restricts the ability of any RJS Subsidiary to pay dividends or make distributions to its members or shareholders, other than pursuant to the Financings;

(v) any Contracts under which any RJS Subsidiary is or may be liable for Indebtedness for money borrowed (whether evidenced by notes, debentures, bonds or other similar instruments or otherwise) or evidencing obligations as obligor, guarantor or surety of any other Person (other than the RJS Subsidiaries) or pursuant to which a Security Interest is imposed upon the Assets of any RJS Subsidiary in respect of Indebtedness for borrowed money (or a guarantee thereof) other than, in each case, pursuant to the Financings;

(vi) any Contract relating to the formation, creation, governance or control of any partnership, joint venture or similar arrangement that is material to the businesses of any RJS Subsidiary as currently conducted;

(vii) any material Contract for the supply of water or utility services, in each case, that relates to the use, ownership, operation or maintenance of any RJS Facility;

(viii) any interconnection Contract that relates to any RJS Facility;

(ix) any energy management agreement or any other Contract providing for the management or operation of any RJS Facility (and/or the output thereof) by a third party;

(x) any Energy Marketing and Trading Contract (A) with a delivery/settlement period that ends later than four (4) calendar years following the commencement of the calendar year when delivery begins, (B) that exceeds the aggregate nominal energy, capacity, fuel or other product reasonably able to be produced or consumed by the RJS Facilities, (C) which are speculative in nature, (D) Structured Transactions consisting of load-following arrangements for the supply of power and energy with a term of greater than two (2) years, (E) Structured Transactions consisting of agreements to supply capacity, underlying or load shape energy and/or power basis hedges to municipalities or cooperatives or (F) Structured Transactions consisting of heat-rate call options, tolling agreements, and similar arrangements, or weather or other non-standard options and derivatives, in each case, that are not Hedging Trading activities;

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(xi) any Contract (other than an Energy Marketing and Trading Contract) with required aggregate payments to or from any RJS Subsidiary in excess of $15 million;

(xii) any material Contract that contains a "change of control" provision to which any RJS Subsidiary is a party or is subject;

(xiii) any Contract that is a settlement, conciliation or similar agreement with any Governmental Authority or other Person in respect of any material matter pursuant to which any RJS Subsidiary will be required after the date of this Agreement to pay any consideration in excess of $5 million;

(xiv) any Contract set forth or required to be set forth in Section 6.10(d) of the RJS Disclosure Letter;

(xv) any Contract that relates to the acquisition or disposition of any business or generation facility, whether by merger, sale of stock, sale of assets or otherwise (A) for aggregate consideration in excess of $15 million or (B) with respect to which any RJS Subsidiary has any material outstanding obligation, including any indemnification obligations; and

(xvi) any lease set forth or required to be set forth in Section 6.18(a) of the RJS Disclosure Letter.

Except for Contracts solely among the RJS Subsidiaries, all Contracts of the type described in this Section 6.10(a) and any other such Contracts that may be entered into by any RJS Subsidiary after the date hereof and on or prior to the Effective Time in accordance with Section 7.02, together with the RJS Leases are referred to herein as "RJS Material Contracts." Complete and correct copies (including all material amendments, modifications, extensions, renewals or waivers with respect thereto) of all RJS Material Contracts existing as of the date hereof have been provided, or made available, to Parent.

(b) Each RJS Material Contract is the legal, valid and binding obligation of, and enforceable against, the applicable RJS Subsidiary, and, to the Knowledge of RJS, each other party thereto, and is in full force and effect in accordance with its terms, except (i) for terminations or expirations at the end of the stated term, (ii) such failures to be legal, valid and binding or to be in full force and effect as has not had and would not reasonably be expected to have, individually or in the aggregate, an RJS MAE and (iii) as limited by Laws of general application relating to bankruptcy, insolvency, reorganization, moratorium or other similar Laws, now or hereafter in effect, relating to creditors' rights generally and the application of rules of Law governing equitable remedies of specific performance, injunctive relief and other equitable remedies.

(c) Except, in each case, where such violation, breach, default, event of default, right of termination, cancellation, guaranteed payment, acceleration of obligation or loss of benefit, has not had and would not reasonably be expected to have, individually or in the aggregate, an RJS MAE, each RJS Subsidiary which is a party to each RJS Material Contract is in compliance with all terms and requirements of each such RJS Material Contract, and no event has occurred that, with notice or the passage of time, or both, would constitute a breach or default by such RJS Subsidiary, or result in a right of termination, cancellation, guaranteed payment or acceleration of any obligation or the loss of a benefit under any such RJS Material Contract. To the Knowledge of RJS, no other party to any RJS Material Contract is in breach or default (nor has any event occurred which, with notice or the passage of time, or both, would constitute such a breach or default) under any RJS Material Contract, in each case where

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such violation, breach, default or event of default would reasonably be expected to have, individually or in the aggregate, an RJS MAE.

(d) Section 6.10(d) of the RJS Disclosure Letter lists each Contract between or among (i) any RJS Subsidiary, on the one hand, and (ii) any Affiliate thereof (other than an RJS Subsidiary), any Affiliated RJS Person (other than any Contract with any Affiliated RJS Person on an arms-length basis) or TPM, on the other hand, that will remain in place following the Closing.

Section 6.11 Employees and Employee Benefits; Labor.

(a) Section 6.11(a) of the RJS Disclosure Letter contains a true and complete list of all material "employee benefit plans" (within the meaning of Section 3(3) of ERISA, including multiemployer plans within the meaning of Section 3(37) of ERISA), and all equity purchase, severance, employment, change-in-control, fringe benefit, collective bargaining, bonus, incentive, deferred compensation, equity compensation, employee loan and all other employee benefit plans, programs, policies or other arrangements, whether or not subject to ERISA (including any funding mechanism therefor now in effect or required in the future as a result of the Transactions or otherwise), which are contributed to, sponsored by or maintained by any RJS Subsidiary and under which any current or former employee or any individual independent contractor (i.e., a natural person serving in a personal capacity) of any RJS Subsidiary (collectively, the "RJS Employees") has any present or future right to compensation or benefits (the "RJS Benefit Plans").

(b) With respect to each RJS Benefit Plan identified on Section 6.11(a) of the RJS Disclosure Letter, RJS has made available to Parent complete copies of each of the following documents: (i) the RJS Benefit Plan (including all amendments thereto); (ii) the most recent annual report and actuarial report, if required under ERISA or the Code; (iii) the most recent summary plan description, together with each summary of material modifications, if required under ERISA; (iv) if the RJS Benefit Plan is funded through a trust or any third-party funding vehicle, the trust or other funding agreement (including all amendments thereto) and the most recent financial statements thereof; and (v) the most recent determination letter received from the IRS with respect to each RJS Benefit Plan that is intended to be qualified under Section 401(a) of the Code.

(c) Each RJS Benefit Plan has been operated and administered in all material respects in accordance with its terms and all applicable Laws, including ERISA and the Code. Each RJS Benefit Plan intended to be "qualified" within the meaning of Section 401(a) of the Code is the subject of a favorable determination letter from the IRS as to its qualification and, to the Knowledge of RJS, no event has occurred that could reasonably be expected to result in the disqualification of such RJS Benefit Plan or the imposition of any material penalty or Tax under ERISA or the Code.

(d) No material Liability under Title IV of ERISA has been incurred by any RJS Subsidiary that has not been satisfied in full when due. No condition exists that could reasonably be expected to result in a material Liability to any RJS Subsidiary under Title IV of ERISA.

(e) Except as contemplated in the Employee Matters Agreement or as permitted by Section 7.02(c), the consummation of the Transactions will not (i) entitle any RJS Employee to severance, bonus, retention or change in control pay, tax gross-up, unemployment compensation or any other payment, in each case, from or payable by an RJS Subsidiary or (ii) accelerate the time of payment or vesting, or increase the amount, of severance, compensation or equity due any such RJS Employee, in each case, from or payable by, or pursuant to any equity compensation arrangement sponsored or maintained by, an RJS Subsidiary.

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(f) (i) There are no material pending or, to the Knowledge of RJS, threatened Actions against, by or on behalf of, or any liens filed against or with respect to any of the RJS Benefit Plans; and (ii) no administrative investigation, audit or other administrative proceeding by the United States Department of Labor, the Pension Benefit Guaranty Corporation, the IRS or other governmental agency is pending, or to the Knowledge of RJS, threatened.

(g) No RJS Subsidiary is a party to any agreement, Contract or arrangement that could result, separately or in the aggregate, in the payment or benefit to any RJS Employees of any "excess parachute payments" within the meaning of Section 280G of the Code.

(h) No RJS Benefit Plan provides benefits, including death or medical benefits (whether or not insured), with respect to any RJS Employee beyond their retirement from service or other termination of service, other than (i) coverage mandated solely by applicable Law, (ii) death benefits or retirement benefits under any "employee pension benefit plan" (as defined in Section 3(2) of ERISA), (iii) post-retirement welfare or deferred compensation benefits accrued as Liabilities on the books of any RJS Subsidiary, or (iv) benefits the full costs of which are borne by the RJS Employee or his or her beneficiary.

(i) Each RJS Benefit Plan that is a "nonqualified deferred compensation plan" (within the meaning of Section 409A(d)(1) of the Code) is, in all material respects, in documentary and operational compliance with Section 409A of the Code and associated Treasury Department guidance.

(j) No RJS Subsidiary is a party to or negotiating any Collective Bargaining Agreement or similar labor Contract with respect to any RJS Employees. There are no union organizing activities, strikes, slowdowns, work stoppages, lockouts or other similar labor controversies or, to the Knowledge of RJS, threats thereof by or with respect to any RJS Employees, nor have there been any of the foregoing since the later of January 1, 2011 and the date on which such RJS Subsidiary was acquired by, or became a Subsidiary of, Raven, Jade or Sapphire, as applicable.

(k) No RJS Subsidiary is subject to any consent or decree or Order with, or citation by, any Governmental Authority relating to employees or labor or employment practices, and, to the Knowledge of RJS, there are no material investigations, audits or similar proceedings by any Governmental Authority alleging breach or violation of any labor or employment Law.

(l) Except as has not had and would not reasonably be expected to have, individually or in the aggregate, an RJS MAE, each of the RJS Subsidiaries is, and since the later of January 1, 2011 and the date on which such RJS Subsidiary was acquired by, or became a Subsidiary of, Raven, Jade or Sapphire, as applicable, has been, in compliance with all applicable Laws, Contracts, policies, plans and programs relating to the employment of labor, including all Laws with respect to labor and employment practices, terms and conditions of employment, wages and hours, overtime payments, Fair Labor Standards Act compliance, recordkeeping, employee classification, non-discrimination, non-retaliation, employee benefits, employee leave, payroll documents, record retention, equal opportunity, immigration, occupational health and safety, severance, termination or discharge, collective bargaining, the payment of employee welfare and retirement and other taxes, and the full payment of all required social security contributions and taxes. To the Knowledge of RJS, each RJS Employee is lawfully authorized to work in the United States.

(m) No Action (including those with respect to alleged unfair labor practices and wrongful employment practices) is pending or, to the Knowledge of RJS, is threatened against or with respect to any RJS Subsidiary by or on behalf of any RJS Employees, any prospective employee or

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representative thereof, which would reasonably be expected to result in Liability for any RJS Subsidiary that would reasonably be expected to have, individually or in the aggregate, an RJS MAE.

Section 6.12 Title to and Sufficiency of Assets.

(a) Immediately prior to giving effect to the Contributions, except as set forth on Section 6.12(a) of the RJS Disclosure Letter:

(i) the Assets of the RJS Subsidiaries and the Contracts set forth on Section 6.10(d) of the RJS Disclosure Letter will be sufficient to permit the RJS Subsidiaries to operate their respective businesses immediately following the Closing (A) in all material respects in compliance with all applicable Laws and Orders and (B) in a manner consistent in all material respects with the operation of the their respective businesses on the date of this Agreement consistent with past practice; and

(ii) the RJS Subsidiaries will have, in all material respects, good, valid and marketable title (free and clear of all Security Interests, other than Specified Encumbrances) to, or in the case of leased or licensed properties and assets, valid leasehold interests in or valid rights by Contract, Permit or otherwise to use, all of their respective Assets, in each case as such Assets are currently being used consistent with past practice.

(b) Except as set forth on Section 6.12(b) of the RJS Disclosure Letter, no Assets held by TPM, and no Contracts between any RJS Subsidiary and TPM that will not survive the Closing, are material to the operation of the business of the RJS Subsidiaries, taken as a whole, as currently conducted and as presently contemplated to be conducted.

Section 6.13 Environmental Matters.

(a) Except as has not had and would not reasonably be expected to have, individually or in the aggregate, an RJS MAE:

(i) (A) there is no pending or, to the Knowledge of RJS, threatened Action or request for information against any RJS Subsidiary, under or pursuant to any Environmental Law, (B) no RJS Subsidiary has received written notice within the last five (5) years from any Person or Governmental Authority alleging that any RJS Subsidiary has been or is in violation or potentially in violation of any applicable Environmental Law or otherwise may be subject to Liability under any applicable Environmental Law, which violation or Liability is unresolved, and (C) to the Knowledge of RJS, there are no facts, events or circumstances that would reasonably be expected to result in any such Action;

(ii) the RJS Subsidiaries are, and have been, in compliance with all applicable Environmental Laws and with all Permits required under any Environmental Laws for the conduct of their businesses or the operation of their facilities as currently conducted consistent with past practice, and to the Knowledge of RJS, there are no facts, events or circumstances that would reasonably be expected to prevent any RJS Subsidiary from complying with Environmental Laws;

(iii) the RJS Subsidiaries have all Permits required under Environmental Law for the operation of their businesses and the operation of their facilities, all such Permits are in effect, and, to the Knowledge of RJS, there is no actual or alleged proceeding to revoke, modify or

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terminate such Permits or to renew any Permit applications that were not made in a timely manner;

(iv) to the Knowledge of RJS, there has been no past Release of Hazardous Materials at any real property currently or formerly owned, leased, or operated by any RJS Subsidiary or at any other location (including any location to which Hazardous Materials have been sent for reuse or recycling, or for treatment, storage or disposal) in concentrations or amounts or under conditions or circumstances that (A) would reasonably be expected to result in Liability to any RJS Subsidiary in respect of, any Environmental Law or would otherwise interfere with operations of any RJS Subsidiary as currently conducted consistent with past practice or (B) would require reporting, investigation, remediation, or other corrective or response action by any RJS Subsidiary under any Environmental Law and that, in each case, has not otherwise been resolved through such reporting, investigation, remediation, or other corrective or response action by any RJS Subsidiary; and

(v) no RJS Subsidiary is a party to any Order that imposes any obligations under any Environmental Law.

(b) The representations and warranties set forth in this Section 6.13, Section 6.05, Section 6.06, Section 6.07, Section 6.10 and Section 6.17 are RJS' sole representations and warranties relating to Environmental Law, the environment and Hazardous Materials made in this ARTICLE VI.

Section 6.14 Taxes.

(a) Except as has not had and would not reasonably be expected to have, individually or in the aggregate, an RJS MAE, (i) none of the RJS Subsidiaries or the Assets of any RJS Subsidiary is subject to any Security Interest for Taxes (other than Permitted Encumbrances) and no outstanding claims for Taxes have been asserted in writing with respect to any RJS Subsidiary or any Asset of any RJS Subsidiary, (ii) the RJS Subsidiaries have paid or withheld all Taxes, including withholding Taxes, required to be paid or withheld by them and, in respect of Taxes not yet due and payable, has made adequate provision for such Taxes on the RJS Financial Statements in accordance with GAAP, and (iii) except as set forth on Section 6.14(a)(iii) of the RJS Disclosure Letter, each RJS Subsidiary is and has always been classified as either a disregarded entity or a partnership for U.S. federal income tax purposes.

(b) Except as contemplated by this Agreement or the Separation Agreement, in the two (2) years prior to the Agreement Date, none of Raven, Jade and Sapphire or any RJS Subsidiary has entered into any Proposed Acquisition Transaction or permitted or acquiesced in any Proposed Acquisition Transaction (including approving any Proposed Acquisition Transaction, whether for purposes of Section 203 of the DGCL or any similar corporate statute, any "fair price" or other provision of NewCo's or HoldCo's charter or bylaws or otherwise). None of Raven, Jade, Sapphire or any RJS Subsidiary has taken any action or knows of any fact or circumstance that could reasonably be expected to prevent the Merger from qualifying as a reorganization within the meaning of Section 368(a) of the Code or the Merger and the Contributions from together qualifying as a contribution of property described in Section 351 of the Code or prevent any Separation Transaction from qualifying for the Intended Tax-Free Treatment.

Section 6.15 Regulatory.

(a) Section 6.15(a) of the RJS Disclosure Letter identifies and describes in sufficient detail each electric generating facility that is owned or operated by any RJS Subsidiary or is otherwise an Asset of any RJS Subsidiary (such generating facilities, collectively, the "RJS Facilities").

(b) Neither Raven, Jade nor Sapphire is a "public utility" as defined in the FPA. Section 6.15(b) of the RJS Disclosure Letter identifies the RJS Subsidiaries that are "public utilities" as defined in the FPA and are subject to regulation by FERC as public utilities. Except as set forth in Section 6.15(b) of the RJS Disclosure Letter, neither Raven, Jade, Sapphire nor any RJS Subsidiary is subject to regulation as a "public utility" or "public service company" (or similar designation) with respect to its rates, securities issuances or capital structure by any state Governmental Authority.

(c) Each RJS Subsidiary that sells electric energy, capacity and/or certain ancillary services at wholesale in interstate commerce (i) is subject to the jurisdiction of FERC under the FPA, (ii) has been authorized by FERC with MBR Authority to make wholesale sales of electric energy, capacity and certain ancillary services into the markets in which it sells at market-based rates, subject to the mitigation listed in Section 6.15(c) of the RJS Disclosure Letter, and (iii), except for Sapphire Power Marketing, LLC and Raven Power Marketing, LLC, is an EWG and either has been determined by order of FERC to be an EWG or has filed with FERC a notification of self-certification of EWG status that is complete and accurate in all respects. None of such Order under EPAct 2005, the MBR Authority of such RJS Subsidiary, or such RJS Subsidiary's status as an EWG under the EPAct 2005 is the subject of any pending or, to the Knowledge of RJS, threatened judicial or administrative proceeding to revoke or modify such status. To the Knowledge of RJS, there are no facts that are reasonably likely to cause such RJS Subsidiary to lose its MBR Authority or its status as an EWG under the EPAct 2005.

Section 6.16 Intellectual Property.

(a) Except as has not had and would not reasonably be expected to have, individually or in the aggregate, an RJS MAE, (i) the business of the RJS Subsidiaries as currently conducted by the RJS Subsidiaries and conducted since the later of January 1, 2012 and the date on which the applicable RJS Subsidiary was acquired by, or became a Subsidiary of, Raven, Jade or Sapphire, as applicable, does not infringe, misappropriate or otherwise violate any Intellectual Property of any third party; (ii) to the Knowledge of RJS, no third party is infringing, misappropriating or violating any Intellectual Property owned by any RJS Subsidiary; (iii) the RJS Subsidiaries own or have the right to use all Intellectual Property necessary to conduct the business of the RJS Subsidiaries as currently conducted by the RJS Subsidiaries since the later of January 1, 2012 and the date on which the applicable RJS Subsidiary was acquired by, or became a Subsidiary of, Raven, Jade or Sapphire, as applicable (the "RJS Intellectual Property"); (iv) the RJS Subsidiaries take reasonable actions to protect their trade secrets and their material IT Systems and networks from unauthorized use or access; and (v) the Intellectual Property owned by the RJS Subsidiaries is free and clear of all Security Interests, other than Specified Encumbrances.

(b) Section 6.16(b) of the RJS Disclosure Letter sets forth a complete and accurate list of all (i) patents and patent applications, (ii) registered trademarks, service marks, trade names, logos, trade dress, and slogans and applications to register any of the foregoing, (iii) registered copyrights and applications for copyright registration and (iv) domain name registrations (collectively, "RJS Registered Intellectual Property") owned by an RJS Subsidiary. All fees currently due and filings that need to be made to maintain the Registered Intellectual Property have been paid or made, as applicable. To the Knowledge of RJS, the RJS Registered Intellectual Property is valid, subsisting and enforceable.

(c) All employees, contractors and agents of the RJS Subsidiaries involved in the conception, development, authoring, creation, or reduction to practice of any material RJS Intellectual Property have executed agreements that assign such Intellectual Property to an RJS Subsidiary.

(d) Except as has not had and would not reasonably be expected to have, individually or in the aggregate, an RJS MAE, the software used by the RJS Subsidiaries does not contain, and is not

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distributed with, any software that is licensed pursuant to an "open source" or other third party license agreement that, as such software is used by the RJS Subsidiaries, requires the disclosure or licensing of any of the Intellectual Property owned by the RJS Subsidiaries.

(e) Except as has not had and would not reasonably be expected to have, individually or in the aggregate, an RJS MAE, the RJS Subsidiaries own, lease or license all IT Equipment that is necessary for the operations of the business of the RJS Subsidiaries. Since January 1, 2013, there has been no failure or other material substandard performance of any IT Equipment which has caused any material disruption to conduct of the business of the RJS Subsidiaries.

Section 6.17 Insurance. Section 6.17 of the RJS Disclosure Letter lists all material insurance policies, insurance Contracts or self-insurance programs and owned or held by any RJS Subsidiary as of the date of this Agreement which covers their respective businesses or employees. Except for failures to maintain insurance that, individually or in the aggregate, have not had, and would not reasonably be expected to have, an RJS MAE, each of the RJS Subsidiaries has been continuously insured with recognized insurers or has self-insured, in each case in such amounts and with respect to such risks and losses as are consistent with the past practice of such RJS Subsidiary and which, in the judgment of Raven, Jade or Sapphire, as applicable, are reasonable for the RJS Subsidiaries' respective businesses, and neither Raven, Jade or Sapphire, as applicable, nor any RJS Subsidiary has received written notice of the cancellation or termination with respect to any such material insurance policy of any RJS Subsidiary. Except as has not had and would not reasonably be expected to have, individually or in the aggregate, an RJS MAE, all of the insurance policies of the RJS Subsidiaries are in full force and effect and no RJS Subsidiary is in default in any material respect regarding its obligations thereunder.

Section 6.18 Real Property.

(a) Section 6.18(a) of the RJS Disclosure Letter sets forth (i) a current, complete and correct list of real property leased by any RJS Subsidiary on which an RJS Facility or other material Asset or operation of the RJS Subsidiaries is located that are material to the operation of the business of the RJS Subsidiaries as conducted as of the date of this Agreement (the "RJS Leased Real Property") and (ii) a current, complete and correct list of all Contracts to which any RJS Subsidiary is a party or is bound pursuant to which the RJS Leased Real Property is leased by any RJS Subsidiary (the "RJS Leases"). One or more RJS Subsidiaries has a valid leasehold interest in each RJS Leased Real Property, free and clear of all Security Interests except for Specified Encumbrances. One or more RJS Subsidiaries has a valid and existing, legally binding and enforceable interest in each of the RJS Leases. Except as has not had and would not reasonably be expected to have, individually or in the aggregate, an RJS MAE, all such RJS Leases (x) are free and clear of all Security Interests except for Specified Encumbrances and (y) are in full force and effect and there exists no default or event that with the passage of notice or time, or both, would constitute a default under any such RJS Lease.

(b) Section 6.18(b) of the RJS Disclosure Letter sets forth a current, complete and correct list of all easements, rights of way, options, licenses, crossing agreements or other similar agreements with respect to any gas, electric or water supply rights or other utility or access rights which are material to the conduct of the businesses of the RJS Subsidiaries as currently conducted and consistent with past practice (the "RJS Real Property Agreements"). The RJS Subsidiaries have a valid and existing, legally binding and enforceable interest in each of the RJS Leases. Except as has not had and would not reasonably be expected to have, individually or in the aggregate, an RJS MAE, all such (i) RJS Real Property Agreements are free and clear of all Security Interests except for Specified Encumbrances and (ii) are in full force and effect and there exists no default or event that with the passage of notice or time, or both, would constitute a default under any such RJS Leases.

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(c) Section 6.18(c) of the RJS Disclosure Letter sets forth a current, complete and correct address or other identification with respect to each RJS Owned Real Property site that is material to the operation of the business of the RJS Subsidiaries as conducted as of the date of this Agreement. One or more RJS Subsidiaries have good, marketable and indefeasible fee simple title to each parcel of RJS Owned Real Property, free and clear of all Security Interests, except Specified Encumbrances. Except as has not had and would not reasonably be expected to have, individually or in the aggregate, an RJS MAE, with respect to each parcel of RJS Owned Real Property: (i) no RJS Subsidiary has leased or otherwise granted to any Person the right to use or occupy such RJS Owned Real Property or any portion thereof, (ii) there are no outstanding options, rights of first offer or rights of first refusal to purchase such RJS Owned Real Property or any portion thereof or (iii) there is no default under any restrictive covenants affecting the RJS Owned Real Property.

(d) Except as has not had and would not reasonably be expected to have, individually or in the aggregate, an RJS MAE, the RJS Leased Real Property and the RJS Owned Real Property, together with all Real Property Interests subject to the RJS Real Property Agreements, include all of the real property or Real Property Interests used or held for use by any RJS Subsidiary in connection with its business as currently conducted consistent with past practice.

Section 6.19 Trading and Derivative Products. Since the date on which such RJS Subsidiary was acquired by, or became a Subsidiary of, Raven, Jade or Sapphire, as applicable, each RJS Subsidiary has not engaged in Energy Marketing and Trading Transactions other than Hedging Trading. There is no Energy Marketing and Trading Transaction to which any RJS Subsidiary is a party that remains in effect on the date of this Agreement that is not an Energy Marketing and Trading Transaction for Hedging Trading.

Section 6.20 Broker's or Finder's Fee. Except for J.P. Morgan Securities LLC (the fees and expenses of which will be the responsibility of RJS), neither RJS nor any the RJS Subsidiaries have employed any investment banker, broker or finder in connection with the Transactions who might be entitled to any fee or any commission in connection with or upon consummation of the Transactions.

Section 6.21 No Other Representations or Warranties. RJS (ON BEHALF OF ITSELF AND ITS SUBSIDIARIES) ACKNOWLEDGES AND AGREES THAT, NONE OF PARENT, THE NEW ENTITIES OR ENERGY SUPPLY MAKES ANY REPRESENTATION OR WARRANTY AS TO ANY MATTER WHATSOEVER EXCEPT AS EXPRESSLY SET FORTH IN THIS AGREEMENT, ANY OTHER TRANSACTION DOCUMENT OR IN ANY CERTIFICATE DELIVERED BY PARENT OR ANY MEMBER OF THE ENERGY SUPPLY GROUP TO RJS IN ACCORDANCE WITH THE TERMS HEREOF OR THEREOF, AND SPECIFICALLY (BUT WITHOUT LIMITING THE GENERALITY OF THE FOREGOING) THAT, EXCEPT AS EXPRESSLY SET FORTH IN THIS AGREEMENT AND THE OTHER TRANSACTION DOCUMENTS, NONE OF PARENT, THE NEW ENTITIES OR ENERGY SUPPLY MAKES ANY REPRESENTATION OR WARRANTY (A) AS TO THE CONDITION OR VALUE OF THE ASSETS, BUSINESSES OR LIABILITIES CONTRIBUTED, TRANSFERRED, DISTRIBUTED, OR ASSUMED AS CONTEMPLATED HEREBY OR PURSUANT TO ANY OTHER TRANSACTION DOCUMENT, AS TO ANY CONSENTS OR GOVERNMENTAL APPROVALS REQUIRED IN CONNECTION HEREWITH OR THEREWITH, AS TO THE FREEDOM FROM ANY SECURITY INTERESTS OF, OR ANY OTHER MATTER CONCERNING, OR AS TO THE ABSENCE OF ANY DEFENSES OR RIGHT OF SETOFF OR FREEDOM FROM COUNTERCLAIM WITH RESPECT TO ANY ASSET OR (B) WITH RESPECT TO (I) ANY PROJECTIONS, ESTIMATES OR BUDGETS DELIVERED OR MADE AVAILABLE TO RJS (OR ANY OF ITS AFFILIATES, OFFICERS, DIRECTORS, EMPLOYEES OR REPRESENTATIVES) OF FUTURE REVENUES, RESULTS OF OPERATIONS (OR ANY COMPONENT THEREOF), CASH FLOWS OR FINANCIAL CONDITION (OR ANY

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COMPONENT THEREOF) OF THE ENERGY SUPPLY BUSINESS OR THE ENERGY SUPPLY GROUP OR (II) THE FUTURE BUSINESS AND OPERATIONS OF THE ENERGY SUPPLY BUSINESS OR THE ENERGY SUPPLY GROUP, IN EACH CASE EXCEPT AS EXPRESSLY SET FORTH IN THIS AGREEMENT. EXCEPT AS MAY EXPRESSLY BE SET FORTH HEREIN OR IN ANY OTHER TRANSACTION AGREEMENT, RJS ACKNOWLEDGES (ON BEHALF OF ITSELF AND EACH OTHER MEMBER OF THE RJS GROUP) THAT (1) ALL ASSETS ARE BEING TRANSFERRED ON AN "AS IS," "WHERE IS" BASIS (AND, IN THE CASE OF ANY REAL PROPERTY OR REAL PROPERTY RIGHT, BY MEANS OF A DEED OR CONVEYANCE WITHOUT WARRANTY AS TO TITLE OR OTHERWISE) AND (2) THE RESPECTIVE TRANSFEREES SHALL BEAR THE ECONOMIC AND LEGAL RISKS THAT (X) ANY CONVEYANCE SHALL PROVE TO BE INSUFFICIENT TO VEST IN THE TRANSFEREE GOOD TITLE, FREE AND CLEAR OF ANY SECURITY INTEREST AND (Y) ANY NECESSARY CONSENTS OR GOVERNMENTAL APPROVALS ARE NOT OBTAINED OR THAT ANY REQUIREMENTS OF LAWS OR JUDGMENTS ARE NOT COMPLIED WITH. NOTWITHSTANDING THE FOREGOING, NOTHING IN THIS AGREEMENT SHALL PREVENT ANY PARTY FROM BRINGING ANY CLAIM BASED ON FRAUD.

ARTICLE VII

INTERIM OPERATING COVENANTS

Section 7.01 Conduct of Energy Supply Business Pending the Closing.

(a) Following the date of this Agreement and prior to the earlier of the Closing and the date on which this Agreement is terminated pursuant to Section 10.01 (the "Termination Date"), except (i) as may be consented to in writing by RJS (which consent shall not be unreasonably withheld, conditioned or delayed), (ii) as expressly required or permitted by this Agreement or any Other Transaction Document, (iii) as set forth in the enumerated subsections of Section 7.01(c) of the Parent Disclosure Letter or (iv) as otherwise required by applicable Law, each of Parent, the New Entities and Energy Supply covenants and agrees that, with respect to its operation of the Energy Supply Business and the members of the Energy Supply Group, Parent and each of its Subsidiaries and the members of the Energy Supply Group shall use commercially reasonable efforts to (A) conduct the Energy Supply Business and the business of the New Entities and operate and maintain the Energy Supply Assets in the ordinary course of business consistent with past practice and in accordance with Prudent Operating Practice, and (B) maintain in effect and comply with all existing material Permits in all material respects and to comply in all material respects with Laws applicable to the Energy Supply Business or the members of the Energy Supply Group; provided, however, that no action by Parent, the New Entities or Energy Supply with respect to any matter specifically addressed by any provision of Section 7.01(c) shall be deemed a breach of this sentence unless such action would constitute a breach of such other provision.

(b) Following the date of this Agreement and prior to the earlier of the Closing and the Termination Date, none of Parent, any Subsidiary of Parent or any member of the Energy Supply Group shall take any action, cause any action to be taken, fail to take any action or fail to cause any action to be taken, which action or failure to act would (i) cause the Merger to fail to qualify as a reorganization under Section 368(a) of the Code or the Merger and the Contributions to fail to together qualify as a contribution of property described in Section 351 of the Code or (ii) prevent any Separation Transaction from qualifying for the Intended Tax-Free Treatment. Following the Agreement Date and prior to the earlier of the Closing and the Termination Date, other than pursuant to this Agreement, the Separation Agreement or any Other Transaction Document, none of Parent, the New Entities or Energy Supply will (and will cause their respective Subsidiaries and other members of the Parent Group not to) enter into any Proposed Acquisition Transaction or permit or acquiesce in any Proposed Acquisition Transaction

(including approving any Proposed Acquisition Transaction, whether for purposes of Section 203 of the DGCL or any similar corporate statute, any "fair price" or other provision of NewCo's or HoldCo's charter or bylaws or otherwise).

(c) Following the date of this Agreement and prior to the earlier of the Closing and the Termination Date (and without limiting the generality of Section 7.01(a) or Section 7.01(b)), and except (x) as may be consented to in writing by RJS (which consent shall not be unreasonably withheld, conditioned or delayed), (y) as expressly required or permitted by this Agreement or the Other Transaction Documents (including to give effect to the Separation Transactions and/or the Financings), or (z) as otherwise required by applicable Law:

(i) *Dividends.* Each of Parent, the New Entities and Energy Supply shall not permit the New Entities, Energy Supply or any Energy Supply Sub to (A) declare, set aside, make or pay any dividends or other distribution, payable in cash, stock, property or otherwise with respect to any of its Capital Stock, other than (1) payable solely in cash as set forth in Section 7.01(c)(i) of the Parent Disclosure Letter, or (2) payable from one wholly owned Energy Supply Sub to another wholly owned Energy Supply Sub, (B) repurchase, redeem or otherwise acquire, any of its Capital Stock, or (C) enter into or amend any agreement with respect to the voting of its Capital Stock (other than Organizational Documents to the extent permitted by Section 7.01(c)(xix)) or purchase any of its Capital Stock;

(ii) *Changes in Capital Stock.* Each of Parent, the New Entities and Energy Supply shall not permit the New Entities, Energy Supply or any Energy Supply Sub to, split, combine, reclassify, subdivide or take similar actions with respect to any of the Capital Stock of the New Entities, Energy Supply or any Energy Supply Sub or issue or authorize or propose the issuance of any Capital Stock of the New Entities, Energy Supply or any Energy Supply Sub or any other equity securities or other securities in respect of, in lieu of or in substitution for such Capital Stock, except in each case for issuances to another member of the Energy Supply Group;

(iii) *Dispositions.* Each of Parent, the New Entities and Energy Supply shall not, and shall not permit any of its Subsidiaries to, sell, pledge, dispose of, lease, license or otherwise transfer (each a "Transfer") any Assets (other than Contracts, which are governed by Section 7.01(c)(xiv) and Energy Marketing and Trading Transactions, which are governed by Section 7.01(c)(v)) that are (or would otherwise be) Energy Supply Assets (including the Capital Stock of any New Entity, Energy Supply or any Energy Supply Sub), except (A) Transfers by the Specified Energy Supply Entities of electric energy, capacity, ancillary services, emissions credits, transmission or transportation rights, water rights, Fuel Inventory, supplied (including gypsum and coal ash) or other inventory or commodities in the ordinary course of business, (B) Transfers solely among any of Energy Supply and the Energy Supply Subs, (C) (x) Permitted Encumbrances or (y) Security Interests that secure the Financings, (D) dispositions of obsolete, damaged, surplus or worn-out Assets or dispositions of Assets being exchanged or replaced, in each case in the ordinary course of business, (E) as expressly required by the terms of any Energy Supply Material Contract as in effect as of the date hereof, and/or (F) dispositions of Assets not otherwise permitted by this clause (iii) in amounts less than $5 million individually or $20 million in the aggregate in any consecutive 12 month period;

(iv) *Energy Trading Guidelines and Credit Policies.* Each of Parent, the New Entities and Energy Supply shall not, and shall not permit any of its Subsidiaries, to:

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(A) amend, supplement or otherwise modify the Energy Supply Trading Guidelines or the Energy Supply Credit Policies, in each case, other than modifications that are more restrictive to Parent and its Subsidiaries and the members of the Energy Supply Group; or

(B) terminate or suspend, or permit or grant any exception in respect of, the Energy Supply Trading Guidelines or the Energy Supply Credit Policies, except, in each case, to the extent that Energy Supply or the Energy Supply Subs shall at any time cease to comply with the risk limits established in the Energy Supply Trading Guidelines or the Energy Supply Credit Policies following the occurrence of a Market Dislocation Event, exceptions permitted or granted by Parent's Risk Management Committee on a temporary basis to permit the restoration of compliance with the Energy Supply Trading Guidelines and the Energy Supply Credit Policies (as applicable) as soon as reasonably practicable in an economically prudent manner following the occurrence of such non-compliance (but, in all events, prior to the Closing) and solely for the purposes of, and to the extent necessary to, reduce risk and restore compliance with the risk limits set forth in the Energy Trading Guidelines and the Energy Supply Credit Policies (it being understood that Energy Supply or the applicable Energy Supply Sub shall take no action to increase the risk in respect of any Energy Marketing and Trading Transaction that has triggered (either alone or with other Energy Marketing and Trading Transactions) the need for such temporary exemption and during the period of any such temporary exemption, none of Energy Supply or any Energy Supply Sub shall be permitted to enter into any new Energy Marketing and Trading Transaction that would otherwise require such temporary exemption other than primarily for the purposes of restoring compliance with the risk limits set forth in the Energy Trading Guidelines and the Energy Supply Credit Policies); provided, further, that, for purposes of this Section 7.01(c), the Energy Supply Trading Guidelines shall include:

(1) for all Non-FTR Speculative Trading activities, excluding the activities listed on Section 7.01(c)(iv) of the Parent Disclosure Letter, a 95%, five-day "value at risk" limit of $8 million;

(2) for all FTR Speculative Trading activities, a 95%, twelve (12) month "value at risk" limit of $3 million and a notional limit of 1,000 MW per month; and

(3) for all Hedging Trading activities, a 95%, five-day "value at risk" limit of $150 million;

(v) *Permitted Trading Transactions.* Each of Parent, the New Entities and Energy Supply shall not, and shall not permit any of its Subsidiaries, to enter into or engage in Energy Marketing and Trading Transactions other than, Energy Supply and the Energy Supply Subs and, in each case, solely to the extent in compliance with the Energy Supply Trading Policies and the Energy Supply Credit Policies (except as and solely to the extent expressly provided in Section 7.01(c)(iv)) (it being understood that, except as set forth in Section 7.01(c)(iv) in connection with a Market Dislocation Event, nothing in this Section 7.01(c) shall require Energy Supply or the Energy Supply Subs to change or dispose of any Energy Marketing and Trading Contracts existing as of the date of this Agreement); provided, however, that, notwithstanding the foregoing, each of Parent, the New Entities and Energy Supply shall not, and shall not permit any of its Subsidiaries, to (A) enter into any Specified Energy Marketing and Trading Contract, (B) except as set forth on Section 7.01(c)(v)(B) of the Parent Disclosure Letter, amend, renew, or modify any Specified Energy Marketing and Trading Contract, or waive, release, assign or otherwise forego any right or claim of any member of the Energy Supply Group or of Parent, any

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Subsidiary of Parent for the benefit of the Energy Supply Business under any Specified Energy Marketing and Trading Contract, in each case, (1) except in the ordinary course of business and (2) solely to the extent such amendment, renewal, modification, waiver, release, assignment or forgoing of any right or claim would not increase the term, increase the notional value, or add a material new risk with respect to such Specified Energy Marketing and Trading Contract (including, for the avoidance of doubt, with respect to any such Contract that would be considered a Specified Energy Marketing and Trading Contract as result of such action) or otherwise cause such Specified Energy Marketing Trading Contract to exceed the risk limits or otherwise not be in compliance with the Energy Supply Trading Policies and the Energy Supply Credit Policies (except as expressly provided in Section 7.01(c)(iv)), or (C) except as set forth on Section 7.01(c)(v)(C) of the Parent Disclosure Letter, terminate or liquidate (partially or completely) any Specified Energy Marketing and Trading Contract prior to the stated expiration or stated maturity thereof (other than in connection with the exercise of remedies by Energy Supply and/or any Energy Supply Sub);

(vi) *Acquisitions.* Except (A) as made in connection with any transaction solely among any of the New Entities, Energy Supply or any Energy Supply Sub, (B) as made in connection with an Energy Marketing and Trading Transaction not in violation of Section 7.01(c)(v), or (C) for the acquisition of Assets (including electric energy, capacity, ancillary services, emissions credits, transmission or transportation rights, water rights, Fuel Inventory, supplies (including gypsum and coal ash) or other inventory or commodities) by any Specified Energy Supply Entity (1) in the ordinary course of business, (2) in accordance with Prudent Operating Practice, (3) in connection with a Casualty Event or (4) pursuant to Section 7.01(c)(xi), each of Parent, the New Entities and Energy Supply shall not, and shall not permit any of its Subsidiaries, to acquire or agree to acquire (including by merger, consolidation, or acquisition of stock or assets) any Assets that would constitute Energy Supply Assets (including the Capital Stock of any Person that would constitute Energy Supply Assets) or that could result in an Energy Supply Liability, if the amount to be expended therefor exceeds $10 million individually or $50 in the aggregate in any consecutive 12 month period;

(vii) *Indebtedness.* Each of Parent, the New Entities and Energy Supply shall not, and shall not permit any of its Subsidiaries to, incur or guaranty any Indebtedness of the types described in clauses (i), (ii) and/or (v) of the definition thereof, other than (A) Indebtedness solely among any of the New Entities, Energy Supply or any Energy Supply Sub, (B) borrowings (or letters of credit issued) under a revolving credit facility or similar facility existing on the date hereof or Energy Supply Refinanced Debt incurred pursuant to any subsequent refinancing, extension, renewal or replacement of such a revolving credit facility or similar facility existing on the date hereof (including, for the avoidance of doubt, borrowings (or issuances of letters of credit) made thereunder), which refinancing, extension, renewal or replacement does not include any term loan or similar Indebtedness, in each case, in an initial aggregate amount not to exceed the Permitted Refinancing Amount), (C) Indebtedness pursuant to the Financings, (D) as set forth on Section 7.01(c)(vii)(D) of the Parent Disclosure Letter; and (E) Indebtedness in respect of letters of credit that are secured by cash collateral; provided, however, that, in each case, the proceeds of any such borrowing (except for payments permitted pursuant to Section 7.01(c)(xv)(D) and Section 7.01(c)(i)) shall be applied, and any such letter of credit (to the extent not repaid by Parent or a member of the Parent Group prior to Closing) shall be issued, solely in connection with the operation of the Energy Supply Business;

(viii) *No Liquidation or Dissolution.* Each of Parent, the New Entities and Energy Supply shall not, and shall not permit any of its Subsidiaries to, adopt a plan of complete or

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partial liquidation, dissolution, merger, consolidation, restructuring, recapitalization or other reorganization of the New Entities, Energy Supply or any Energy Supply Sub;

(ix) *Accounting Methods.* Each of the New Entities and Energy Supply shall not, and shall not permit the New Entities, Energy Supply or any Energy Supply Sub to (A) make a material change in its financial accounting policies or procedures or its methods of reporting revenue, expenses or other material items for financial accounting purposes, except (1) as allowed by a change in GAAP, FERC, NRC, SEC rule or policy or required by applicable Law, (2) as may be required in connection with the Transactions (so long as any such changes are in accordance with GAAP), or (3) changes permitted by Section 7.01(c)(x),

(x) *Taxes.* Each of Parent, the New Entities and Energy Supply shall not, and shall not permit the New Entities, Energy Supply or any Energy Supply Sub to, in each case, with respect to the Energy Supply Business or any member of the Energy Supply Group, (A) make, change or revoke any material Tax election or method of accounting on which Tax reporting is based (other than (i) the Energy Supply Election, (ii) any change of accounting method related to tangible property permitted by Treasury Decision 9636 (iii) any change or revocation of a Tax election made by PPL Montana Holdings LLC pursuant to Treasury Regulation Section 301.7701-3, and (iv) any election regarding the investment tax credit implicated by the receipt of the Holtwood cash grant), (B) except as set forth on Section 7.01(c)(x) of the Parent Disclosure Letter, settle, compromise or abandon any material Action relating to Taxes, (C) extend or waive the application of any statute of limitations regarding the assessment or collection of any material Tax (other than any extension of any statute of limitations with respect to periods for which Parent provides an indemnity under Article VI of the Separation Agreement), or (D) amend any material Tax Return, except, in the case of the foregoing clauses (A) through (D), where such action (1) occurs in the ordinary course of business, (2) would not be binding on any member of the Energy Supply Group after the Distribution, (3) would not reasonably be expected to result in an increase in Liabilities for Taxes or a decrease in Tax attributes for any member of the Energy Supply Group with respect to any period after the Distribution or (4) is required by Law;

(xi) *Capital Expenditures.* Each of Parent, the New Entities and Energy Supply (A) shall, and shall cause the members of the Energy Supply Group to, make capital expenditures in accordance with Prudent Operating Practice and (B) shall not, and shall not permit any member of the Energy Supply Group to, fail to make capital expenditures if such failure would not be in accordance with Prudent Operating Practice; provided that this Section 7.01(c)(xi) shall not limit the covenants and agreements of Parent, the New Entities and Energy Supply pursuant to Section 8.11;

(xii) *Employee Arrangements.* Each of Parent, the New Entities and Energy Supply shall not, and shall not permit any of its Subsidiaries to, (A) adopt or materially amend any Energy Supply Benefit Plans (other than (1) amendments that, individually or in the aggregate, result in a net reduction of the benefit costs of the Energy Supply Group (2) as required by the existing terms of any Energy Supply Benefit Plan in effect on the date hereof or (3) in connection with the adoption or amendment of Energy Supply Benefit Plans (or other practices) that are necessary to comply with this Agreement or an Ancillary Agreement) or (B) materially increase the salaries, wage rates, bonus opportunities, benefits or other compensation (including equity based compensation) of Energy Supply Employees, in each case except (1) in the ordinary course of business, (2) as required to comply with applicable Law, terms of any Energy Supply Benefit Plan or any Energy Supply Collective Bargaining Agreement existing or pending ratification on the date hereof, (3) as required by the existing terms of any Energy Supply Benefit Plan in effect on the date hereof, (4) in connection with the adoption or amendment of Energy Supply Benefit

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Plans (or other practices) that are necessary to comply with this Agreement or an Ancillary Agreement), (5) in connection with employment agreements or arrangements entered into with any Energy Supply Employees who are hired to replace employees who have voluntarily left their employment or been terminated as permitted herein or to fill open positions existing as of the date hereof, or who are promoted after the date hereof, in each case consistent with past practice, (6) severance arrangements with individual employees that include releases of claims, which such agreements (and releases) are consistent with past practice or (7) retention agreements or arrangements with individual Energy Supply Employees;

(xiii) *Energy Supply Employees.* Each of Parent, the New Entities and Energy Supply shall not, and shall not permit any of its Subsidiaries to transfer the employment of any Parent Group Employee to the Energy Supply Group other than as provided in the Employee Matters Agreement;

(xiv) *Contracts.* Each of Parent, the New Entities and Energy Supply shall not, and shall not permit any of its Subsidiaries to, (A) amend or modify, in any material respect, renew or terminate (partially or completely), any of the Energy Supply Material Contracts (other than an Energy Marketing and Trading Contract, which are governed by Section 7.01(c)(v)), (B) enter into any Contract (other than an Energy Marketing and Trading Contract, which are governed by Section 7.01(c)(v)) that if in effect on the date hereof would be an Energy Supply Material Contract or (C) waive, release, assign or otherwise forego any material right or claim of any member of the Energy Supply Group or of Parent, any Subsidiary of Parent for the benefit of the Energy Supply Business under any Energy Supply Material Contract (other than an Energy Marketing and Trading Contract, which are governed by Section 7.01(c)(v)), other than, in the case of the immediately preceding clauses (A), (B) and (C), (1) as required by any Energy Supply Collective Bargaining Agreement existing or pending ratification on the date hereof, (2) in the ordinary course of business; provided that such action contemplated by clauses (A), (B) or (C) would not, and would not reasonably be expected to, restrict the operation of the Energy Supply Business in any material respect or materially and adversely affect the operation of the Energy Supply Group, taken as whole, following the Closing Date or (3) any Contract that is otherwise expressly permitted to be entered into pursuant to any other section of this Section 7.01(c) other than clauses (iii) or (vi) thereof; provided, further, that notwithstanding the foregoing, the definitive documentation as in effect on the date hereof evidencing the sale of the PPL Montana, LLC hydroelectric facilities and related assets to NorthWestern Corporation shall not be amended, supplemented or otherwise modified in a manner that could result in an increase in the amount of Energy Supply Liabilities after the Closing or a Transfer of additional Energy Supply Assets by or on behalf of Parent, any Subsidiary of Parent or any member of the Energy Supply Group or that otherwise could reasonably be expected to be materially adverse to any member of the Energy Supply Group;

(xv) *Affiliate Transactions.* Each of Parent, the New Entities and Energy Supply shall not permit the New Entities, Energy Supply or any Energy Supply Sub to (A) amend or modify (except for immaterial amendments or modifications) any Contract with Parent or any of the Non-Energy Supply Subs, (B) enter into any Contract with Parent or any of the Non-Energy Supply Subs, (C) waive, release, assign or otherwise forego any material right or claim under any Contract with Parent or any of the Non-Energy Supply Subs or (D) otherwise make any loans, advances or other payments to, or enter into any other arrangement with respect to the Energy Supply Business, the Energy Supply Assets or the Energy Supply Liabilities with, Parent or any of the Non-Energy Supply Subs, other than (1) in the case of the immediately preceding clause (C), waivers or releases contemplated by the Separation Agreement, and (2) in the case of the

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immediately preceding clause (D), payments to any Affiliate permitted pursuant to Section 7.01(c)(i) or otherwise as set forth on Section 7.01(c)(xv)(D) of the Parent Disclosure Letter;

(xvi) *Settlement of Litigation.* Each of Parent, the New Entities and Energy Supply shall not, and shall not permit any of its Subsidiaries to, commence, waive, release or settle any Action or agree to the entry of any Order in respect of, any claim that, after the Closing Date, would be an Energy Supply Liability if such Action or Order would restrict the operation of the Energy Supply Business in any material respect following the Closing Date or require payments by any and all members of the Energy Supply Group in excess of $1 million individually or $5 million in the aggregate; provided, however, that this Section 7.01(c)(xvi) shall not apply to any Action or Order (1) relating to Taxes (which are addressed by Section 7.01(c)(x)) or (2) arising out of or related to this Agreement, the Other Transaction Documents or the Transactions);

(xvii) *Insurance.* Except as set forth in Section 7.01(c)(xvii) of the Parent Disclosure Letter, each of Parent, the New Entities and Energy Supply shall, and shall cause its Subsidiaries, to maintain with financially responsible insurance companies (or through self-insurance not inconsistent with past practice), insurance, (including outage insurance) with respect to the New Entities, Energy Supply, the Energy Supply Subs, the Energy Supply Business and the Energy Supply Assets in such amounts and against such risks and losses as are customary for companies engaged in the power generation industry and consistent with past practice;

(xviii) *Plant Closings.* Each of Parent, the New Entities and Energy Supply shall not, and shall not permit any of its Subsidiaries to effect or permit a plant closing, mass layoff or similar event under the Worker Adjustment and Retraining Notification Act or any similar state or local Laws (collectively, the "WARN Act");

(xix) *Governing Documents.* Each of the New Entities and Energy Supply shall not, and shall not permit any of the Energy Supply Subs to, amend its or their Organizational Documents in any material respect;

(xx) *Change in Business.* Each of Parent, the New Entities and Energy Supply shall not permit Energy Supply or any Energy Supply Sub to, engage in any business other than the Energy Supply Business;

(xxi) *New Entities.* Parent and the New Entities shall not permit prior to the Distribution any New Entity to conduct any activities other than the negotiation and execution of this Agreement and the Other Transaction Documents and the consummation of the Transactions; and

(xxii) *Parent Guarantees.* Each of Parent, the New Entities and Energy Supply shall not, and shall not permit any of its Subsidiaries to, enter into any Parent Guarantees entered into after the date of this Agreement, other than in the ordinary course of business (including extensions and renewals of Parent Guarantees in effect on the date hereof) and in any event in an aggregate amount not to exceed $10 million;

(xxiii) *Foregoing Actions.* Each of Parent, the New Entities and Energy Supply, as applicable, shall not, and shall not permit any of its Subsidiaries, as applicable, to, commit or agree, in writing or otherwise, to take any of the foregoing actions which it is not permitted to take pursuant to this Section 7.01(c).

(d) Parent may, and may cause the New Entities, Energy Supply or any Energy Supply Sub to, take commercially reasonable actions that would otherwise be prohibited pursuant to Section 7.01(a) or Section 7.01(c) in order to prevent the occurrence of or mitigate the existence of an emergency situation involving endangerment of life, human health, safety or the environment or the protection of equipment or other assets; provided, however, that (i) Parent shall provide RJS with notice of such emergency situation and any such action taken by Parent or such other entity as soon as reasonably practicable, and (ii) nothing in this Section 7.01(d) shall be deemed to waive any breach or violation by any of Parent, the New Entities or Energy Supply of any representation or warranty under this Agreement as a result of such action.

(e) On or prior to the Closing, Parent shall pay, or cause to be paid to the members of the Energy Supply Group, all amounts received by, or for the benefit of, the Parent Group or otherwise paid in violation of Section 7.01(c)(i), Section 7.01(c)(vii) or Section 7.01(c)(xv).

Section 7.02 Conduct of the RJS Subsidiaries Pending the Closing.

(a) Following the date of this Agreement and prior to the earlier of the Closing and the Termination Date, except (i) as may be consented to in writing by Parent (which consent shall not be unreasonably withheld, conditioned or delayed), (ii) as expressly required or permitted by this Agreement or any Other Transaction Document, (iii) as set forth in the enumerated subsections of Section 7.02(c) of the RJS Disclosure Letter or (iv) as otherwise required by applicable Law, each of Raven, Jade and Sapphire covenants and agrees that it shall cause each of the its Subsidiaries to use commercially reasonable efforts to (A) conduct its business and operate and maintain the Assets of the RJS Subsidiaries in the ordinary course of business consistent with past practice and in accordance with Prudent Operating Practice, and (B) maintain in effect and comply with all existing material Permits in all material respects and to comply in all material respects with Laws applicable to the RJS Subsidiaries; provided, however, that no action by any RJS Subsidiary with respect to any matter specifically addressed by any provision of Section 7.02(c) shall be deemed a breach of this sentence unless such action would constitute a breach of such other provision.

(b) Following the date of this Agreement and prior to the earlier of the Closing and the Termination Date, each of Raven, Jade and Sapphire shall cause each of its Subsidiaries not to take any action, cause any action to be taken, fail to take any action or fail to cause any action to be taken, which action or failure to act would (i) cause the Merger to fail to qualify as a reorganization under Section 368(a) of the Code or the Merger and the Contributions to fail to together qualify as a contribution of property described in Section 351 of the Code or (ii) prevent any Separation Transaction from qualifying for the Intended Tax-Free Treatment. Following the Agreement Date and prior to the earlier of the Closing and the Termination Date, other than pursuant to this Agreement, the Separation Agreement or any Other Transaction Document, neither RJS nor the its Subsidiaries will enter into any Proposed Acquisition Transaction or permit or acquiesce in any Proposed Acquisition Transaction (including approving any Proposed Acquisition Transaction, whether for purposes of Section 203 of the DGCL or any similar corporate statute, any "fair price" or other provision of NewCo's or HoldCo's charter or bylaws or otherwise).

(c) Following the date of this Agreement and prior to the earlier of the Closing and the Termination Date (and without limiting the generality of Section 7.02(a) or Section 7.02(b)), and except (x) as may be consented to in writing by Parent (which consent shall not be unreasonably withheld, conditioned or delayed), (y) as expressly required or permitted by this Agreement or the Other Transaction Documents (including to give effect to the provisions of Section 11.10(a), the RJS Separation Transactions and/or the Financings), or (z) as otherwise required by applicable Law:

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(i) *Governing Documents.* Raven, Jade and Sapphire shall not permit any RJS Subsidiary to amend or otherwise change its Organizational Documents in any material respect;

(ii) *Dividends.* Raven, Jade and Sapphire shall not permit any RJS Subsidiary to (A) declare, set aside, make or pay any dividends or other distribution, payable in cash, stock, property or otherwise with respect to any of its Capital Stock, other than (1) payable solely in cash as set forth in Section 7.02(c)(ii) of the RJS Disclosure Letter, or (2) payable from one wholly owned RJS Subsidiary to another wholly owned RJS Subsidiary (it being understood that each RJS Subsidiary shall be regarded as a wholly owned RJS Subsidiary), (B) repurchase, redeem or otherwise acquire, any of its Capital Stock or (C) enter into or amend any agreement with respect to the voting of its Capital Stock (other than Organizational Documents to the extent permitted by Section 7.02(c)(i)) or purchase any of its Capital Stock;

(iii) *Changes in Capital Stock.* Raven, Jade and Sapphire shall not permit any RJS Subsidiary to, split, combine, reclassify, subdivide or take similar actions with respect to any of its Capital Stock or issue or authorize or propose the issuance of any of its Capital Stock or any other equity securities or other securities in respect of, in lieu of or in substitution for its Capital Stock, except in each case for issuances to another RJS Subsidiary;

(iv) *Dispositions.* Raven, Jade and Sapphire shall not permit any RJS Subsidiary to, Transfer any of its Assets (other than Contracts, which are governed by Section 7.02(c)(xiv) and Energy Marketing and Trading Transactions, which are governed by Section 7.02(c)(vi)), except (A) Transfers of electric energy, capacity, ancillary services, emissions credits, transmission or transportation rights, water rights, Fuel Inventory, supplies (including gypsum and coal ash) or other inventory or commodities in the ordinary course of business, (B) Transfers solely among the RJS Subsidiaries, (C) Specified Encumbrances, (D) dispositions of obsolete, damaged, surplus or worn-out Assets or dispositions of Assets being exchanged or replaced, in each case in the ordinary course of business, (E) as expressly required by the terms of any RJS Material Contract as in effect as of the date hereof and/or (F) dispositions of Assets not otherwise permitted by this clause (iv) in amounts less than $5 million individually or $20 million in the aggregate in any consecutive 12 month period;

(v) *Transfer of Employment.* Each of Raven, Jade and Sapphire shall not, and shall not permit any of their respective Affiliates (including TPM) to transfer the employment of any employee to Raven, Jade or Sapphire without Parent's consent, such consent not to be unreasonably withheld;

(vi) *Permitted Trading Transactions.* Raven, Jade and Sapphire shall not permit any RJS Subsidiary to enter into or engage in Energy Marketing and Trading Transactions, (A) as part of Hedging Trading involving an Energy Marketing and Trading Contract (I) with a delivery/settlement period that ends later than four (4) calendar years following the commencement of the calendar year when delivery begins, or (II) that would exceed the aggregate nominal energy, capacity, fuel or other product reasonably able to be produced or consumed by the RJS Facilities, or (B) other than Hedging Trading (it being understood that nothing in this Section 7.02(c) shall require any RJS Subsidiary to change or dispose of any Energy Marketing and Trading Contracts existing as of the date of this Agreement).

(vii) *Acquisitions.* Except (A) as made in connection with any transaction solely among the RJS Subsidiaries, (B) as made in connection with an Energy Marketing and Trading Transaction not in violation of Section 7.02(c)(vi), or (C) for the acquisition of Assets (including electric energy, capacity, ancillary services, emissions credits, transmission or transportation

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rights, water rights, Fuel Inventory, supplies (including gypsum and coal ash) or other inventory or commodities) by any RJS Subsidiary (1) in the ordinary course of business, (2) in accordance with Prudent Operating Practice, (3) in connection with a Casualty Event or (4) pursuant to Section 7.02(c)(xii), Raven, Jade and Sapphire shall not permit any RJS Subsidiary to, acquire or agree to acquire (including by merger, consolidation, or acquisition of stock or assets) any Assets (including the Capital Stock of any Person) if the amount to be expended therefor exceeds $10 million individually or $50 million in the aggregate in any consecutive 12 month period;

(viii) *Indebtedness.* Raven, Jade and Sapphire shall not permit any RJS Subsidiary to, incur or guaranty any Indebtedness of the types described in clauses (i), (ii) and/or (v) of the definition thereof, other than (A) Indebtedness solely among the RJS Subsidiaries, (B) Indebtedness incurred pursuant to a revolving credit facility or other similar facility (and any subsequent refinancing, extension, renewal or replacement of the foregoing) (including, for the avoidance of doubt, borrowings (or issuances of letters of credit) made thereunder) existing on the date hereof or that refinances, extends, renews or replaces all or any portion of RJS Refinanced Debt, and which Indebtedness incurred pursuant to this Section 7.02(c)(viii)(B) does not include any term loan or similar Indebtedness (except to the extent the applicable portion of the RJS Refinanced Debt being refinanced, extended, renewed or replaced constitutes term loan or similar Indebtedness), in each case, in an initial aggregate amount not to exceed the Permitted Refinancing Amount); (C) Indebtedness in respect of any RJS Refinanced Debt that will remain in place at and immediately following the Closing in accordance with the terms of this Agreement; (D) Indebtedness pursuant to the Financings; and (E) Indebtedness in respect of letters of credit that are secured by cash collateral; provided, however, that, in each case, the proceeds of any such borrowing (except for payments permitted by Section 7.02(c)(xv)(D) and Section 7.02(c)(ii)) shall be applied, and any such letter of credit shall be issued, solely in connection with the operation of the business of the RJS Subsidiaries; provided, further, that, as of the Closing, the outstanding principal amount of borrowings under the revolving credit facility incurred pursuant to clause (B) or (D) above shall not exceed $50 million;

(ix) *No Liquidation or Dissolution.* Raven, Jade and Sapphire shall not permit any RJS Subsidiary to, adopt a plan of complete or partial liquidation, dissolution, merger, consolidation, restructuring, recapitalization or other reorganization of any RJS Subsidiary;

(x) *Accounting Methods.* Raven, Jade and Sapphire shall not permit any RJS Subsidiary to (A) make a material change in its financial accounting policies or procedures or its methods of reporting revenue, expenses or other material items for financial accounting purposes, except (1) as allowed by a change in GAAP, FERC, SEC rule or policy or required by applicable Law, (2) as may be required in connection with the Transactions (so long as any such changes are in accordance with GAAP), or (3) changes permitted by Section 7.02(c)(xi);

(xi) *Taxes.* Raven, Jade and Sapphire shall not permit any RJS Subsidiary to (A) make, change or revoke any material Tax election or method of accounting on which Tax reporting is based, other than any change of accounting method related to tangible property permitted by Treasury Decision 9636, (B) settle, compromise or abandon any material Action relating to Taxes, (C) extend or waive the application of any statute of limitations regarding the assessment or collection of any material Tax, or (D) amend any material Tax Return, except, in the case of the foregoing clauses (A) through (D), where such action (1) occurs in the ordinary course of business, (2) would not reasonably be expected to result in a material increase in Tax liabilities for the RJS Subsidiaries after Closing, or (3) is required by Law;

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(xii) *Capital Expenditures.* Raven, Jade and Sapphire shall cause the RJS Subsidiaries to make capital expenditures in accordance with Prudent Operating Practice and shall not permit the RJS Subsidiaries to fail to make capital expenditures if such failure would not be in accordance with Prudent Operating Practice;

(xiii) *Employee Arrangements.* Raven, Jade and Sapphire shall not permit any RJS Subsidiary to (A) adopt or materially amend any RJS Benefit Plans (other than (1) amendments that, individually or in the aggregate, result in a net reduction of the benefit costs of the RJS Subsidiaries, taken as a whole, (2) as required by the existing terms of any RJS Benefit Plan in effect on the date hereof or (3) in connection with the adoption or amendment of RJS Benefit Plans (or other practices) generally applicable to directors, officers or employees within a particular relevant jurisdiction and that do not result in a material increase in the benefit costs of the RJS Subsidiaries, taken as a whole) or (B) materially increase the salaries, wage rates, bonus opportunities, benefits or other compensation (including equity based compensation) of RJS Employees, in each case except (1) in the ordinary course of business, (2) as required to comply with applicable Law, (3) in connection with employment agreements or arrangements entered into with any RJS Employees who are hired to replace employees who have voluntarily left their employment or been terminated as permitted herein or to fill open positions existing as of the date hereof, or who are promoted after the date hereof, in each case, consistent with past practice, (4) subject to the limits set forth in Section 7.02(c)(xiii) of the RJS Disclosure Letter, severance arrangements with individual employees that include releases of claims, which such arrangements (and releases) are consistent with past practice or (5) subject to the limits set forth in Section 7.02(c)(xiii) of the RJS Disclosure Letter, retention agreements or arrangements with individual RJS Employees;

(xiv) *Contracts.* Raven, Jade and Sapphire shall not permit any RJS Subsidiary to (A) except as set forth on Section 7.02(c)(xiv) of the RJS Disclosure Letter, amend or modify, in any material respect, renew or terminate (partially or completely), any of the RJS Material Contracts (other than an Energy Marketing and Trading Contract, which are governed by Section 7.02(c)(vi)), (B) enter into any Contract (other than an Energy Marketing and Trading Contract, which are governed by Section 7.02(c)(vi)) that if in effect on the date hereof would be an RJS Material Contract or (C) waive, release, assign or otherwise forego any material right or claim of any RJS Subsidiary under any RJS Material Contract (other than an Energy Marketing and Trading Contract, which are governed by Section 7.02(c)(vi)), other than, in the case of the immediately preceding clauses (A), (B) and (C), (1) in the ordinary course of business; provided that such action contemplated by clauses (A), (B) or (C) would not, and would not reasonably be expected to, restrict the operation of the business of the RJS Subsidiaries, taken as a whole, in any material respect or materially and adversely affect the operation of the RJS Subsidiaries, taken as a whole, following the Closing Date, or (2) any Contract that is otherwise expressly permitted to be entered into pursuant to any other section of this Section 7.02(c) other than clauses (iv) and (vii);

(xv) *Affiliate Transactions.* Raven, Jade and Sapphire shall not permit any RJS Subsidiary to (A) except as set forth on Section 7.02(c)(xv)(A) of the RJS Disclosure Letter, amend or modify (except for immaterial amendments or modifications) any Contract with RJS or any of their respective Affiliates (other than the RJS Subsidiaries), any Affiliated RJS Person or TPM, (B) enter into any Contract with RJS or any of their respective Affiliates (other than the RJS Subsidiaries), any Affiliated RJS Person or TPM, (C) except as permitted pursuant to the immediately preceding clause (A), waive, release, assign or otherwise forego any material right or claim under any Contract with RJS or any of their respective Affiliates (other than the RJS Subsidiaries), any Affiliated RJS Person or TPM, or (D) otherwise make any loans, advances or

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other payments to, or enter into any other arrangement with, RJS or any of their respective Affiliates (other than the RJS Subsidiaries), any Affiliated RJS Person or TPM, other than, in the case of the immediately preceding clause (D), payments permitted pursuant to Section 7.02(c)(ii) or otherwise as set forth on Section 7.02(c)(xv)(D) of the RJS Disclosure Letter;

(xvi) *Settlement of Litigation.* Except as set forth on Section 7.02(c)(xvi) of the RJS Disclosure Letter, Raven, Jade and Sapphire shall not permit any RJS Subsidiary to, commence, waive, release or settle any Action or agree to the entry of any Order if such Action or Order would restrict the operation of the business of the RJS Subsidiaries, taken as a whole, in any material respect following the Closing Date or require payments by any or all RJS Subsidiaries in excess of $1 million individually or $5 million in the aggregate (provided, however, that this Section 7.02(c)(xvi) shall not apply to any Action or Order (1) relating to Taxes (which are addressed in Section 7.02(c)(xi)) or (2) arising out of or related to this Agreement, the Other Transaction Documents or the Transactions);

(xvii) *Insurance.* Raven, Jade and Sapphire shall cause each RJS Subsidiary, to maintain with financially responsible insurance companies (or through self-insurance not inconsistent with past practice), insurance (including outage insurance) in such amounts and against such risks and losses as are customary for companies engaged in the power generation industry and consistent with past practice;

(xviii) *Plant Closings.* Raven, Jade and Sapphire shall not permit any RJS Subsidiary to effect or permit a plant closing, mass layoff or similar event under the WARN Act;

(xix) *Change in Business.* Raven, Jade and Sapphire shall not permit any RJS Subsidiary to, engage in any business other than the businesses conducted by the RJS Subsidiaries as of the date hereof and activities incidental thereto; and

(xx) *Foregoing Actions.* Raven, Jade and Sapphire shall not permit any RJS Subsidiary to commit or agree, in writing or otherwise, to take any of the foregoing actions which it is not permitted to take pursuant to this Section 7.02(c).

(d) Raven, Jade and/or Sapphire may, and may cause any RJS Subsidiary to, take commercially reasonable actions that would otherwise be prohibited pursuant to Section 7.02(a) or Section 7.02(c) in order to prevent the occurrence of or mitigate the existence of an emergency situation involving endangerment of life, human health, safety or the environment or the protection of equipment or other assets; provided, however, that (i) Raven, Jade and/or Sapphire shall provide Parent with notice of such emergency situation and any such action taken by Raven, Jade and/or Sapphire or such other entity as soon as reasonably practicable, and (ii) nothing in this Section 7.02(d) shall be deemed to waive any breach or violation by Raven, Jade and/or Sapphire of any representation or warranty under this Agreement as a result of such action.

(e) On or prior to the Closing, Raven, Jade and Sapphire shall pay, or cause to be paid to the RJS Subsidiaries, all amounts received by, or for the benefit of, RJS or otherwise paid in violation of Section 7.02(c)(ii), Section 7.02(c)(viii) or Section 7.02(c)(xv).

Section 7.03 Advice of Changes. From the date hereof to the earlier of the Closing and the Termination Date, (a) Parent shall promptly advise RJS orally and in writing of any event, change, effect, development, state of facts, circumstance, condition or occurrence that has had or would reasonably be expected to have an Energy Supply Business MAE and (b) Raven, Jade and Sapphire shall promptly advise Parent orally and in writing of any event, change, effect, development, state of facts,

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circumstance, condition or occurrence that has had or would reasonably be expected to have an RJS MAE.

Section 7.04 No Control of Other Party's Business. Prior to the Closing, each of the Parties shall exercise and be responsible for, consistent with the terms and conditions of this Agreement and applicable Law (including the HSR Act), complete control and supervision over its and its Subsidiaries' respective businesses and operations (including, in the case of Parent, the New Entities and Energy Supply, complete control and supervision of all programs, employees, finances and policies of the Energy Supply Business), and prior to the Closing, no Party shall (and nothing contained in this Agreement shall give a Party, directly or indirectly, the right to) exercise control or supervision over the business or operations of any Person that is not a Subsidiary of such Party prior to the Closing.

Section 7.05 Termination of RJS Agreements. Prior to the Closing, Raven, Jade and Sapphire shall, and shall cause the RJS Subsidiaries, to terminate any and all Contracts, whether or not in writing, between or among any RJS Subsidiary, on the one hand, and RJS or any of its Affiliates (other than the RJS Subsidiaries), any Affiliated RJS Person or TPM, on the other hand, other than those Contracts listed in Section 6.10(d) of the RJS Disclosure Letter. No such Contract (including any provision thereof which purports to survive termination), other than those Contracts listed in Section 6.10(d) of the RJS Disclosure Letter, shall be of any further force or effect on or after the Closing Date and, except as provided in the next sentence, all parties thereto and the RJS Subsidiaries, RJS and its Affiliates, the Affiliated RJS Persons and TPM are hereby released from all Liabilities thereunder. From and after the Closing Date, none of RJS nor any of its Affiliates, any RJS Subsidiary, any Affiliated RJS Person or TPM shall have any rights or Liabilities under any such terminated Contract, except as specifically provided herein or any Ancillary Agreement (including any obligation to settle any receivable, payable or loan as provided in Section 7.06).

Section 7.06 Termination of Accounts. Prior to the Closing, Raven, Jade and Sapphire shall, and shall cause the RJS Subsidiaries to, cause each receivable, payable or loan between any RJS Subsidiary, on the one hand, and RJS or any of its Affiliates (other than the RJS Subsidiaries), any Affiliated RJS Person or TPM, on the other hand, to be satisfied and/or settled in full in cash or otherwise cancelled and terminated or extinguished (in each case with no further liability or obligation, including with respect to Taxes, on any of the RJS Subsidiaries).

Section 7.07 Transfer of Domain Names. Prior to the Closing, Raven, Jade and Sapphire shall, and shall cause the RJS Subsidiaries to, cause each domain name registration owned by TPM that is used primarily in the conduct of the business of the RJS Subsidiaries to be transferred to the RJS Subsidiaries.

ARTICLE VIII

COVENANTS

Section 8.01 Efforts to Close; Antitrust Clearance.

(a) Parent and RJS each shall file with the FTC and the DOJ any notifications required to be filed pursuant to and in compliance with the HSR Act at such time as Parent and RJS shall reasonably agree. Without limitation of Section 8.01(b) through Section 8.01(g) below, Parent and Raven, Jade and Sapphire each shall use (and shall cause their respective Subsidiaries to use) reasonable best efforts to obtain early termination of any waiting period under the HSR Act and promptly (i) supply the other with any information or reasonable assistance required or reasonably requested in order to

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effectuate such filings and (ii) supply any additional information or materials which are required or requested by the FTC or the DOJ.

(b) The Parties shall use (and shall cause their respective Subsidiaries to use) reasonable best efforts to file, as soon as practicable after the date of this Agreement (including (i) with respect to filings in connection with the NRC approval for indirect transfer of control of the operating license for PPL Susquehanna in no event later than 30 Business Days after the date of this Agreement and (ii) with respect to filings in connection with the FERC Approval in no event later than 30 Business Days after the date of this Agreement), all other applications, notices, registrations, filings, reports, petitions and other documents, if any, required to be filed with any Governmental Authority which are necessary or advisable to consummate the Transactions, including all Parent Regulatory Approvals and all RJS Regulatory Approvals. Each Party shall (and shall cause its respective Subsidiaries to) promptly (i) supply the others with any information or reasonable assistance required or reasonably requested in order to effectuate any of the foregoing pursuant to this Section 8.01, (ii) supply any additional information or materials which are required or reasonably requested by any Governmental Authority of competent jurisdiction in connection with the Transactions, except to the extent both Parent and RJS otherwise agree, (iii) subject to any restrictions under applicable Law, jointly participate in any communication, meeting or other contact with any Governmental Authority in connection with this Agreement or any of the Transactions, and (iv) subject to applicable legal limitations and the instructions of any Governmental Authority, keep each other apprised of the status of matters relating to the completion of the Transactions, including promptly furnishing the other with copies of notices or other communications received by a Party or any of its Subsidiaries from any third party and/or any Governmental Authority with respect to the Transactions. Subject to any restrictions under applicable Law, Parent and RJS shall jointly, and on an equal basis, coordinate the overall development of the positions and strategies taken, information presented and the regulatory action requested in any filing pursuant to this Section 8.01. Each Party will use (and shall cause their respective Subsidiaries to use) reasonable best efforts to (A) consult and cooperate with one another, (B) permit the other Parties or their counsel to review in advance any proposed written communication or filing by such Party to any Governmental Authority (excluding any communication related to Taxes) in connection with any analyses, appearances, presentations, memoranda, briefs, arguments, opinions or proposals made or submitted by or on behalf of any Party in connection with any proceedings, inquiry or investigation under or relating to the HSR Act, the FPA, any state or local utility commission or any other regulatory Laws or otherwise (including any Action or proceeding initiated by a private third party) in connection with the Transactions, (C) notify the other Parties of any oral communications with any Governmental Authority relating to any of the foregoing, (D) provide the other Parties with copies of all written communications with any Governmental Authority relating to any of the foregoing and (E) participate in meetings, hearings, settlement proceedings, or other processes ordered by any Governmental Authority in connection with respect to a Parent Regulatory Approval or RJS Regulatory Approval.

(c) Subject to any restrictions under applicable Law, each of Parent and RJS shall (and shall cause their respective Subsidiaries to) (i) give the other prompt notice of the commencement or threat of commencement of any Action whether by or before any Governmental Authority or initiated by a private Person with respect to the Transactions, (ii) keep the other Parties informed as to the status of any such Action or threat and (iii) reasonably cooperate in all respects with each other and shall use their respective reasonable best efforts to vigorously contest and resist any such Action and to have vacated, lifted, reversed or overturned any decree, judgment, injunction or other Order, whether temporary, preliminary or permanent, that is in effect and that prohibits, prevents or restricts consummation of the Transactions, including reasonably pursuing administrative and judicial appeal.

(d) Subject to the conditions and upon the terms of this Agreement and the Other Transaction Documents, each Party shall use (and shall cause their respective Subsidiaries to use)

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reasonable best efforts (subject to, and in accordance with, applicable Law) to take promptly, or cause to be taken, all actions, and to do promptly, or cause to be done, and to assist and cooperate with the other Parties in doing, all things necessary, proper or advisable under applicable Laws to carry out the intent and purposes of this Agreement and to consummate the Transactions (including, for the avoidance of doubt, using reasonable best efforts to complete the Separation Transactions and the Spin Transactions on the terms and conditions set forth in the Separation Agreement and this Agreement). Without limiting the generality of the foregoing, subject to the conditions and upon the terms of this Agreement and the Other Transaction Documents, each Party shall (and shall cause their respective Subsidiaries to) (i) reasonably cooperate with the other Parties (including, to the extent applicable, using reasonable best efforts to seek the cooperation of any third parties, such as insurers, whose cooperation may be necessary or desirable in order to effectuate the provisions of this Agreement and the Other Transaction Documents), (ii) execute and deliver such further documents, certificates, agreements and instruments and take such other actions as may be reasonably requested by any other Party to evidence or reflect the Transactions (including the execution and delivery of all documents, certificates, agreements and instruments reasonably necessary for all filings hereunder); (iii) give all notices (if any) required to be made and given by such Party (or its Subsidiaries) in connection with the Transactions; (iv) use reasonable best efforts to obtain each approval, consent, ratification, permission, waiver of authorization required to be obtained from any Governmental Authority or other Person in connection with the Transactions, including the Parent Regulatory Approvals and the RJS Regulatory Approvals; (v) use reasonable best efforts not to take any action that could reasonably be expected to (A) impose any material delay in the obtaining of, or materially increase the risk of not obtaining, any authorization, consent, order, declaration or approval of any Governmental Authority necessary to consummate the transactions contemplated by this Agreement or the expiration or termination of any applicable waiting period, (B) materially increase the risk of any Governmental Authority entering an Order prohibiting the consummation of the transactions contemplated by this Agreement, (C) materially increase the risk of not being able to remove any such Order on appeal or otherwise, (D) materially delay or prevent the consummation of the transactions contemplated by this Agreement, or (E) materially and adversely increase the conditions that are likely to be imposed by any Governmental Authority in connection with obtaining its approval for the transactions contemplated hereby; and (vi) use reasonable best efforts to lift any restraint, injunction or other legal bar to the Transactions. In furtherance of and subject to the terms of this Agreement, in connection with obtaining the Regulatory Approvals, (A) the Parties shall, in good faith, reasonably cooperate with each other in determining what actions in respect of the Regulatory Approvals to take and any mitigation plans in furtherance thereof, and (B) no Party (or any of its Subsidiaries) shall settle any Action or enter into any consent or Order with any Governmental Authority without the consent (such consent not to be unreasonably withheld, conditioned or delayed) of the other Parties; provided that the consent of the other Parties shall not be so required if (x) the effect of such settlement, consent or Order would not reasonably be expected to have a Combined MAE (after giving effect to any and all actions required by (or agreed to by the Parties in any consent or settlement with) any Governmental Authority) and (y) but for such settlement or entry into such consent or Order with such Governmental Authority, the Outside Date would have occurred without such Regulatory Approval having been obtained.

(e) The reasonable best efforts of the Parties (and their respective Subsidiaries) shall include entering into and performing one or more agreements to hold separate and divest or license such businesses, products and Assets of any of the foregoing, and to take all such other actions as may be necessary to obtain the agreement or consent of any Governmental Authority to the Transactions, in each case, on such terms as may be required by such Governmental Authority and at such time as may be necessary to ensure that the Closing will occur as soon as possible (it being understood that (x) no Party shall be required to take (or cause its Subsidiaries to take) any actions described in this sentence the effectiveness of which is not conditioned on the Closing occurring and (y) in connection with or in furtherance of obtaining any Regulatory Approvals, none of Parent, any Subsidiary of Parent or any member of the Energy Supply Group shall, without the prior written consent of RJS, Transfer or hold

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separate any Energy Supply Assets or take (or cause to be taken) any actions to Transfer or hold separate any Energy Supply Assets, in each case, prior to the Closing and the effectiveness of which Transfer or such other action is not expressly conditioned on the Closing occurring). Notwithstanding the foregoing or anything in this Agreement to the contrary, reasonable best efforts shall not require Parent (or any of its Subsidiaries) or RJS (or any of its Subsidiaries) to take any action that would have a Combined MAE (after giving effect to any and all actions required by (or agreed to in any consent or settlement with) any Governmental Authority), and except as set forth on Section 8.01(e) of the Parent Disclosure Letter or Section 8.01(e) of the RJS Disclosure Letter, as applicable, nothing in this Section 8.01 shall require any Party to cause any Affiliate (other than a Subsidiary of such Party) to take any action or omit to take any action.

(f) The Parties shall (and shall cause any relevant Subsidiaries to) execute and deliver officer's certificates containing appropriate representations at such time or times as may be reasonably requested by counsel, including the effective date of the NewCo Registration Statement and the Closing Date, for purposes of rendering opinions with respect to the tax treatment of the Closing Transactions.

(g) Parent shall use (and shall cause its Subsidiaries to use) reasonable best efforts to obtain the opinions described in Section 9.01(f) and Section 9.01(g) prior to the Closing, and RJS shall use (and shall cause its Subsidiaries to use) reasonable best efforts to obtain the opinions described in Section 9.02(e).

(h) Notwithstanding any other provision of this Section 8.01, in the event that the NRC, in connection with the approval for indirect transfer of control of the operating license for Susquehanna, determines that, as a condition to approval of the license transfer, additional assets or standby guarantees or similar financial commitments are required to establish the financial qualifications of HoldCo, NewCo, Energy Supply or any other member of the Energy Supply Group, NewCo will bear the obligation to provide and maintain, as applicable, any such additional assets, guarantee or other commitment required by the NRC and Parent will not be responsible for any obligation to provide and maintain, as applicable, such additional assets, guarantee, credit support or other commitment required by the NRC.

Section 8.02 Public Announcements. The Parties agree that, from the date of this Agreement through the Closing Date, no release or announcement concerning this Agreement, the Other Transaction Documents or the Transactions shall be issued by any Party or any of their respective Subsidiaries or agents without the prior written consent of the other Parties (which consent shall not be unreasonably withheld, conditioned or delayed), except as such release or announcement may be required by applicable Law or regulations of any applicable securities exchange, in which case the Party proposing to issue such release or make such announcement shall use reasonable best efforts to consult in good faith with the other Parties before issuing such release or making any such announcement.

Section 8.03 Access. From the date hereof to the earlier of the Closing or the Termination Date, to the extent permitted by applicable Law, each of Parent and RJS shall allow all designated Representatives of the other, reasonable access, at reasonable times, upon reasonable advance notice and in a manner as shall not unreasonably interfere with the conduct of the Energy Supply Business or the business of the RJS Subsidiaries, as applicable, to the personnel, books and records, files, correspondence, audits and properties, as well as to all information relating to commitments, Contracts, titles, insurance, its operations (including results of operations) and financial position, or otherwise in each case pertaining primarily to the business and affairs of the Energy Supply Business, on the one hand, or the RJS Subsidiaries, on the other hand; provided, however, that (i) no investigation pursuant to this Section 8.03 shall modify or qualify any representation or warranty given by any Party hereunder and (ii)

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notwithstanding the provision of information or investigation by any Party, no Party shall be deemed to make any representation or warranty except as expressly set forth in this Agreement. Notwithstanding the foregoing, (A) no Party shall be required to provide any information pursuant to this Section 8.03 which it determines in good faith it may not provide to another Party by reason of applicable Law (including any information in confidential personnel files), which such Party determines in good faith constitutes information protected by attorney/client privilege or which it is required to keep confidential by reason of any Contract with a third party and (B) no Party shall be required to provide access to any of its properties pursuant to this Section 8.03 if such access would result in damage to such property or if such access is for the purpose of performing any onsite procedure or investigation (including any Phase II or other onsite environmental investigation or study but not including any Phase I environmental investigation or other environmental investigation that does not include any sampling or testing), without such Party's written consent, which such party may grant or deny in its sole discretion. The Parties shall make reasonable and appropriate substitute disclosure arrangements under circumstances in which the restrictions in clause (A) of the preceding sentence apply. The Parties hereby agree that the Confidentiality Agreement and the Joint Defense Agreement shall govern all information provided to them or their respective officers, directors, employees or Representatives in connection with this Agreement or the consummation of the Transactions; provided, however, that none of the foregoing shall restrict disclosure by a Party to its current or potential investors, members, partners and lenders or other financial or capital sources subject to an obligation of confidentiality with respect to such information and in respect of whose failure to comply with such confidentiality obligations, the applicable Party will be responsible. Without limiting the Parties' respective obligations under any of the Other Transaction Documents, effective upon, and only upon the consummation of the Closing Transactions, the obligations under the Confidentiality Agreement shall terminate, except (I) in the case of the Parent Group, with respect to provisions regarding disclosure and use of confidential information related to the RJS Group, any member of the Combined Group or the business, operations, Assets or Liabilities of the Combined Group and (II) in the case of RJS, with respect to provisions regarding disclosure and use of confidential information of the Parent Group not related to the Energy Supply Business, the Energy Supply Assets, any member of the Combined Group or the business, operations, Assets or Liabilities of the Combined Group. If, for any reason, this Agreement is terminated prior to the Closing, the Confidentiality Agreement shall nonetheless continue in full force and effect in accordance with its terms. For the avoidance of doubt, the Joint Defense Agreement shall survive the termination of this Agreement.

Section 8.04 Preparation of SEC Filings.

(a) As promptly as practicable following the date hereof, to the extent such filings are required by applicable Law, Parent and RJS shall jointly prepare and file with the SEC the NewCo Registration Statement and the Parties shall use their reasonable best efforts to take such other actions and file such other securities-related documents as may be applicable to the Closing Transactions (including pursuant to any applicable state securities Laws). The Parties shall use their respective reasonable best efforts to have the NewCo Registration Statement and any other securities-related filings that may be required in connection with the Closing Transactions declared effective under the Exchange Act or Securities Act, as applicable, as promptly as reasonably practicable and advisable after such filing. No filing of, or amendment or supplement to, the NewCo Registration Statement shall be made by any Party, in each case without the approval of Parent and RJS (which approval shall not be unreasonably withheld, conditioned or delayed) and subject to providing the other Parties a reasonable opportunity to review and comment thereon.

(b) As promptly as practicable after the date hereof, Raven, Jade and Sapphire shall use their respective reasonable best efforts to provide Parent all audited and unaudited consolidated balance sheets, income statements and statements of cash flows of the RJS Subsidiaries, for all periods required by the SEC in connection with the NewCo Registration Statement, in each case together with the

notes thereto, prepared in accordance with GAAP, and which present fairly in all material respects the consolidated financial position and results of operations as of the respective dates thereof and for the respective periods indicated therein, except as otherwise noted therein.

(c) Parent shall furnish all information concerning Parent, the New Entities, Energy Supply and the Energy Supply Subs, and Raven, Jade and Sapphire shall furnish all information concerning RJS and the RJS Subsidiaries, as may be reasonably requested in connection with the preparation and filing of the NewCo Registration Statement and any other securities-related filings that may be required in connection with the Closing Transactions, including, in each case, such financial and other information necessary to prepare such "pro forma" financial statements as may be required by Article 11 of Regulation S-X. If at any time prior to the Closing any information should be discovered by any Party which should be set forth in an amendment or supplement to the NewCo Registration Statement or any other securities-related filings that may be required in connection with the Closing Transactions, so that any such document would not include any misstatement of a material fact or omit to state any material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, the Party which discovers such information shall promptly notify the other Parties thereof and the Parties shall jointly promptly prepare and file with the SEC an appropriate amendment or supplement describing such information.

(d) The Parties shall notify each other promptly of the receipt of any comments from the SEC or its staff and of any request by the SEC or its staff for amendments or supplements to the NewCo Registration Statement or any other securities-related filings that may be required in connection with the Closing Transactions or for additional information and shall supply each other with copies of all correspondence between it or any of its Representatives, on the one hand, and the SEC or its staff, on the other hand, with respect thereto and shall respond as promptly as practicable to any such comments or requests.

Section 8.05 No Solicitation.

(a) Raven, Jade and Sapphire agree that, following the date hereof through the earlier of the Closing or the Termination Date, neither it nor any of their Subsidiaries, nor any of their respective officers, directors or employees, shall, and that it shall use its reasonable best efforts to cause its and their respective Representatives not to (and shall not authorize or permit its and their respective Representatives to), directly or indirectly: (i) solicit, initiate, seek or knowingly encourage (including by way of furnishing information) or knowingly take any other action designed to facilitate any inquiries or the making, submission or announcement of any RJS Takeover Proposal, (ii) furnish any nonpublic information regarding any of Raven, Jade or Sapphire or any of their Subsidiaries to any Person (other than Parent, Energy Supply, NewCo and/or their Representatives) in connection with or in response to a RJS Takeover Proposal, (iii) engage or participate in any discussions or negotiations with any Person (other than Parent, Energy Supply, NewCo and/or their Representatives) with respect to any RJS Takeover Proposal, (iv) approve, endorse or recommend any RJS Takeover Proposal or (v) enter into any letter of intent, agreement in principle or other agreement providing for any RJS Takeover Transaction.

(b) Upon the execution of this Agreement, Raven, Jade and Sapphire shall, and shall cause their Subsidiaries and its and their respective officers, directors and employees, and shall use its reasonable best efforts to cause its and their respective Representatives to, immediately cease and terminate any discussions existing as of the date of this Agreement between any of Raven, Jade or Sapphire or any such Subsidiary or any of their respective officers, directors, employees or Representatives and any Person (other than Parent, Energy Supply, NewCo and their Representatives) that relate to any RJS Takeover Proposal and, to the extent provided by the applicable confidentiality agreement or similar agreement governing such discussions, require any third party to such discussions to

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return to RJS or the applicable Subsidiary or to destroy all confidential information of RJS and the Subsidiaries in such third party's or its Representative's possession. Raven, Jade and Sapphire agree not to, and to cause the Subsidiaries not to, waive, or otherwise release any third party from, any confidentiality or standstill provisions of any agreement related to a RJS Takeover Proposal to which any of Raven, Jade or Sapphire or any Subsidiary is or may become a party. RJS shall promptly (and, in any event, within 48 hours) notify Parent of the receipt of any RJS Takeover Proposal or any inquiry, proposal, offer or request for information with respect to, or that could reasonably be expected to result in, an RJS Takeover Proposal, indicating, in each case, the identity of the Person or group making such RJS Takeover Proposal, inquiry, offer, proposal or request for information and a copy of any RJS Takeover Proposal made in writing and the material terms and conditions of any RJS Takeover Proposal not made in writing (including, in each case, as applicable, copies of any written requests, proposals or offers, including proposed agreements), and thereafter shall keep Parent informed in reasonable detail, on a prompt basis (and, in any event, within 48 hours), of the status and terms of any such RJS Takeover Proposal, inquiry, offer, proposal or request, including any material developments or modifications to the terms of any such RJS Takeover Proposal, inquiry, proposal, offer or request (including amendments thereto).

(c) Each of Parent, Energy Supply and the New Entities agrees that, following the date hereof through the earlier of the Closing or the Termination Date, none of Parent, any of the Subsidiaries of Parent, the New Entities, Energy Supply or any of the Energy Supply Subs, or any of their respective officers, directors or employees, shall, and each of Parent, Energy Supply and the New Entities shall use its reasonable best efforts to cause its and their respective Representatives not to (and shall not authorize or permit its and their respective Representatives to), directly or indirectly: (i) solicit, initiate, seek or knowingly encourage (including by way of furnishing information) or knowingly take any other action designed to facilitate any inquiries or the making, submission or announcement of any Energy Supply Takeover Proposal, (ii) furnish any nonpublic information regarding the Energy Supply Business, the Energy Supply Assets, Parent, any Subsidiary of Parent or any member of the Energy Supply Group to any Person (other than RJS, the RJS Subsidiaries and/or their Representatives) in connection with or in response to an Energy Supply Takeover Proposal, (iii) engage or participate in any discussions or negotiations with any Person (other than RJS, the RJS Subsidiaries and/or their Representatives) with respect to any Energy Supply Takeover Proposal, (iv) approve, endorse or recommend any Energy Supply Takeover Proposal or (v) enter into any letter of intent, agreement in principle or other agreement providing for any Energy Supply Takeover Transaction.

(d) Upon the execution of this Agreement, each of Parent, the New Entities and Energy Supply shall, and shall cause its Subsidiaries and its and their respective officers, directors and employees, and shall use its reasonable best efforts to cause its and their respective Representatives to, immediately cease and terminate any discussions existing as of the date of this Agreement between any of Parent, any Subsidiary of Parent, the New Entities, Energy Supply or any Energy Supply Sub or any of their respective officers, directors, employees or Representatives and any Person (other than RJS, the RJS Subsidiaries and their Representatives) that relate to any Energy Supply Takeover Proposal and, to the extent provided by the applicable confidentiality agreement or similar agreement governing such discussions, require any third party to such discussions to return to Parent, such Subsidiary of Parent, the New Entities, Energy Supply or the applicable Energy Supply Sub or to destroy all confidential information of Parent or its Subsidiaries relating to the Energy Supply Business or any Energy Supply Assets or of any member of the Energy Supply Group in such third party's or its Representative's possession. Each of Parent, the New Entities and Energy Supply agrees not to, and to cause their respective Subsidiaries not to, waive, or otherwise release any third party from, any confidentiality or standstill provisions of any agreement related to an Energy Supply Takeover Proposal to which any of Parent, any Subsidiary of Parent, the New Entities, Energy Supply or any Energy Supply Sub is or may become a party. Each of Parent, the New Entities and Energy Supply shall promptly (and, in any event,

within 48 hours) notify RJS of the receipt of any Energy Supply Takeover Proposal or any inquiry, proposal, offer or request for information with respect to, or that could reasonably be expected to result in, an Energy Supply Takeover Proposal, indicating, in each case, the identity of the Person or group making such Energy Supply Takeover Proposal, inquiry, offer, proposal or request for information and a copy of any Energy Supply Takeover Proposal made in writing and the material terms and conditions of any Energy Supply Takeover Proposal not made in writing (including, in each case, as applicable, copies of any written requests, proposals or offers, including proposed agreements), and thereafter shall keep RJS informed in reasonable detail, on a prompt basis (and, in any event, within 48 hours), of the status and terms of any such Energy Supply Takeover Proposal, inquiry, offer, proposal or request, including any material developments or modifications to the terms of any such Energy Supply Takeover Proposal, inquiry, proposal, offer or request (including amendments thereto).

Section 8.06 NYSE Listing. The Parties shall use their respective reasonable best efforts to cause the shares of NewCo Common Stock to be issued in connection with the Closing Transactions to be listed on the NYSE as of the Closing, subject to official notice of issuance.

Section 8.07 Required Amendments. The Parties shall cooperate and negotiate in good faith with respect to any amendment to this Agreement or the Other Transaction Documents reasonably requested by a Party in order to enable its counsel to deliver the written opinions contemplated by Section 9.01(g) or Section 9.02(f), as the case may be (any such amendment, a "Proposed Amendment"). Neither Party shall withhold its consent to a Proposed Amendment that (i) does not result in any change in the percentage of the shares of NewCo to be received by any Person hereunder, (ii) is not adverse to the interests of such Party and (iii) does not unreasonably impede or delay consummation of the Transactions. Any Proposed Amendment that the Parties consent to shall be reflected through the execution of appropriate written amendments to the applicable agreement.

Section 8.08 Post-Closing Commitments.

(a) For at least three (3) years after Closing, NewCo shall maintain its headquarters in Pennsylvania.

(b) For at least three (3) years after Closing, NewCo shall use commercially reasonable efforts to maintain competitive retail energy supply business activity in the City of Allentown's Neighborhood Improvement Zone.

Section 8.09 Financings.

(a) Following the date hereof through the earlier of the Closing Date or the Termination Date, Parent, NewCo, HoldCo and Energy Supply shall use their reasonable best efforts to take, or cause to be taken, all actions and to do, or cause to be done, prior to the Closing Date, all things necessary to arrange and obtain one or more credit and/or letter of credit facilities and/or issue debt securities of a member of the Energy Supply Group to be available at or prior to the Closing (collectively, the "Energy Supply Financing") in exchange for, or to extend, refinance, renew or replace in full (i) the Specified Energy Supply Refinanced Debt at or prior to the maturity thereof and (ii) at or substantially concurrently with the Closing, (A) the Energy Supply Closing Refinanced Debt and (B) any RJS Refinanced Debt identified to Parent in writing no later than sixty (60) days prior to the anticipated Closing Date to be repaid, refinanced or replaced from the proceeds of any Energy Supply Financing at or substantially concurrently with the Closing (such Indebtedness being repaid, refinanced or replaced, the "RJS Closing Refinanced Debt"); provided, however, that the aggregate principal amount of Indebtedness incurred pursuant to the immediately preceding clauses (i) and (ii) shall not, except as mutually agreed by Parent, NewCo and RJS, exceed the Permitted Refinancing Amount.

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(b) Following the date hereof through the earlier of the Closing or the Termination Date, Raven, Jade and Sapphire shall use their reasonable best efforts to take, or cause to be taken, all actions and to do, or cause to be done, prior to the Closing Date, all things necessary to arrange and obtain the RJS Financings at or prior to the Closing.

(c) Unless otherwise consented to by RJS (such consent not to be unreasonably withheld, conditioned or delayed), the terms and conditions of the Energy Supply Financing shall be at then-prevailing market terms for similar Indebtedness of companies of a size and with a credit rating or profile similar to the Combined Group. Unless otherwise consented to by Parent (such consent not to be unreasonably withheld, conditioned or delayed), the terms and conditions of the RJS Financing shall be at then-prevailing market terms for similar Indebtedness of companies of a size and with a credit rating or profile similar to the RJS Subsidiaries, taken as a whole; provided, however, that (i) the foregoing shall not apply (and no consent of Parent shall be required) in respect of an RJS Financing of the type described in clause (i) of the definition of "RJS Financing" if the applicable terms and conditions of such RJS Financing are at least as favorable as those set forth on Section 8.09(c)(i) of the RJS Disclosure Letter and (ii) notwithstanding anything to the contrary, unless otherwise consented to by Parent, an RJS Financing of the type described in clause (i) of the definition of "RJS Financing" shall in all circumstances include the terms set forth on Section 8.09(c)(ii) of the RJS Disclosure Letter.

(d) Following the date hereof through the earlier of the Closing Date or the Termination Date, Parent, NewCo, HoldCo and Energy Supply, on the one hand, and Raven, Jade and Sapphire, on the other hand, (i) shall keep the other Parties reasonably apprised to the status and material developments with respect to the arranging and availability of the Energy Supply Financing and RJS Financing, respectively and (ii) shall, and shall cause their respective Subsidiaries to, use their respective reasonable best efforts, and to cause their respective employees, accountants, counsel and other representatives, to cooperate with each other in connection with the arrangement of the Financings, including (A) participating in meetings, drafting sessions, due diligence sessions, presentations, "road shows" and sessions with prospective lenders, initial purchasers, placement agents, investors and rating agencies in connection with the marketing of the Financings, (B) preparing business projections, financial statements, offering memoranda, offering documents, bank information memoranda (including the delivery of customary representation letters and authorization letters), private placement memoranda, prospectuses, materials for ratings agency presentations and similar documents, (C) executing and delivering all reasonably necessary documents and instruments, including any pledge and security documents, other definitive financing documents, including any indemnity agreements, or other requested certificates, documents, or legal opinions in connection with the Financings, (D) disclosing the Financings as reasonably appropriate in all filings made pursuant to Section 8.04, (E) furnishing as promptly as reasonably practicable all historical financial statements and other pertinent financial information as may be reasonably requested by Energy Supply or RJS, as applicable (with respect to an Energy Supply Financing or an RJS Financing, respectively), including financial statements and financial and other data of the type customarily (1) included in a bank information memorandum (including pro forma financial information) and (2) included in a registered offering of debt securities by Regulation S-X and Regulation S-K under the Securities Act (which, for the avoidance of doubt, shall not include financial statements or information required by Rules 3-09, 3-10 or 3-16 of Regulation S-X or Compensation Discussion and Analysis required by Regulation S-X Item 402(b), but would include customary disclosure of certain guarantor and non-guarantor information) and of the type or the type and form that are customarily included in a private placement of debt securities pursuant to Rule 144A or Regulation S promulgated under the Securities Act (collectively, the "Required Financial Information"), (F) reasonably cooperating with other marketing efforts in connection with the Financings, (G) taking all actions reasonably necessary or desirable to establish bank and other accounts and blocked account agreements in connection with the Financings, (H) using reasonable best efforts to obtain accountants' comfort letters in customary form, environmental assessments, collateral appraisals, field audits, surveys

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and title insurance, consents, landlord waivers and estoppels and non-disturbance agreements, (I) reasonably cooperating with legal counsel in connection with any legal opinions or such other documents that such legal counsel may be required to deliver in connection with any Financings, and (J) furnishing all documentation and other information required by regulatory authorities under applicable "know your customer" and anti-money laundering rules and regulations, including the USA PATRIOT Act.

(e) For the avoidance of doubt, nothing in this Section 8.09 shall require (i) Parent or any other member of the Parent Group to (A) pledge or otherwise encumber any Excluded Assets or (B) provide any guarantee, surety, indemnification or otherwise incur any Liability with respect to the Combined Group or the Financings or (ii) RJS to (A) pledge or otherwise encumber the Capital Stock of any of its Subsidiaries (other than RJS Subsidiaries (except in respect of an RJS Financing of the type described in clause (i) of the definition of "RJS Financing")) or other Assets or (B) provide any guarantee, surety or indemnification or otherwise incur any Liability (other than in respect of Shared Expenses) with respect to the Combined Group or the Financings, or (iii) any RJS Subsidiary to prior to the Closing, pledge or otherwise encumber the Capital Stock of any of its Subsidiaries or other Assets or provide any guarantee, surety or indemnification or otherwise incur any Liability, in each case in respect of any Energy Supply Financing pursuant to which Energy Supply Closing Refinanced Debt is repaid or refinanced, in connection with an Energy Supply Financing.

(f) Following the date hereof through the earlier of the Closing Date or the Termination Date, Parent, NewCo, HoldCo and Energy Supply, on the one hand, and Raven, Jade and Sapphire, on the other hand, shall promptly notify the other Parties in writing upon learning of (i) any breach or default (or any event or circumstance that, with or without notice, lapse of time or both, would reasonably be expected to give rise to any breach or default) by any party of any RJS Financing Agreement or Energy Supply Financing Agreement, respectively, of which such Party becomes aware and which would reasonably be expected to result in any part of such Financing not being completed on or before the Closing Date or not being available (other than by reason of its maturity at the stated maturity date) at the Closing Date and (B) the receipt of any written notice from any Person with respect to any (x) actual or potential breach, default, termination or repudiation by any party to any RJS Financing Agreement or Energy Supply Financing Agreement, respectively or (y) any material dispute or disagreement between or among any parties to any RJS Financing Agreement or any Energy Supply Financing Agreement, respectively , in each case, which would reasonably be expected to result in any part of such Financing not being completed on or before the Closing Date or not being available (other than by reason of its maturity at the stated maturity date) at the Closing Date.

Section 8.10 Replacement Guarantees.

(a) The Parties acknowledge that, in the course of conduct of the Energy Supply Business, Parent and its Affiliates may have entered into various arrangements in which guarantees, bonds, credit support or similar arrangements were issued by Parent or its Affiliates to support or facilitate the Energy Supply Business. Any such arrangements entered into by Parent and its Affiliates (other than the Energy Supply Group) are, to the extent related to the Energy Supply Business, hereinafter referred to as the "Parent Guarantees." The Parties acknowledge and agree that the Parties shall use their respective commercially reasonable efforts to novate, assign or replace each Parent Guarantee with a replacement guarantee or similar support on similar terms and conditions from Energy Supply or an Energy Supply Sub following the Closing and to obtain the release of Parent and its Affiliates (other than Energy Supply or an Energy Supply Sub) from any Liability (other than any Liabilities in respect of Excluded Liabilities) with respect to such Parent Guarantees, in each case, effective on or prior to the Closing. If, as of the Closing, any one or more of the Parent Guarantees has neither expired in accordance with its terms nor been novated, assigned or replaced in accordance with this Section 8.10 (any such

obligation in respect of a Parent Guarantee (other than any Liabilities in respect of Excluded Liabilities), until it expires, is terminated or novated, assigned or replaced in accordance with this Section 8.10, an "Outstanding Parent Guarantee"), the Parties shall, following the Closing, continue to use their respective commercially reasonable efforts to novate, assign or replace each such Outstanding Parent Guarantee in accordance with the immediately preceding sentence with a replacement guarantee or similar support on similar terms and conditions from Energy Supply or an Energy Supply Sub following the Closing. The costs of providing replacement guarantees or similar support in accordance with this Section 8.10 shall constitute Shared Expenses.

(b) From and after the Closing, Energy Supply shall indemnify, defend and hold harmless Parent and its Affiliates (other than any member of the Combined Group) against, and shall reimburse Parent and its Affiliates (other than any member of the Combined Group) for, any and all Losses that result from, relate to or arise out of any Outstanding Parent Guarantee.

Section 8.11 Susquehanna. Following the date of this Agreement and prior to the earlier of the Closing and the Termination Date:

(a) Each of Parent, the New Entities and Energy Supply shall, and shall cause their respective Subsidiaries to, use their respective reasonable best efforts to:

(i) cause Susquehanna Unit 2 to be moved from the NRC Reactor Oversight Process Action Matrix Degraded Cornerstone Column 3 to either the NRC Reactor Oversight Process Action Matrix Regulatory Response Column 2 or Licensee Response Column 1;

(ii) cause Susquehanna to be operated and maintained in a manner such that no additional NRC inspection findings or operational performance indicators for Unit 1 or Unit 2 of Susquehanna will cause a unit to be in the NRC Reactor Oversight Process Action Matrix Degraded Cornerstone Column 3 or higher;

(iii) not defer any planned maintenance or scheduled outages for Susquehanna; and

(iv) continue to purchase fuel for Susquehanna in a manner consistent with past practices and not make any material changes to such fuel supply practices.

(b) Parent, the New Entities and Energy Supply (i) shall provide prompt written notice (and in any event within five (5) Business Days) to RJS of the existence of any additional cracking of the turbine blades at Susquehanna that has not been disclosed to RJS prior to the date of this Agreement (A) reported or reflected in any written notification from the OEM to any of Parent, any Subsidiary of Parent or any member of the Energy Supply Group or (B) otherwise confirmed in a finding or report by Susquehanna and (ii) will not, and will not permit its Subsidiaries to, knowingly operate such turbines other than in material compliance with the written OEM specifications and guidelines from time to time applicable thereto.

Section 8.12 Section 16 Matters. Prior to the Closing, Parent, NewCo and HoldCo shall use commercially reasonable efforts to take all such steps, if any, as may be required to cause any acquisitions or dispositions of HoldCo Common Stock or NewCo Common Stock, in each case resulting from the Closing Transactions, by each officer or director who is subject to Section 16 of the Exchange Act to be exempt under Rule 16b-3 promulgated under the Exchange Act.

Section 8.13 Financial Statements and Other Reports.

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(a) Following the date of this Agreement and prior to the earlier of the Closing and the Termination Date, Parent and Energy Supply will deliver to RJS the unaudited balance sheet and the related statements of income, retained earnings and cash flows of the Energy Supply Group as of the last day of each month ended after the date hereof (collectively, the "Energy Supply Interim Financial Statements"), as soon as practical, but within twenty (20) Business Days, after the conclusion of each month. The Energy Supply Interim Financial Statements will be prepared in accordance with GAAP (other than requirements to provide notes thereto) and will present fairly the financial condition of the members of the Energy Supply Group as at the dates thereof and the results of its operations and cash flows for the periods then ended.

(b) Following the date of this Agreement and prior to the earlier of the Closing and the Termination Date, Raven, Jade and Sapphire, as applicable, will deliver to Parent the consolidated unaudited balance sheet and the related statements of income, retained earnings and cash flows of Raven Power Finance, Topaz Power Holdings and Sapphire Power Finance, as applicable, and its or their consolidated Subsidiaries (or, in lieu of the foregoing, the combined unaudited balance sheet and the related statements of income, retained earnings and cash flows of the RJS Subsidiaries) as of the last day of each month ended after the date hereof (collectively, the "RJS Interim Financial Statements"), as soon as practical, but within twenty (20) Business Days, after the conclusion of each month. The RJS Interim Financial Statements will be prepared in accordance with GAAP (other than requirements to provide notes thereto) and will present fairly the financial condition of the Persons covered thereby as at the dates thereof and the results of its operations and cash flows for the periods then ended.

Section 8.14 Disclosure Controls. Prior to the Closing, each of Parent, NewCo, Energy Supply and RJS shall use its reasonable best efforts to implement such programs and take such steps as are reasonably necessary to (i) develop a system of internal controls over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) of the Exchange Act) intended to ensure that, after the Closing, material information required to be disclosed by NewCo and Energy Supply, as applicable, in the reports they file or furnish under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and regulations and is timely made known to the management of NewCo and Energy Supply, as applicable, by others within the Combined Group to allow timely decisions regarding required disclosure and to make the certifications required pursuant to Sections 302 and 906 of the Sarbanes-Oxley Act, (ii) cooperate reasonably with each other in preparing for the transition and integration of the financial reporting systems of NewCo and its Subsidiaries with the financial reporting systems of the RJS Subsidiaries following the Closing and (iii) otherwise enable NewCo and Energy Supply, as applicable, to maintain compliance with the provisions of Section 404 of the Sarbanes-Oxley Act.

Section 8.15 Certain Transaction Documents.

(a) Following the date of this Agreement and prior to the earlier of the Closing Date and the Termination Date, the Parties shall negotiate in good faith to agree upon definitive documents and agreements in respect of the Amended and Restated Certificates of Incorporation of NewCo and HoldCo, the Amended and Restated Bylaws of NewCo and HoldCo, and the Shareholders Agreement, reflecting the terms and conditions set forth on Exhibits A through B, as applicable, attached hereto and otherwise on terms and conditions mutually acceptable to the Parties.

(a) Within sixty (60) days following the date of this Agreement, the Parties shall negotiate in good faith to agree upon definitive documents and agreements in respect of a written transition services agreement in customary form as reasonably determined by mutual agreement of the Parties (the "Parent Transition Services Agreement") pursuant to which Parent and the Non-Energy Supply Subsidiaries shall provide to the Combined Group, for a period not to exceed 24 months following

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the Closing Date, such services as are mutually agreed by Parent and NewCo, acting reasonably (collectively, the "Parent Transition Services") in a manner substantially consistent with, and in no event more extensive in type and scope than, the provision of similar or comparable services by the Parent Group to the Energy Supply Group prior to the date hereof (it being understood that the provision by the Parent Group of Parent Transition Services to any member of the Combined Group that was not a Subsidiary of Parent prior to the date of this Agreement and services performed in connection with the consummation of the Transactions shall not be deemed to be more extensive than the provision of similar or comparable services by the Parent Group to the Energy Supply Group prior to the date hereof). Subject to applicable Law, pricing for the Parent Transition Services shall be as reasonably agreed by the Parties, it being understood that such pricing shall be in accordance with Parent's cost allocation methodology in effect on the date of this Agreement (without subsidization of NewCo's business operations or margin to the Parent Group).

(b) Within sixty (60) days following the date of this Agreement, the Parties shall negotiate in good faith to agree upon definitive documents and agreements in respect of a written transition services agreement in customary form as reasonably determined by mutual agreement of the Parties (the "RJS Transition Services Agreement") pursuant to which TPM would provide to the RJS Subsidiaries, for a period not to exceed 24 months following the Closing Date, such services as are mutually agreed by Parent, NewCo and RJS, acting reasonably (collectively, the "RJS Transition Services") in a manner substantially consistent with, and in no event more extensive in type and scope than, the provision of similar or comparable services by TPM to the RJS Group prior to the date hereof. Subject to applicable Law, pricing for the RJS Transition Services shall be as reasonably agreed by the Parties, it being understood that such pricing shall be in accordance with TPM's cost methodology in effect on the date of this Agreement (without subsidization of NewCo's business operations or margin to TPM).

Section 8.16 Tax Documents. Reasonably in advance of the Closing, Parent shall provide RJS a draft of the Tax Documents for RJS's review, and promptly following Closing, Parent shall provide RJS a copy of all Tax Documents.

Section 8.17 Certain Interim Period Tax Matters.

(a) From the date hereof to and including the Closing Date, Energy Supply and each of the Energy Supply Subs (each an "Energy Supply Tax Member") and Parent shall continue to comply with, and make payments in accordance with, in a manner consistent with past practices and policies, the Agreement for Filing Consolidated Income Tax Returns and for Allocation of Consolidated Income Tax Liabilities and Benefits, dated November 1, 2010 and entered into by Parent and certain consenting members of its Consolidated Group (the "Tax Sharing Agreement"). Following the Closing Date, the Energy Supply Tax Members shall no longer be a party to or bound by any of the provisions of the Tax Sharing Agreement.

(b) If, during any Interim Period and pursuant to the Tax Sharing Agreement, any Energy Supply Tax Member distributes or otherwise actually pays to Parent an amount attributable to such Energy Supply Tax Member's taxable income or gain from any of the Excluded Transactions, Parent shall, promptly after the end of such Interim Period, repay to such Energy Supply Tax Member such amount distributed, such amount to be determined in Parent's sole discretion exercised in good faith.

(c) If, during any Interim Period, any Energy Supply Tax Member receives from Parent (or any other member of the Parent Group) an amount attributable to a "Corporate tax credit" pursuant to Section 4 of the Tax Sharing Agreement or a "tax benefit" pursuant to Section 6 of the Tax Sharing Agreement, such Energy Supply Tax Member shall, promptly after the end of such Interim

Period, pay to Parent (or the applicable member of the Parent Group) the portion of such amount that is allocable to the relevant Interim Period, such amount to be determined in Parent's sole discretion exercised in good faith.

(d) As soon as practicable after the end of each Interim Period and no later than 60 days after the due date for filing the relevant Consolidated Tax Return that includes such Interim Period (taking into account applicable extensions), Parent shall, in its sole discretion exercised in good faith, determine the amount of Energy Supply Taxable Income and Energy Supply Tax Amount for such Interim Period and give notice to Energy Supply setting forth such amounts.

(i) If both of the Energy Supply Tax Amount and the amount of the Modified ES TSA Payments for such Interim Period are positive, then:

(A) Energy Supply shall pay Parent an amount equal to the excess, if any, of the Energy Supply Tax Amount over the amount of the Modified ES TSA Payments; or

(B) Parent shall pay to Energy Supply an amount equal to the excess, if any, of the amount of the Modified ES TSA Payments over the Energy Supply Tax Amount.

(ii) If the Energy Supply Tax Amount for such Interim Period is positive and the amount of the Modified Parent TSA Payments for such Interim Period are positive, Energy Supply shall pay Parent an amount equal to the sum of the Energy Supply Tax Amount and the amount of the Modified Parent TSA Payments.

(iii) If the Energy Supply Tax Amount for such Interim Period is not positive, then

(A) Energy Supply shall pay Parent an amount equal to the amount of the Modified Parent TSA Payments with respect to such Interim Period, if any; or

(B) Parent shall pay Energy Supply an amount equal to the amount of Modified ES TSA Payments with respect to such Interim Period, if any.

(iv) Parent's good faith determination of Energy Supply Taxable Income and the Energy Supply Tax Amount shall be final and binding on the parties to this Agreement, notwithstanding any subsequent judicial or administrative redetermination of income, expense, or other tax attribute reported on the relevant Tax Return, and, for the avoidance of doubt, none of HoldCo, NewCo, or any member of the Energy Supply Group shall have any right to review Parent's Consolidated Tax Returns. Any amount determined under this paragraph (d) shall be determined without giving effect to Section 7 of the Tax Sharing Agreement. Parent or Energy Supply, as applicable, shall make a payment provided in this Section 8.17(d) within ten (10) days of Parent's providing notice.

ARTICLE IX

CONDITIONS

Section 9.01 Joint Conditions. The respective obligations of each of Parent, the New Entities, Energy Supply and RJS to consummate the Closing Transactions are subject to the satisfaction

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(or waiver by Parent and RJS) as of the Effective Time and immediately prior to the Closing of each of the following conditions:

(a) no temporary restraining order or preliminary or permanent injunction or other Order by any Governmental Authority of competent jurisdiction restraining or preventing consummation of any of the Transactions shall have been issued and be in effect;

(b) the Separation Transactions shall have occurred in accordance with the Separation Agreement;

(c) the NewCo Common Stock to be issued in the Closing Transactions shall have been authorized for listing on the NYSE, subject to official notice of issuance;

(d) the Parent Regulatory Approvals and the RJS Regulatory Approvals shall have been obtained (including, in each case, the expiration or termination of any waiting periods with respect thereto (and any extensions thereof) applicable to the Transactions) at or prior to the Closing, and such approvals shall have become Final Orders;

(e) (i) the NewCo Registration Statement shall have become effective under the Securities Act and Exchange Act, as applicable, and shall not be the subject of any stop Order suspending its effectiveness or Actions initiated or threatened by the SEC seeking a stop Order, (ii) all other necessary Permits or filings under state securities or "blue sky" laws, the Securities Act and the Exchange Act relating to the issuance and trading of the NewCo Common Stock to be issued pursuant to the Closing Transactions shall have been obtained and shall be in effect and (iii) any applicable notice periods required by applicable stock exchange rules or any of the foregoing securities Laws shall have expired;

(f) the board of directors of each of Parent and NewCo shall have received (with copies to RJS) an opinion, in form and substance reasonably satisfactory to Parent and RJS, from a nationally recognized solvency valuation firm, that, after giving effect to the Transactions (including the Financings), the Transactions shall not leave NewCo or Parent "insolvent" or otherwise unable to pay their respective obligations as they come due;

(g) Parent shall have received (with copies to RJS) (i) a written opinion, dated as of the Closing Date, from Simpson Thacher & Bartlett LLP, counsel to Parent, in form and substance reasonably satisfactory to Parent, to the effect (A) that the Merger will qualify as a reorganization within the meaning of Section 368(a) of the Code and (B) that the Merger and the Contributions will together qualify as a transaction described in Section 351 of the Code; and (ii) a written opinion, dated as of the Closing Date, from Simpson Thacher & Bartlett LLP, counsel to Parent, in form and substance reasonably satisfactory to Parent and RJS, to the effect that (A) the Energy Supply Election together with the Internal Distribution qualifies as a reorganization pursuant to Sections 368(a)(1)(D) and 355 of the Code, (B) the HoldCo Contribution together with the Distribution qualifies as a reorganization pursuant to Sections 368(a)(1)(D) and 355 of the Code and (C) the Merger and the Contributions will not cause Section 355(e) of the Code to apply to the Distribution or the Internal Distribution. In rendering the foregoing opinions, counsel shall be permitted to rely upon customary assumptions and assume the accuracy of customary representations provided by RJS, Parent, the New Entities and Energy Supply (and any of their relevant Affiliates);

(h) the Parties shall have entered into (or caused their respective Subsidiaries to enter into or to become effective) (i) the Amended and Restated Certificates of Incorporation of NewCo and HoldCo, the Amended and Restated Bylaws of NewCo and HoldCo, and the Shareholders Agreement, reflecting the terms and conditions set forth on Exhibits A and B, as applicable, attached hereto and

otherwise on terms and conditions mutually acceptable to the Parties and (ii) the Parent Transition Services Agreement and the RJS Transition Services Agreement, in each case, on terms and conditions mutually acceptable to the Parties in accordance with the terms of this Agreement and the Separation Agreement; and

(i) after giving effect to the Financings on the Closing Date and the posting or grant of any credit support and other financial commitment required to be provided by any member of the Combined Group in connection with, or as a condition to, the Regulatory Approvals (but without giving effect to any letters of credit or other credit support measures in connection with Energy Marketing and Trading Transactions then outstanding), there shall be at least $1,000,000,000 of undrawn capacity under a revolving credit facility or similar facility available to the Combined Group for purposes other than credit support and other financial commitments required to be provided by any member of the Combined Group in connection with, or as a condition to, the Regulatory Approvals.

Section 9.02 Conditions to the Obligation of RJS. The obligation of RJS to consummate the Closing Transactions is further subject to the satisfaction of each of the following conditions (each of which is for the exclusive benefit of RJS and may be waived only in a writing executed by RJS) as of the Effective Time and immediately prior to the Closing:

(a) each of Parent, each applicable Subsidiary of Parent, and the members of the Energy Supply Group shall have, in all material respects, performed all obligations and complied with all covenants (other than those covenants and agreements set forth in Section 7.01(c)(i), Section 7.01(c)(ii), Section 7.01(c)(ix) and Section 7.01(c)(xix), which shall have been performed in all respects) required by this Agreement and the Other Transaction Documents to be performed by such Person as of, or prior to, the Closing;

(b) (i) each of the representations and warranties of Parent, the New Entities and Energy Supply set forth in this Agreement (other than Section 5.01, Section 5.02, Section 5.03, Section 5.04, Section 5.06(f) and Section 5.21, collectively, the "Designated Energy Supply Representations") shall be true and correct in all respects, both at and as of the date of this Agreement and at and as of the Closing Date, as if made anew at and as of such date (except to the extent any such representation or warranty was expressly made as of an earlier date, in which case such representation and warranty shall be true and correct as of such earlier date), except where the failure of the representations and warranties to be so true and correct (without giving effect to any limitation as to "materiality" or "Energy Supply Business MAE" or terms of similar effect) has not had, and would not reasonably be expected to have, individually or in the aggregate, an Energy Supply Business MAE and (ii) each of the Designated Energy Supply Representations shall be true and correct in all respects (other than, in the case of Section 5.04(f), de minimis errors), both at and as of the date of this Agreement and at and as of the Closing Date, as if made anew at and as of such date (except to the extent any such representation or warranty was expressly made as of an earlier date, in which case such representation and warranty shall be true and correct as of such earlier date);

(c) there has not occurred any event, change, effect, development, state of facts, circumstance, condition or occurrence that has had, or would reasonably be expected to have, individually or in the aggregate, an Energy Supply Business MAE at any time during the period from the date of this Agreement through the Closing Date;

(d) RJS shall have received a certificate of Parent, addressed to RJS and dated as of the Closing Date, signed on behalf of Parent by a senior officer of Parent, certifying the satisfaction by Parent of the conditions applicable to it set forth in Section 9.02(a) and Section 9.02(b) and to the effect that the conditions set forth in Section 9.02(c) have been satisfied;

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(e) RJS shall have received a certificate of NewCo, addressed to RJS and dated as of the Closing Date, signed on behalf of NewCo by a senior officer of NewCo, the satisfaction by NewCo, the other New Entities and Energy Supply of the conditions applicable to them set forth in Section 9.02(a) and Section 9.02(b) and to the effect that the conditions set forth in Section 9.02(c) have been satisfied;

(f) RJS shall have received a written opinion, dated as of the Closing Date, from Vinson & Elkins L.L.P., counsel to RJS, in form and substance reasonably satisfactory to RJS, to the effect that the Merger and the Contributions will together qualify as a transaction described in Section 351 of the Code. In rendering the foregoing opinion, counsel shall be permitted to rely upon customary assumptions and assume the accuracy of customary representations provided by RJS, Parent, the New Entities and Energy Supply (and any of their relevant Affiliates);

(g) RJS shall have received evidence, in form and substance satisfactory to RJS, that the matters referenced on Annex I attached hereto have been satisfied or met; and

(h) Each of Parent, each applicable Subsidiary of Parent, the New Entities, Energy Supply and the Energy Supply Subs shall have delivered to RJS duly executed counterparts to each Other Transaction Document to which it is a party.

Section 9.03 Conditions to the Obligation of Parent, the New Entities and Energy Supply. The obligation of each of Parent, the New Entities and Energy Supply to consummate the Closing Transactions is further subject to the satisfaction of each of the following conditions (each of which is for the exclusive benefit of Parent, the New Entities and Energy Supply and may be waived only in a writing executed by Parent) as of the Effective Time and immediately prior to the Closing:

(a) each of Raven, Jade and Sapphire shall have, in all material respects, performed all obligations and complied with all covenants (other than those covenants and agreements set forth in Section 7.02(c)(i), Section 7.02(c)(ii), Section 7.02(c)(iii) and Section 7.02(c)(ix), which shall have been performed in all respects) required by this Agreement and the Other Transaction Documents to be performed by Raven, Jade or Sapphire as of, or prior to, the Closing;

(b) (i) each of the representations and warranties of RJS (i) set forth in this Agreement (other than Section 6.01, Section 6.02, Section 6.03, Section 6.04, Section 6.06(f) and Section 6.20, collectively, the "Designated RJS Representations") shall be true and correct in all respects both at and as of the date of this Agreement and at and as of the Closing Date, as if made anew at and as of such date (except to the extent any such representation or warranty was expressly made as of an earlier date, in which case such representation and warranty shall be true and correct as of such earlier date), except where the failure of the representations and warranties to be so true and correct (without giving effect to any limitation as to "materiality" or a "RJS MAE" or terms of similar effect) has not had, and would not reasonably be expected to have, individually or in the aggregate, an RJS MAE and (ii) the Designated RJS Representations shall be true and correct in all respects (other than in the case of Section 6.04(d), de minimis errors), both at and as of the date of this Agreement and at and as of the Closing Date, as if made anew at and as of such date (except to the extent any such representation or warranty was expressly made as of an earlier date, in which case such representation and warranty shall be true and correct as of such earlier date);

(c) there has not occurred any event, change, effect, development, state of facts, circumstance, condition or occurrence that has had, or would reasonably be expected to have, individually or in the aggregate, an RJS MAE at any time during the period from the date of this Agreement through the Closing Date;

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(d) Parent shall have received a certificate of RJS addressed to Parent and dated as of the Closing Date, signed on behalf of RJS by an officer of each of Raven, Jade and Sapphire, certifying to the effect that the conditions set forth in Section 9.03(a), Section 9.03(b) and Section 9.03(c) have been satisfied;

(e) each of Raven, Jade, Sapphire and the RJS Subsidiaries shall have delivered to Parent duly executed counterparts to each Other Transaction Documents to which it is a party; and

(f) Parent and its Affiliates (other than Energy Supply or an Energy Supply Sub) shall have been released from Liability (other than any Liabilities in respect of Excluded Liabilities) with respect to the Parent Guarantees set forth on Section 9.03(f) of the Parent Disclosure Letter.

ARTICLE X

TERMINATION AND ABANDONMENT

Section 10.01 Termination or Abandonment. Notwithstanding anything in this Agreement to the contrary, this Agreement may be terminated and abandoned at any time prior to the Closing Date:

(a) by the mutual written consent of RJS and Parent;

(b) by either Parent or RJS, if the Closing Transactions have not been consummated on or prior to June 30, 2015 (as may be extended, the "Outside Date"); provided, however, that if all of the conditions to Closing have been satisfied or are capable of being satisfied (other than the conditions set forth in Section 9.01(a) or Section 9.01(d), to the extent such failure is due to the failure to have received Final Orders in respect of any Regulatory Approval) the Outside Date may be extended by Parent or RJS by written notice to the other Party to December 31, 2015; provided, further, that (x) the right to extend or terminate this Agreement pursuant to this Section 10.01(b) shall not be available to a Party if the failure of the Closing to occur by such date shall be due to the failure of such Party (or its Subsidiaries, including, in the case of Parent, its Subsidiaries and the members of the Energy Supply Group) to perform or comply with the covenants and agreements of such Party (or its Subsidiaries, including, in the case of Parent, its Subsidiaries and the members of the Energy Supply Group) set forth in this Agreement such that Section 9.02(a) or Section 9.03(a), as applicable, would not be satisfied and (y) no Party shall have the right to terminate this Agreement pursuant to this Section 10.01(b) if (A) the consent of such Party over settlements, consents and Orders as contemplated by the last sentence of Section 8.01(e) is no longer required pursuant to the terms of Section 8.01(e) and (B) all of the conditions to Closing have been satisfied (other than such Regulatory Approval and any such conditions which by their terms are not capable of being satisfied until the Closing Date).

(c) by either Parent or RJS if (i) there is any applicable Law that makes consummation of any component of the Transactions illegal or otherwise prohibited (other than any such restriction or limitation having only an immaterial effect on the Transactions and that does not impose criminal liability or penalties) or (ii) any Governmental Authority having competent jurisdiction has issued an Order or taken any other action (provided the terminating Party must have complied with its obligations hereunder to resist, resolve or lift such Order or other action) permanently restraining, enjoining or otherwise prohibiting any component of the Transactions (other than any such restriction or limitation having only an immaterial effect on the Transactions and that does not impose criminal liability or penalties), and such Order or other action becomes final and non-appealable, provided, however, that the right to terminate pursuant to this Section 10.01(c) shall not be available to any Party whose failure to perform any of its obligations under Section 8.01 resulted in such Order;

(d) by RJS, if Parent, any New Entity or Energy Supply shall have breached or failed to perform any of their respective representations, warranties, covenants or other agreements contained in this Agreement, or any such representation and warranty shall have become untrue, which breach or failure to perform or to be true (i) would (if it occurred or was continuing as of the Closing Date) result in a failure of a condition set forth in Section 9.01 or Section 9.02 and (ii) cannot be or has not been cured or rendered true within the earlier of (x) thirty (30) days after its receipt of written notice from RJS with respect to such breach or failure to perform or to be true and (y) one (1) Business Day prior to the Outside Date, provided, however, that the right to terminate this Agreement pursuant to this Section 10.01(d) shall not be available to RJS at any time that RJS is in breach of, any covenant, representation or warranty hereunder, if such breach has prevented satisfaction of any condition to the obligations of Parent or NewCo to consummate the Closing (and such violation or breach has not been waived by Parent and NewCo) or, if capable of being cured, has not been cured by RJS; and

(e) by Parent (on behalf of itself, the New Entities and Energy Supply), if RJS shall have breached or failed to perform any of its representations, warranties, covenants or other agreements contained in this Agreement, or any such representation and warranty shall have become untrue, which breach or failure to perform or to be true (i) would (if it occurred or was continuing as of the Closing Date) result in a failure of a condition set forth in Section 9.01 or Section 9.03 and (ii) cannot be or has not been cured or rendered true within the earlier of (x) thirty (30) days after its receipt of written notice from Parent with respect to such breach or failure to perform or to be true and (y) one (1) Business Day prior to the Outside Date, provided, however, that the right to terminate this Agreement pursuant to this Section 10.01(e) shall not be available to Parent at any time that Parent, any New Entity or Energy Supply is in breach of, any covenant, representation or warranty hereunder, if such breach has prevented satisfaction of any condition to the obligations of RJS to consummate the Closing (and such violation or breach has not been waived by RJS) or, if capable of being cured, has not been cured by Parent, Energy Supply or any New Entity.

The Party desiring to terminate this Agreement pursuant to this Section 10.01 will give written notice of such termination to the other Party, specifying the provision pursuant to which such termination is effected.

Section 10.02 Effect of Termination. In the event of a valid termination of this Agreement pursuant to Section 10.01, this Agreement shall become void and have no further force or effect and the Parties shall be relieved of their obligations hereunder and Liability with respect hereto; provided, however, that notwithstanding the foregoing, the provisions set forth in the last two sentences of Section 8.03 and the provisions of this Section 10.02, Section 11.02, Section 11.04, Section 11.06, Section 11.09, Section 11.11, Section 11.12, Section 11.15 and ARTICLE XII shall survive such termination in accordance with their terms; provided, further, that nothing in this Section 10.02 shall be deemed to release any Party from any Liability resulting from fraud or any willful misconduct by such Party that was intended to hinder, delay or prevent the consummation of the Transactions.

ARTICLE XI

MISCELLANEOUS

Section 11.01 Survival of Representations, Warranties and Agreements. Except as provided in the next sentence, none of the representations, warranties or agreements in this Agreement shall survive the Closing. Notwithstanding the preceding sentence (i) the covenants contained in this Agreement that by their terms are to be performed in whole or part after the Closing shall survive the Closing until they have been performed in accordance with their terms, (ii) the representations and warranties set forth in Section 5.07, Section 5.12(a), Section 5.21, Section 6.07, Section 6.12(a) and

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Section 6.20 shall survive until the date that is eighteen (18) months following the Closing Date solely for purposes of the indemnification obligations set forth in Article V of the Separation Agreement.

Section 11.02 Expenses.

(a) General Rule. Except as otherwise provided in this Agreement or any of the Other Transaction Documents, or unless otherwise mutually agreed by Parent and RJS in writing, all fees and expenses incurred in connection with the Transactions (including Transaction Expenses) shall be paid by the Party incurring such fees or expenses (it being agreed, for clarification, that any Separation Costs shall be deemed to have been incurred by, and are for the account of, Parent).

(b) Shared Expenses. All Shared Expenses shall be borne (i) by NewCo if the Closing Transactions are consummated or (ii) 65% by Parent and 35% by RJS if the Closing Transactions are not consummated. At Closing or as described in Section 2.10, NewCo shall reimburse Parent or RJS (on behalf of RJS or any of its Affiliates), as applicable, for any Shared Expenses paid by such Person (or, in the case of the RJS, RJS or any of its Affiliates) in order to give effect to the obligations set forth in subsection (i) of the foregoing sentence. Parent and/or RJS, as applicable, shall reimburse the other for Shared Expenses in order to give effect to the obligations set forth in subsection (ii) of the foregoing sentence.

(c) Attorney's Fees. In any Action to enforce any provisions of this Agreement, or where any provision hereof is validly asserted as a defense, the successful Party shall be entitled to recover reasonable attorneys' fees and disbursements in addition to its costs and expenses and any other available remedy.

Section 11.03 Entire Agreement. This Agreement (including the Exhibits and Schedules), the Confidentiality Agreements, the Joint Defense Agreement and the Other Transaction Documents, including any related annexes, schedules and exhibits hereto and thereto, as well as any other agreements and documents referred to herein and therein, shall together constitute the entire agreement between the Parties with respect to the express subject matter hereof and thereof and shall supersede all prior negotiations, agreements and understandings of the Parties of any nature, whether oral or written, with respect to such subject matter. If there is a conflict between any provision of this Agreement and a provision of the Other Transaction Documents, the provision of this Agreement shall control unless specifically provided otherwise in this Agreement. If there is a conflict between any provision of this Agreement and a provision of the Confidentiality Agreement, the provisions of this Agreement shall control.

Section 11.04 Governing Law. This Agreement and all issues and questions concerning the construction, validity, enforcement and interpretation of this Agreement (and all schedules, annexes and exhibits hereto) shall be governed by and construed in accordance with the laws of the State of Delaware, without giving effect to any choice or conflict of law provision or rule (whether of the State of Delaware or any other jurisdiction) that would cause the application of the laws of any jurisdiction other than the State of Delaware.

Section 11.05 Specific Performance; Jurisdiction.

(a) The Parties understand and agree that the covenants and agreements on each of their parts herein contained are uniquely related to the desire of the Parties and their respective Subsidiaries to consummate the Transactions, that the Transactions are a unique business opportunity at a unique time for each of the Parties and their respective Subsidiaries, and further agree that irreparable damage would occur in the event that any provision of this Agreement were not performed in accordance

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with its specific terms and further agree that, although monetary damages may be available for the breach of such covenants and agreements, monetary damages would be an inadequate remedy therefor. The Parties understand and agree that the right of specific performance is an integral part of the Transactions and, without that right, none of the Parties would have entered into this Agreement. It is accordingly agreed that, in addition to any other remedy that may be available to it at Law or equity, including monetary damages, each of the Parties shall be entitled to seek an injunction or injunctions to prevent actual or threatened breaches of any of the terms, conditions or provisions of this Agreement and to enforce specifically the terms and provisions of this Agreement exclusively in the Delaware Court of Chancery and any state appellate court therefrom within the State of Delaware (or, if the Delaware Court of Chancery declines to accept jurisdiction over a particular matter, any state or federal court within the State of Delaware). Each of the Parties further agrees that no Party to this Agreement shall be required to obtain, furnish or post any bond or similar instrument in connection with or as a condition to obtaining any remedy referred to in this Section 11.05 and each Party waives any objection to the imposition of such relief or any right it may have to require the obtaining, furnishing or posting of any such bond or similar instrument.

(b) No Party shall be liable to another Party or any of its Affiliates (or any of their respective Affiliates) for any exemplary damages or punitive damages, or any other damages to the extent not reasonably foreseeable, arising out of or in connection with this Agreement, the Separation Agreement or any Other Transaction Document (in each case, unless any such damages are payable to a third party pursuant to a Third-Party Claim).

(c) Each of the Parties irrevocably and unconditionally agrees that any Action with respect to this Agreement and the rights and obligations arising hereunder, or for recognition and enforcement of any judgment in respect of this Agreement and the rights and obligations arising hereunder brought by any other Party or Parties or their respective successors or assigns, shall be brought and determined exclusively in the Delaware Court of Chancery and any state appellate court therefrom within the State of Delaware (or, if the Delaware Court of Chancery declines to accept jurisdiction over a particular matter, any state or federal court within the State of Delaware). Each of the Parties hereby irrevocably submits with regard to any such Action for itself and in respect of its property, generally and unconditionally, to the personal jurisdiction of the aforesaid courts and agrees that it will not bring any Action relating to this Agreement or any of the transactions contemplated by this Agreement in any court other than the aforesaid courts. Each of the Parties hereby irrevocably waives, and agrees not to assert, by way of motion, as a defense, counterclaim or otherwise, in any Action with respect to this Agreement, (i) any claim that it is not personally subject to the jurisdiction of the above named courts for any reason other than the failure to serve in accordance with this Section 11.05, (ii) any claim that it or its property is exempt or immune from jurisdiction of any such court or from any legal process commenced in such courts (whether through service of notice, attachment prior to judgment, attachment in aid of execution of judgment, execution of judgment or otherwise) and (iii) to the fullest extent permitted by the applicable Law, any claim that (x) the Action in such court is brought in an inconvenient forum, (y) the venue of such Action is improper or (z) this Agreement, or the subject matter hereof, may not be enforced in or by such courts.

Section 11.06 Waiver of Jury Trial. EACH OF THE PARTIES IRREVOCABLY WAIVES ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY ACTION ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY.

Section 11.07 Notices. All notices, demands and other communications to be given or delivered to a Party under or by reason of the provisions of this Agreement shall be in writing (including in electronic form) and shall be deemed to have been given (i) if personally delivered, delivered by express courier service of national standing (with charges prepaid), or deposited in the United States mail,

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first class postage prepaid, on the date of physical receipt or (ii) if delivered by facsimile or electronic mail, if delivered (and, in each case, receipt confirmed in writing) on or before 5:00 p.m. New York City time on a Business Day, and if delivered after 5:00 p.m. New York City time, or during a non-Business Day, on the following Business Day, in each case, to such Party at the address set forth below:

(a) If to Parent:

c/o PPL Corporation
Two North Ninth Street
Allentown, PA 18101
Attention: General Counsel
Facsimile: (610) 774-4455
Telephone: (610) 774-5587
Email: rjgrey@pplweb.com

with copies to (which shall not constitute notice):

Simpson Thacher & Bartlett LLP
425 Lexington Avenue
New York, NY 10017-3954
Attention: Mario Ponce
Telephone: (212) 455-3442
Facsimile: (212) 455-2502
Email: mponce@stblaw.com

and

Simpson Thacher & Bartlett LLP
2 Houston Center
909 Fannin Street, Suite 1475
Houston, TX 77010
Attention: M. Breen Haire
Telephone: (713) 821-5640
Facsimile: (713) 821-5602
Email: breen.haire@stblaw.com

(b) If to RJS:

Riverstone Holdings LLC
712 Fifth Avenue, 36th Floor
New York, New York 10019
Attention: General Counsel
Telephone: (212) 993-0092
Facsimile: (888) 801-9301
Email: scoats@riverstonellc.com

with a copy to (which shall not constitute notice):

Vinson & Elkins LLP
1001 Fannin Street, Suite 2500

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Houston, TX 77002
Attention: Trina Chandler
Telephone: (713) 758-3218
Facsimile: (713) 615-5088
Email: tchandler@velaw.com

(c) If to Energy Supply, NewCo, HoldCo or Merger Sub, prior to the Closing:

c/o PPL Corporation
Two North Ninth Street
Allentown, PA 18101
Attention: General Counsel
Telephone: (610) 774-4455
Facsimile: (610) 774-5587
Email: rjgrey@pplweb.com

with copies (prior to the Closing) to (which shall not constitute notice):

Simpson Thacher & Bartlett LLP
425 Lexington Avenue
New York, NY 10017-3954
Attention: Mario Ponce
Telephone: (212) 455-3442
Facsimile: (212) 455-2502
Email: mponce@stblaw.com

and

Simpson Thacher & Bartlett LLP
2 Houston Center
909 Fannin Street, Suite 1475
Houston, TX 77010
Attention: M. Breen Haire
Telephone: (713) 821-5640
Facsimile: (713) 821-5602
Email: breen.haire@stblaw.com

or to such other address(es) as shall be furnished in writing by any such Party to the other Party in accordance with the provisions of this Section 11.07.

Section 11.08 Amendments and Waivers.

(a) This Agreement may not be amended except by an instrument in writing signed by each of the Parties. Any provision of this Agreement may be waived; provided, however, that any such waiver shall be binding only if such waiver is set forth in a writing executed by such waiving Party. No course of dealing between or among any Persons having any interest in this Agreement shall be deemed effective to modify, amend or discharge any part of this Agreement or any rights or obligations of any Party under or by reason of this Agreement.

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(b) No delay or failure in exercising any right, power or remedy hereunder shall affect or operate as a waiver thereof; nor shall any single or partial exercise thereof or any abandonment or discontinuance of steps to enforce such a right, power or remedy preclude any further exercise thereof or of any other right, power or remedy. The rights and remedies hereunder are cumulative and not exclusive of any rights or remedies that any Party would otherwise have. Any waiver, permit, consent or approval of any kind or character of any breach or default under this Agreement or any such waiver of any provision of this Agreement must satisfy the conditions set forth in Section 11.08(a) and shall be effective only to the extent in such writing specifically set forth.

Section 11.09 No Third-Party Beneficiaries. This Agreement is solely for the benefit of the Parties (and their respective successors and permitted assigns) and does not confer on third parties (including any employees of any member of the Parent Group, the Energy Supply Group, the RJS Group or the Combined Group) any remedy, claim, reimbursement, claim of action or other right in addition to those existing without reference to this Agreement.

Section 11.10 Assignability; Binding Effect. Neither this Agreement nor any of the rights, benefits or obligations hereunder may be assigned by any Party (whether by operation of Law or otherwise) without the prior written consent of the other Parties and any attempt to assign this Agreement without such consent shall be void and of no effect, except that, without the consent of the other Parties, (a) each of Raven, Jade and/or Sapphire may assign any or all of their respective rights, interests, benefits and/or obligations under this Agreement to one or more newly formed Person(s) that, as of such date of assignment, individually or collectively, shall be wholly owned by Raven, Jade and/or Sapphire and that own, directly, or indirectly, the RJS Subsidiaries and, upon such assignment and assumption by such assignee, such assignor shall be released from all Liability or obligations under this Agreement and (b) any Party (other than Parent) may assign any or all of its rights, interests and benefits and/or obligations under this Agreement (i) to any Person providing any part of the Financings or any agent on behalf of any providers of such Financing for the purposes of creating a security interest herein or otherwise assign as collateral in connection therewith, (ii) to one or more Affiliates of such Party, or (iii) from and after the Closing, to any purchaser of all or substantially all of the assets of such Party; provided, however, that in the case of clause (b)(i), (ii) and (iii), no such assignment shall release such Party from any liability or obligation under this Agreement. This Agreement shall be binding upon and inure to the benefit of the Parties and their respective successors and permitted assigns.

Section 11.11 Construction; Interpretation. Headings of the Articles and Sections of this Agreement are for convenience of the Parties only and shall be given no substantive or interpretive effect whatsoever. The table of contents to this Agreement is for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement. Whenever required by the context, any pronoun used in this Agreement or the Parent Disclosure Letter or the RJS Disclosure Letter shall include the corresponding masculine, feminine or neuter forms, and the singular forms of nouns, pronouns and verbs shall include the plural and vice versa. If a term is defined as one part of speech (such as a noun), it shall have a corresponding meaning when used as another part of speech (such as a verb). Unless otherwise specified, reference to any agreement, document, instrument or Law means such agreement, document, instrument or Law as amended or otherwise modified from time to time in accordance with the terms thereof, and, if applicable, hereof. Whenever the words "include," "includes" or "including" are used in this Agreement, they shall be deemed to be followed by the words "without limitation." The words "hereof," "herein" and "hereunder" and words of similar import when used in this Agreement shall refer to this Agreement as a whole and not to any particular provision of this Agreement. All article, section, subsection, schedules and exhibit references used in this Agreement are to articles, sections, subsections, schedules and exhibits to this Agreement unless otherwise specified. The exhibits and schedules attached to this Agreement constitute a part of this Agreement and are incorporated herein for all purposes. Unless expressly stated to the contrary in this Agreement, all references to "the date

hereof," "the date of this Agreement," "hereby" and "hereupon" and words of similar import shall all be references to June 9, 2014, regardless of any amendment or restatement hereof. Unless the context otherwise requires, "or," "neither," "nor," "any," "either," and "and/or" shall not be exclusive. The word "extent" in the phase "to the extent" means the degree to which a subject or other thing extends, and such phrase does not simply mean "if." The words "shall" and "will" have the same meaning. All references to dollars or "$" shall be references to United States dollars. Except as otherwise specified herein, all accounting terms shall have their respective meanings under GAAP. Whenever this Agreement refers to a number of days, such number shall refer to calendar days unless Business Days are specified. Whenever any action must be taken hereunder on or by a day that is not a Business Day, then such action may be validly taken on or by the next day that is a Business Day. Whenever this Agreement requires a Subsidiary of a Parent to take any action, such requirement shall be deemed to include an undertaking on the part of such Party to cause such Subsidiary to take such action. The Parties have participated jointly in the negotiation and drafting of this Agreement and the Other Transaction Documents. In the event an ambiguity or question of intent or interpretation arises, this Agreement shall be construed as if drafted jointly by the Parties, and no presumption or burden of proof shall arise favoring or disfavoring any Party by virtue of the authorship of any of the provisions of this Agreement. For purposes of this Agreement, reference to any information, document or material "provided" or "made available" to a Party shall include information, documents or materials to the extent available in any online "data rooms" established and maintained for purposes of or in connection with the Transactions to which the applicable Party had access prior to the date hereof (and such information, documents or material continue to be available to the applicable Party in such "data rooms" as of the date hereof).

Section 11.12 Severability. If any term or provision of this Agreement or the application of any such term or provision to any Person or circumstance is determined or declared judicially to be invalid, unenforceable or void in any jurisdiction, such decision shall not have the effect of invalidating or voiding the remainder of this Agreement, it being the intent and agreement of the Parties that this Agreement shall be deemed amended by modifying such term or provision to the extent necessary to render it valid, legal and enforceable to the maximum extent permitted while preserving its intent or, if such modification is not possible, by substituting therefor another provision that is valid, legal and enforceable and that achieves the original intent of the Parties.

Section 11.13 Counterparts. This Agreement may be executed in multiple counterparts (any one of which need not contain the signatures of more than one Party), each of which shall be deemed to be an original but all of which taken together shall constitute one and the same agreement. This Agreement, and any amendments hereto, to the extent signed and delivered by means of a facsimile machine or other electronic transmission, shall be treated in all manner and respects as an original agreement and shall be considered to have the same binding legal effects as if it were the original signed version thereof delivered in person. At the request of any Party, the other Party shall re-execute original forms thereof and deliver them to the requesting Party. No Party shall raise the use of a facsimile machine or other electronic means to deliver a signature or the fact that any signature was transmitted or communicated through the use of a facsimile machine or other electronic means as a defense to the formation of a Contract and each such Party forever waives any such defense.

Section 11.14 Disclosure Letters. There may be included in the Parent Disclosure Letter and/or the RJS Disclosure Letter items and information that are not "material," and such inclusion shall not be deemed to be an acknowledgment or agreement that any such item or information (or any non-disclosed item or information of comparable or greater significance) is "material," or to affect the interpretation of such term for purposes of this Agreement. No information contained in this Agreement or in the Parent Disclosure Letter and/or the RJS Disclosure Letter shall be deemed to be an admission by any Party to any third party of any matter whatsoever (including any violation of Law or breach of contract). Matters reflected in the Parent Disclosure Letter and RJS Disclosure Letter are not necessarily

limited to matters required by this Agreement to be disclosed therein. The Parent Disclosure Letter and RJS Disclosure Letter set forth items of disclosure with specific reference to the particular Section or subsection of this Agreement to which the information in the Parent Disclosure Letter and RJS Disclosure Letter, as applicable, relates; provided, however, that any information set forth in one Section of such disclosure letter shall be deemed to apply to each other Section or subsection thereof to which its relevance is reasonably apparent on its face; provided further that no information (i) contained in the Parent Disclosure Letter shall apply to, or be disclosed against, any of the Designated Energy Supply Representations or the representations and warranties set forth in Section 5.12(a) unless expressly set forth in the correspondingly numbered Section of the Parent Disclosure Letter or (ii) contained in RJS Disclosure Letter shall apply to, or be disclosed against, any of the Designated RJS Representations or the representations and warranties set forth in Section 6.12(a) unless expressly set forth in the correspondingly numbered Section of the RJS Disclosure Letter.

Section 11.15 Non-Recourse. None of the Affiliated RJS Persons, nor any past, present or future director, officer, employee, incorporator, agent, attorney or representative of any of the Affiliated RJS Persons or of any of RJS or their Affiliates, or any member, partner or stockholder of any of the Affiliated RJS Persons or of RJS or their Affiliates, shall have any Liability (whether in contract or in tort) for any obligations or Liabilities arising under, in connection with or related to this Agreement or any Other Transaction Document or for any Action or claim based on, in respect of, or by reason of, the Transactions.

ARTICLE XII

DEFINITIONS

Section 12.01 Definitions. For purposes of this Agreement, the following terms, when utilized in a capitalized form, shall have the following meanings:

"Action" means any demand, charge, claim, action, suit, counter suit, arbitration, mediation, hearing, inquiry, proceeding, audit, review, complaint, litigation or investigation, or proceeding of any nature whether administrative, civil, criminal, regulatory or otherwise, by or before any Governmental Authority.

"Affiliate" means, with respect to any Person, any other Person directly or indirectly controlling, controlled by, or under common control with such other Person as of the date on which, or at any time during the period for which, the determination of affiliation is being made; provided that, from and after the Distribution Time, no member of the Parent Group shall be deemed to be an Affiliate of any member of Energy Supply Group; and, provided, further, that, except as expressly provided herein, no Affiliated RJS Person shall be deemed to be an Affiliate of RJS or any RJS Subsidiary. For purposes of this definition, the term "control" (including, with correlative meanings, the terms "controlled by" and "under common control with"), as used with respect to any Person means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Person, whether through the ownership of voting securities, by Contract or otherwise.

"Affiliated RJS Person" means (i) any direct or indirect portfolio companies owned, managed or controlled by investment funds managed or advised by Riverstone Investment Group LLC or any of its Affiliates (other than a member of the RJS Group) or (ii) any investment fund controlled, managed, or advised by Riverstone Investment Group LLC or any of its Affiliates (other than Carlyle/Riverstone Global Energy and Power Fund III, L.P., Riverstone Global Energy and Power Fund V, L.P., and Riverstone/Carlyle Renewable and Alternative Energy Fund II, L.P.).

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"Agreement" has the meaning set forth in the preamble.

"Agreement Date" means the first day on which the Separation Agreement is a binding contract within the meaning of Treasury Regulation Section 1.368-1T(e)(2)(ii)(A).

"Aggregate Authorized NewCo Amount" means an amount equal to (i) the aggregate number of shares of Parent Common Stock outstanding on the Record Date, divided by 65%, plus (ii) a number of additional shares to be mutually agreed by the Parties.

"Aggregate HoldCo Amount" means an amount equal to the number of shares of Parent Common Stock outstanding on the Record Date.

"Aggregate Outstanding NewCo Amount" means an amount equal to the aggregate number of shares of Parent Common Stock outstanding on the Record Date, divided by 65%.

"Ancillary Agreements" means the Employee Matters Agreement, the Shareholders Agreement and the Transition Services Agreement.

"Antitrust Laws" means the Sherman Act, as amended, the Clayton Act, as amended, the HSR Act, the Federal Trade Commission Act and all other Laws that are designed or intended to prohibit, restrict or regulate actions having the purpose or effect of monopolization or restraint of trade.

"Assets" has the meaning given to such term in the Separation Agreement.

"Assumed Tax Rate" means 41.5%.

"BargeCo" has the meaning set forth in Section 2.07(e).

"Business Day" means any day that is not a Saturday, a Sunday or other day that is a statutory holiday under the federal Laws of the United States. In the event that any action is required or permitted to be taken under this Agreement on or by a date that is not a Business Day, such action may be taken on or by the Business Day immediately following such date.

"Cancelled Shares" has the meaning set forth in Section 3.01(b).

"Capital Stock" means (i) in the case of a corporation, corporate stock, (ii) in the case of a partnership or limited liability company, partnership or membership interests or units (whether general or limited), (iii) any other equity interest or equity participation that confers on a Person the right to receive a share of the profits and losses of, or distribution of assets of, the issuing entity, and (iv) all options, warrants, convertible debt and other rights respecting the interests described in the immediately preceding clauses (i) through (iii).

"Cash" means, as of any date of determination, all cash and cash equivalents, including certificates of deposit or bankers' acceptances maturing within six (6) months from the date of acquisition thereof, and marketable direct obligations issued by, or unconditionally guaranteed by, the United States government or an agency thereof, and investments in money market funds and all deposited but uncleared bank deposits.

"Casualty Event" means, with respect to any Person, any loss, damage or destruction of assets of any of such Person as a result of any act of God, fire, explosion, collision, earthquake, windstorm, flood or other casualty event or any condemnation by any Governmental Authority, but for

the avoidance of doubt excluding any loss, damage or destruction as a result of depreciation or ordinary wear and tear; provided, however, that, for the avoidance of doubt, with respect to the members of the Energy Supply Group, a Casualty Event shall include any such loss, damage or destruction of the Energy Supply Assets.

"Certificate of Merger" has the meaning set forth in Section 2.06(b).

"Closing" has the meaning set forth in Section 2.02(a).

"Closing Date" has the meaning set forth in Section 2.02(a).

"Closing Transactions" has the meaning set forth in Section 2.02(a).

"Code" means the United States Internal Revenue Code of 1986 (or any successor statute), as amended from time to time.

"Collective Bargaining Agreement" means all Contracts with the collective bargaining representatives of employees, including those that set forth the terms and conditions of employment of such employees, and all modifications of, or amendments to, such Contracts in existence as of the date hereof.

"Combined Business" has the meaning set forth in the definition of "Combined MAE" in this Section 12.01.

"Combined Group" means, following the Contributions, the Energy Supply Group and the RJS Subsidiaries.

"Combined MAE" means any event, change, effect, development, state of facts, circumstance, condition or occurrence, individually or in the aggregate, that has, or would reasonably be expected to have, a material adverse effect on the business, financial condition or results of operations of the combined Energy Supply Business and business of the RJS Subsidiaries (the "Combined Business"), taken as a whole, but shall not be deemed to include any event, change, effect, development, state of facts, circumstance, condition or occurrence (i) generally affecting the economy or the financial, securities or commodities markets in the United States or in the geographies, or the industry or industries in which the Combined Business operate or (ii) resulting from or arising out of: (A) any changes, events or developments in the international, national, regional, state or local wholesale or retail markets for electric power, capacity or fuel or related products, including changes in customer usage patterns; (B) the announcement or the existence of, or compliance with this Agreement, the Separation Agreement or any of the Ancillary Agreements or the consummation of the Transactions; (C) any adoption, implementation, promulgation, repeal, modification, reinterpretation or proposal of any Law (including any Environmental Law) after the date of this Agreement; (D) any changes in GAAP or accounting standards or regulatory accounting requirements applicable to the Combined Business or interpretations thereof after the date of this Agreement; (E) any weather-related or other force majeure event or outbreak of hostilities or escalation thereof or acts of war or terrorism occurring after the date of this Agreement; (F) any failure to meet any internal or public projections, forecasts or estimates of revenues, earnings, cash flow or cash position or budgets (it being understood that the facts, events or circumstances giving rise to or contributing to such failure may be deemed to constitute, and may be taken into account in determining whether there has been or would reasonably be expected to be a Combined MAE); (G) any reduction in the expected credit rating of Combined Business (it being understood that the facts, events or circumstances giving rise to or contributing to such change in credit rating may be deemed to constitute, and may be taken into account in determining whether there has been or would reasonably be expected to

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be a Combined MAE), or results of operations; and (H) seasonal fluctuations in the Combined Business; provided, however, that any event, change, effect, development, state of facts, circumstance, condition or occurrence described in each of clauses (i) and (ii) (A), (C), (D) or (E) above shall be taken into account in determining whether there has been or would reasonably be expected to be a Combined MAE to the extent that such event, change, effect, development, state of facts, circumstance, condition or occurrence, individually or in the aggregate, has or would reasonably be expected to have, a disproportionate effect on the Combined Business relative to other participants in the industries in which the Combined Business operates.

"Confidentiality Agreement" means that certain Confidentiality Agreement, dated as of December 20, 2013 between Parent and Riverstone Investment Group LLC relating to the Transactions.

"Contract" means any legally binding written or oral agreement, contract, subcontract, lease, sublease, understanding, instrument, note, evidence of indebtedness, mortgage, indenture, security agreement, letter of credit, option, warranty, purchase order, license, sublicense, insurance policy, benefit plan or commitment or undertaking of any nature, excluding any Permit.

"Contributions" has the meaning set forth in Section 2.07(d).

"Corporate Energy Supply Subs" means the Energy Supply Subs that are classified as corporations for U.S. federal income tax purposes.

"Deferred Asset" has the meaning given to such term in the Separation Agreement.

"Designated Energy Supply Representations" has the meaning set forth in Section 9.02(b).

"Designated RJS Representations" has the meaning set forth in Section 9.03(b).

"DGCL" means the General Corporation Law of the State of Delaware.

"Distribution" has the meaning set forth in Section 2.05(a).

"Distribution Date" means the date on which the Distribution occurs.

"Distribution Time" has the meaning set forth in Section 2.05(a).

"DOJ" means the United States Department of Justice.

"Effective Time" has the meaning set forth in Section 2.06(b).

"Employee Matters Agreement" has the meaning given to such term in the Separation Agreement.

"Energy Funding" has the meaning set forth in Section 5.02(a).

"Energy Marketing and Trading Contracts" means, with respect to an Energy and Marketing Trading Transaction, all master agreements, confirmation, credit support documents, schedules, credit support annexes, cover sheets, master netting agreements, master collateral agreements or similar or related agreements.

"Energy Marketing and Trading Transactions" means (i) the daily or forward purchase

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and/or sale or other acquisition or disposition of wholesale or retail electric energy, capacity, ancillary services, transmission rights, emissions allowances, renewable energy certificates, early reduction certificates, weather derivatives, demand derivatives and/or related commodities, in each case, whether physical or financial, (ii) the daily or forward purchase and/or sale or other acquisition of fuel, fuel transportation and/or storage rights and/or capacity, mineral rights and/or related commodities, including whether physical or financial, (iii) any Structured Transaction, and (iv) commodity price risk management activities or services.

"Energy Supply" has the meaning set forth in the preamble.

"Energy Supply Assets" has the meaning given to such term in the Separation Agreement.

"Energy Supply Audited Balance Sheet" has the meaning set forth in Section 5.06(e).

"Energy Supply Benefit Plans" has the meaning set forth in Section 5.11(a).

"Energy Supply Business" has the meaning given to such term in the Separation Agreement.

"Energy Supply Business MAE" means any event, change, effect, development, state of facts, circumstance, condition or occurrence, individually or in the aggregate, that has, or would reasonably be expected to have, a material adverse effect on the Energy Supply Business, the Energy Supply Group, Parent or any of its Subsidiaries with respect to the Energy Supply Business, or the financial condition or results of operations of the Energy Supply Business, taken as a whole, or the ability of Parent, the New Entities or Energy Supply to consummate the Transactions, but shall not be deemed to include any event, change, effect, development, state of facts, circumstance, condition or occurrence (i) generally affecting the economy or the financial, securities or commodities markets in the United States or in the geographies, or the industry or industries in which Energy Supply and the Energy Supply Subs or the Energy Supply Business operate or (ii) resulting from or arising out of: (A) any changes, events or developments in the international, national, regional, state or local wholesale or retail markets for electric power, capacity or fuel or related products, including changes in customer usage patterns; (B) other than in connection with Section 5.05 and, to the extent related to Section 5.05, Section 9.02(b), the announcement or the existence of, or compliance with this Agreement, the Separation Agreement or any Ancillary Agreement or the consummation of the Transactions; (C) any adoption, implementation, promulgation, repeal, modification, reinterpretation or proposal of any Law (including any Environmental Law) after the date of this Agreement; (D) any changes in GAAP or accounting standards, regulatory accounting requirements applicable to Energy Supply or the Energy Supply Subs or interpretations thereof after the date of this Agreement; (E) any weather-related or other force majeure event or outbreak of hostilities or escalation thereof or acts of war or terrorism occurring after the date of this Agreement; (F) any failure to meet any internal or public projections, forecasts or estimates of revenues, earnings, cash flow or cash position or budgets (it being understood that the facts, events or circumstances giving rise to or contributing to such failure may be deemed to constitute, and may be taken into account in determining whether there has been or would reasonably be expected to be an Energy Supply Business MAE); (G) any reduction in the expected credit rating of Energy Supply or any Energy Supply Sub (it being understood that the facts, events or circumstances giving rise to or contributing to such change in credit rating may be deemed to constitute, and may be taken into account in determining whether there has been or would reasonably be expected to be an Energy Supply Business MAE); and (H) seasonal fluctuations in the Energy Supply Business; provided, however, that any event, change, effect, development, state of facts, circumstance, condition or occurrence described in each of clauses (i) and (ii)(A), (C), (D) or (E) above shall be taken into account in determining whether there has been or would

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reasonably be expected to be an Energy Supply Business MAE to the extent that such event, change, effect, development, state of facts, circumstance, condition or occurrence has or would reasonably be expected to have a disproportionate effect on the Energy Supply Business, the Energy Supply Group or Parent or any of its Subsidiaries with respect to the Energy Supply Business, relative to other participants in the industries in which the Energy Supply Business operates.

"Energy Supply Closing Refinanced Debt" has the meaning set forth in Section 1.02(a).

"Energy Supply Collective Bargaining Agreements" means all Collective Bargaining Agreements covering Energy Supply Employees.

"Energy Supply Contribution" has the meaning given to such term in the Separation Agreement.

"Energy Supply Credit Policies" means the Financial Risk Management Policy, as reviewed and approved by the Finance Committee of Parent's board of directors on March 27, 2014, together with the Risk Management Policy for Credit Risk, as reviewed and approved by Parent's Risk Management Committee on March 19, 2014, each as in effect on the date of this Agreement, true, correct and complete copies of which have been made available to RJS.

"Energy Supply Election" has the meaning given to such term in the Separation Agreement.

"Energy Supply Employees" has the meaning set forth in Section 5.11(a).

"Energy Supply Facilities" has meaning giving to such term in Section 5.15(a).

"Energy Supply Financing" has the meaning set forth in Section 8.09(a). For the avoidance of doubt, any refinancing of an Energy Supply Financing on or prior to the earlier of the Closing Date and the Termination Date permitted in accordance with the terms of this Agreement shall also be deemed an Energy Supply Financing.

"Energy Supply Financing Agreement" means any commitment letter or other agreement entered into with respect to or in connection with the Energy Supply Financing.

"Energy Supply Group" means Energy Supply, HoldCo, NewCo, Merger Sub and each of the Energy Supply Subs.

"Energy Supply Intellectual Property" has the meaning set forth in Section 5.17(a).

"Energy Supply Interim Financial Statements" has the meaning set forth in Section 8.13(a).

"Energy Supply Leases" means, collectively, the Contracts to which any of Parent, any Subsidiary of Parent or any member of the Energy Supply Group is a party or is bound pursuant to which the Leased Premises is leased by any of Parent, any Subsidiary of Parent or any member of the Energy Supply Group.

"Energy Supply Liabilities" has the meaning given to such term in the Separation Agreement.

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"Energy Supply Material Contract" has the meaning set forth in Section 5.10(a).

"Energy Supply Payoff Letters" has the meaning set forth in Section 1.02(a).

"Energy Supply Permits" has the meaning set forth in Section 5.09(b).

"Energy Supply Real Property" has the meaning given to such term in the Separation Agreement.

"Energy Supply Refinanced Debt" means the Indebtedness set forth on Section 7.01(c)(vii) of the Parent Disclosure Letter (and includes any refinancing or extension thereof prior to the Closing pursuant to an Energy Supply Financing or otherwise permitted in accordance with Section 7.01(c)(vii)).

"Energy Supply Registered Intellectual Property" has the meaning set forth in Section 5.17(b).

"Energy Supply SEC Filings" has the meaning set forth in Section 5.06(a).

"Energy Supply Subs" has the meaning set forth in Section 5.02(a) and, from and after the Closing, shall include any Subsidiary of Energy Supply that is acquired or formed after the Closing Date and shall exclude any such Person as of the date that such Person is no longer a Subsidiary of Energy Supply.

"Energy Supply Takeover Proposal" means any bona fide offer, inquiry, proposal or indication of interest received from a third party (other than an offer, inquiry, proposal or indication of interest by a Party to this Agreement) relating to, or which is reasonably expected to lead to, any Energy Supply Takeover Transaction.

"Energy Supply Takeover Transaction" means, other than in connection with the Transactions, (i) other than in the ordinary course of business (and other than any direct or indirect acquisition, tender offer, exchange offer, merger or other similar transaction in respect of the Capital Stock of Parent), any direct or indirect acquisition (whether by purchase, lease, exchange, transfer, merger or consolidation), in a single transaction or a series of related transactions, of any Assets of the Energy Supply Business or of any of the members of the Energy Supply Group that constitute or account for 10% or more of the consolidated assets, consolidated revenues or consolidated net income of the Energy Supply Business, (ii) any direct or indirect acquisition of any Capital Stock, tender offer, exchange offer or other similar transaction of or involving any member of the Energy Supply Group (other than the merger, acquisition, tender offer, exchange offer or other similar transaction in respect of the Capital Stock of Parent), (iii) any merger, consolidation, share exchange, recapitalization, spin-off, consolidation, other business combination or similar transaction (or series of related transactions) involving the Energy Supply Business, the Energy Supply Assets or of the members of the Energy Supply Group (other than any merger, consolidation, share exchange, recapitalization, consolidation, other business combination or similar transaction (or series of related transactions) of Parent), (iv) liquidation or dissolution (or the adoption of a plan of liquidation or dissolution) of any member of the Energy Supply Group, or (v) any other similar transaction (or series of related transactions) involving the Energy Supply Business, the Energy Supply Assets or of the members of the Energy Supply Group that would reasonably be expected to prevent or materially impair or delay the consummation of the Transactions. For the avoidance of doubt, the sale solely of the PPL Montana, LLC hydroelectric facilities and related assets to NorthWestern Corporation shall not constitute an Energy Supply Takeover Transaction.

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"Energy Supply Tax Amount" means (i) the Energy Supply Taxable Income for an applicable Interim Period (but not less than zero), multiplied by (ii) the Assumed Tax Rate.

"Energy Supply Tax Member" has the meaning set forth in Section 8.17(a).

"Energy Supply Taxable Income" means the aggregate U.S. federal taxable income or loss of Energy Supply and the Energy Supply Subs for an applicable Interim Period, calculated assuming that (i) Energy Supply was a corporation for U.S. federal income tax purposes at all times during such Interim Period, (ii) Energy Supply and the Corporate Energy Supply Subs were a separate affiliated group as defined in Section 1504(a) of the Code, of which Energy Supply was the common parent and the only members of which were the Corporate Energy Supply Subs, and (iii) Energy Supply and the Corporate Energy Supply Subs filed a consolidated return for such Interim Period on the same basis and using the same methodologies as used in the consolidated return of the Parent Group, except that dividend income or distributions from the Energy Supply Subs to Energy Supply or other Energy Supply Subs shall be disregarded, and other intercompany transactions solely among Energy Supply and the Energy Supply Subs, eliminated in consolidation for U.S. federal income tax purposes, shall be given appropriate effect for state and local income tax purposes; provided that Energy Supply Taxable Income shall be calculated disregarding (A) the transactions listed as items 1 through 3 in Section 7.01(c)(i) of the Parent Disclosure Letter (such transactions, collectively, the "Excluded Transactions"), (B) the Spin Transactions, and (C) any tax effects attributable to the Excluded Transactions or Spin Transactions.

"Energy Supply Trading Guidelines" means the Financial Risk Management Policy, as reviewed and approved by the Finance Committee of Parent's board of directors on March 27, 2014, together with the Risk Management Program for Asset Hedging, Wholesale and Retail Marketing, and Energy Trading, as reviewed and approved by Parent's Risk Management Committee on March 19, 2014, each as in effect on the date of this Agreement, true, correct and complete copies of which have been made available to RJS.

"Environmental Laws" means all currently applicable Laws relating to pollution or protection of the environment, natural resources or human health and safety, including laws relating to Releases or threatened Releases of Hazardous Materials (including Releases to ambient air, surface water, groundwater, land, surface and subsurface strata) or otherwise relating to the manufacture, processing, distribution, use, treatment, storage, Release, transport, disposal or handling of Hazardous Materials. "Environmental Laws" include the Comprehensive Environmental Response, Compensation, and Liability Act (42 U.S.C. Section 9601 et seq.), the Hazardous Materials Transportation Act (49 U.S.C. Sections 1801 et seq.), the Resource Conservation and Recovery Act (42 U.S.C. Sections 6901 et seq.), the Federal Water Pollution Control Act (33 U.S.C. Sections 1251 et seq.), the Clean Air Act (42 U.S.C. Sections 7401 et seq.), the Toxic Substances Control Act (15 U.S.C. Sections 2601 et seq.), the Oil Pollution Act (33 U.S.C. Sections 2701 et seq.), the Emergency Planning and Community Right-to-Know Act (42 U.S.C. Sections 11001 et seq.), the Occupational Safety and Health Act (29 U.S.C. Sections 651 et seq.), the Endangered Species Act (16 U.S.C. Sections 1531 et seq.), the Migratory Bird Treaty Act (16 U.S.C. Sections 703 et seq.), and state laws analogous to any of the above.

"EPAct 2005" has the meaning set forth in Section 5.15(c).

"ERISA" has the meaning set forth in Section 5.11(a).

"Exchange Act" means the Securities Exchange Act of 1934, as amended.

"Exchange Agent" has the meaning set forth in Section 3.02(b).

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"Excluded Assets" has the meaning given to such term in the Separation Agreement.

"Excluded Liabilities" has the meaning given to such term in the Separation Agreement.

"Excluded Transactions" has the meaning set forth in the definition of "Energy Supply Taxable Income" in this Section 12.01.

"Existing RJS Subsidiaries" means (i) the Persons identified in Section 2.07(b)(i) – (iii), Section 2.07(c)(i) – (iv) and Section 2.07(d)(i) – (iii) and (ii) the Subsidiaries of the such Persons described in the immediately preceding clause (i).

"EWG" has the meaning set forth in Section 5.15(c).

"FCC" has the meaning set forth in Section 5.05(b).

"FERC" means the United States Federal Energy Regulatory Commission.

"FERC Approval" has the meaning set forth in Section 5.05(b).

"FPA" means the Federal Power Act, as amended.

"FTC" means the United States Federal Trade Commission.

"FTR Speculative Trading" means any Energy Marketing and Trading Transaction that is not a Hedging Trading activity and is related to the purchase and sale of "financial transmission rights" in PJM.

"Final Order" means an action or decision by a Governmental Authority that has not been reversed, enjoined, set aside, vacated, annulled or suspended and as to which (i) no request for stay of the action is pending, no such stay is in effect and if any time period is permitted by statute or regulation for filing any request for such stay, such time period has passed, (ii) no petition for rehearing or reconsideration of the action is pending and the time for filing any such petition for rehearing has passed, (iii) no Governmental Authority has undertaken to reconsider the action on its own motion and such reconsideration is pending, and (iv) no appeal to a court or a request for stay by a court of the Governmental Authority's action is pending (including other administrative or judicial review) or in effect and the deadline for filing any such appeal or request has passed.

"Financing Agreements" means, collectively, all Energy Supply Financing Agreements and all RJS Financing Agreements.

"Financing Expenses" means all fees and expenses incurred by any of the Parties or their Affiliates in connection with any Energy Supply Financing and any RJS Financing, including (A) any legal fees of each of RJS, Parent, Energy Supply and their respective Subsidiaries, the underwriters or lenders solely to the extent related thereto, (B) any initial commitment fees, structuring fees or similar fees and expenses associated therewith, and (C) any prepayment premiums or penalties, or breakage fees associated with the refinancing, extension, renewal or replacement of any RJS Refinanced Debt or Energy Supply Refinanced Debt in accordance with the terms of this Agreement.

"Financing Time" has the meaning set forth in Section 2.04.

"Financings" means, collectively, the Energy Supply Financing and the RJS Financing.

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"First Interim Period" means the period from the date hereof to (and including) the earliest of December 31, 2014, the Closing Date and the Termination Date.

"Fuel Inventory" means coal (including treated coal and lignite), limestone, petroleum coke, fuel oil, natural gas, uranium (including separative work units) or alternative fuel inventories.

"GAAP" means United States generally accepted accounting principles, applied on a consistent basis.

"Governmental Approvals" has the meaning given to such term in the Separation Agreement.

"Governmental Authority" means any federal, state, local, foreign or international court, government, department, commission, board, bureau, agency, official or other regulatory, administrative or governmental authority or self-regulatory organization or any arbitration or mediation tribunal.

"Hazardous Materials" means (a) any petrochemical or petroleum products, oil or coal ash, radioactive materials, radon gas, asbestos in any form that is or could become friable, urea formaldehyde foam insulation and transformers or other equipment that contain dielectric fluid which may contain levels of polychlorinated biphenyls; (b) any chemicals, materials or substances defined as or included in the definition of "hazardous substances," "hazardous wastes," "solid wastes," "hazardous materials," "hazardous constituents," "restricted hazardous materials," "extremely hazardous substances," "toxic substances," "contaminants," "pollutants," "toxic pollutants" or words of similar meaning and regulatory effect under any applicable Environmental Law; and (c) any other chemical, material or substance, exposure to which is prohibited, limited or regulated by, or that may result in Liability under, any applicable Environmental Law.

"Hedging Trading" means (i) in respect of Parent, any Subsidiary of Parent or any member of the Energy Supply Group, any Energy Marketing and Trading Transaction that hedges all or a portion of the inputs and/or output of any Energy Supply Facilities and/or reduces or eliminates risk exposures in respect of such inputs and/or outputs of any Energy Supply Facilities incurred in the ordinary course of business and qualifies for hedge effectiveness under the requirements of either FASB ASC 815 or Energy Supply's process for defining economic activity for carve-out treatment from ongoing earnings (dated March 28, 2014) and (ii) in respect of the RJS Subsidiaries, any Energy Marketing and Trading Transaction that (A) hedges all or a portion of the inputs and/or outputs of any RJS Facilities and/or reduces or eliminates risk exposures in respect of such inputs and/or outputs of any RJS Facilities and (B) (x) has a delivery/settlement period that ends no later than two (2) calendar years following the commencement of the calendar year when delivery begins or (y) has otherwise been approved by the board of directors of Raven, Jade or Sapphire (or RJS Holdco or other applicable RJS Subsidiary), as applicable, and (C) that, in each case, is not entered into for speculative purposes.

"HoldCo" has the meaning set forth in the preamble.

"HoldCo Common Stock" has the meaning set forth in the recitals.

"HoldCo Contribution" has the meaning given to such term in the Separation Agreement.

"HoldCo Holder" has the meaning set forth in Section 3.02(b).

"HSR Act" has the meaning set forth in Section 5.05(b).

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"Indebtedness" means, with respect to a Person at any date, all Liabilities and obligations (without duplication) of such Person (i) for borrowed money or issued in substitution for or exchange of indebtedness for borrowed money; (ii) for any indebtedness evidenced by notes, debentures, bonds or other similar instruments or debt securities; (iii) under any conditional sale, title retention or similar arrangement, or with respect to any deferred purchase price of any Assets or services (but excluding trade accounts payable arising in the ordinary course of business); (iv) in respect of any deferred revenue; (v) other than the Parent Guarantees, in respect of (including contingent reimbursement obligations with respect to) letters of credit and bankers' acceptances; (vi) to pay rent or other amounts under any lease of real or personal property, or other similar Contract, that is required to be classified or accounted for as a capital lease in accordance with GAAP; (vii) in respect of any sale and leaseback transaction, synthetic lease or tax ownership operating lease transaction (whether or not recorded on the balance sheet of such Person), (viii) in respect of any interest rate cap, hedging or swap agreements, foreign currency exchange agreements or similar arrangements; (ix) other than the Parent Guarantees, all guarantees, direct or indirect, of such Person (including to the extent secured by the grant of a Security Interest on the Assets of such Person) in connection with any of the foregoing and any other indebtedness guaranteed in any manner by a Person (including guarantees in the form of an agreement to repurchase or reimburse); and (x) for all accrued and unpaid interest, prepayment premiums or penalties, or breakage fees related to any of the foregoing.

"Intellectual Property" has the meaning given to such term in the Separation Agreement.

"Intended Tax-Free Treatment" means that (i) the Energy Supply Election together with the Internal Distribution qualifies as a reorganization pursuant to Sections 368(a)(1)(D) and 355 of the Code, (ii) the HoldCo Contribution together with the Distribution qualifies as a reorganization pursuant to Sections 368(a)(1)(D) and 355 of the Code, (iii) the Merger qualifies as a reorganization pursuant to Section 368(a) of the Code, (iv) the Merger and the Contributions will not cause Section 355(e) of the Code to apply to the Distribution or the Internal Distribution, (v) the Merger and the Contributions together qualify as an exchange of property for stock under Section 351 of the Code, and (vi) the Internal Contributions qualify as contributions of property described in Section 351 of the Code.

"Interim Period" means the First Interim Period, the Second Interim Period, or the Third Interim Period.

"Internal Contributions" has the meaning set forth in Section 2.08.

"Internal Distribution" has the meaning given to such term in the Separation Agreement.

"IRS" means the Internal Revenue Service.

"ISO-NE" means ISO New England, Inc., a regional transmission organization that coordinates the movement of wholesale electricity in all or parts of six (6) states.

"IT Equipment" has the meaning given to such term in the Separation Agreement.

"IT Systems" has the meaning given to such term in the Separation Agreement.

"Jade" has the meaning set forth in the preamble.

"Jade Contribution" has the meaning set forth in Section 2.07(c).

"Jade Percentage" means such percentage of the aggregate number of shares of NewCo

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Common Stock to be issued to Raven, Jade and Sapphire pursuant to Section 2.07(b), Section 2.07(c) and Section 2.07(d) that shall be allocated to Jade as set forth in the notice delivered by RJS pursuant to Section 2.07(f).

"Joint Defense Agreement" means that certain Joint Defense and Common Interest Agreement, dated as of March 19, 2014, among Parent, Riverstone Investment Group LLC, and the counsel party thereto.

"Knowledge" means, in the case of RJS, the actual knowledge of the persons listed in Section 12.01(a) of the RJS Disclosure Letter as of the date of the representation, and, in the case of Parent, the actual knowledge of the persons listed in Section 12.01(a) of the Parent Disclosure Letter as of the date of the representation.

"Law" means any statute, law (including common law), ordinance, regulation, rule, code or other requirement of, or Order issued by, a Governmental Authority.

"Leased Premises" has the meaning given to such term in the Separation Agreement.

"Liabilities" means all debts, liabilities (including liabilities for Taxes), guarantees, assurances, commitments and obligations, whether fixed, contingent or absolute, asserted or unasserted, matured or unmatured, liquidated or unliquidated, accrued or not accrued, known or unknown, due or to become due, whenever or however arising (including whether arising out of any Contract or tort based on negligence, strict liability or relating to Taxes payable by a Person in connection with compensatory payments to employees or independent contractors) and whether or not the same would be required by generally accepted principles and accounting policies to be reflected in financial statements or disclosed in the notes thereto.

"Market Dislocation Event" means any event, change, development or occurrence, individually or in the aggregate, that has resulted in material volatility in the commodities markets, including a significant decoupling of systematic risk, pricing and other relevant market conditions, that affects Energy Marketing and Trading Transactions.

"MBR Authority" has the meaning set forth in Section 5.15(c).

"Merger" has the meaning set forth in Section 2.06(a).

"Merger Consideration" has the meaning set forth in Section 3.01(a).

"Merger Sub" has the meaning set forth in the preamble.

"Merger Sub Common Stock" has the meaning set forth in the recitals.

"Modified ES TSA Payments" means with respect to any Interim Period the excess, if any, of (i) the aggregate amount of payments made by any Energy Supply Tax Member to Parent or any member of the Parent Group pursuant to the Tax Sharing Agreement or Section 8.17(c), with respect to such Interim Period, over (ii) the aggregate amount of payments made by Parent or any member of the Parent Group to any Energy Supply Tax Member pursuant to the Tax Sharing Agreement or Section 8.17(b) of this Agreement, with respect to such Interim Period.

"Modified Parent TSA Payments" means with respect to any Interim Period the excess, if any, of (i) the aggregate amount of payments made by Parent or any member of the Parent Group to any

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Energy Supply Tax Member pursuant to the Tax Sharing Agreement or Section 8.17(b), with respect to such Interim Period, over (ii) the aggregate amount of payments made by any Energy Supply Tax Member to Parent or any member of the Parent Group pursuant to the Tax Sharing Agreement or Section 8.17(c), with respect to such Interim Period.

"New Entities" has the meaning set forth in Section 5.01.

"NewCo" has the meaning set forth in the preamble.

"NewCo Common Stock" has the meaning set forth in the recitals.

"NewCo Registration Statement" means the registration statement on Form 10, or such other form under the Securities Act or the Exchange Act as the parties may agree, pursuant to which the shares of NewCo Common Stock will be registered with the SEC.

"Non-Energy Supply Sub" has the meaning given to such term in the Separation Agreement.

"Non-FTR Speculative Trading" means any Energy Marketing and Trading Transaction that is not a Hedging Trading activity (excluding such transitions related to the purchase and sale of "financial transmission rights" in PJM) and, for the avoidance of doubt, shall include mid-market transactions and customer deal flow business, in each case, that are not Hedging Trading activities.

"NRC" has the meaning set forth in Section 5.05(b).

"NYSE" means the New York Stock Exchange.

"OEM" means Siemens AG (the manufacturers of the turbines at Susquehanna).

"Order" means any: (i) order, judgment, injunction, edict, decree, ruling, pronouncement, determination, decision, opinion, verdict, sentence, subpoena, writ or award issued, made, entered, rendered or otherwise put into effect by or under the authority of any court, administrative agency or other Governmental Authority; or (ii) Contract with any Governmental Authority entered into in connection with any Action.

"Organizational Documents" means, with respect to any corporation, its articles or certificate of incorporation, memorandum or articles of association and by-laws or documents of similar substance; with respect to any limited liability company, its articles or certificate of organization, formation or association and its operating agreement or limited liability company agreement or documents of similar substance; with respect to any limited partnership, its certificate of limited partnership and partnership agreement or documents of similar substance; and with respect to any other entity, documents of similar substance to any of the foregoing.

"Other Transaction Documents" means, collectively, (i) the Separation Agreement and each document, instrument or agreement delivered or to be delivered pursuant to the Separation Agreement (including pursuant to Section 3.02 and Section 3.03 thereof) and (ii) the Ancillary Agreements (including each document, instrument or agreement delivered or to be delivered pursuant thereto).

"Outside Date" has the meaning set forth in Section 10.01(b).

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"Outstanding Parent Guarantee" has the meaning set forth in Section 8.10.

"Parent" has the meaning set forth in the preamble.

"Parent Common Stock" means the shares of common stock, par value $0.01 per share of Parent.

"Parent Disclosure Letter" means the disclosure letter delivered by Parent to Raven, Jade and Sapphire immediately prior to the execution of this Agreement.

"Parent Group" means Parent and each of its Subsidiaries, but excluding any member of the Energy Supply Group.

"Parent Guarantees" has the meaning set forth in Section 8.10.

"Parent Regulatory Approvals" has the meaning set forth in Section 5.05(b).

"Parent Transition Services" has the meaning set forth in Section 8.15(a).

"Parent Transition Services Agreement" has the meaning set forth in Section 8.15(a).

"Parties" means Parent, Energy Supply, the New Entities, Raven, Jade and Sapphire; provided, however, that, upon any assignment by Raven, Jade and/or Sapphire contemplated by Section 11.10(a), each assignor thereof shall be deemed a Party (in substitution of Raven, Jade and/or Sapphire).

"Permits" means all franchises, permits, approvals, licenses, easements, variances, consents, authorizations, certificates, rights, registrations, waivers, exemptions of or from Governmental Authorities issued under or with respect to applicable Laws or Orders.

"Permitted Encumbrances" means (a) Security Interests consisting of, in the case of real property, zoning or planning restrictions (none of which are currently violated by the real property subject thereto), easements, servitudes, covenants, conditions, permits and other restrictions or limitations on the use of real property or irregularities in title thereto which do not materially detract from the value of, or materially impair or interfere with the use or occupancy of, such real property as it is used in connection with the Energy Supply Business or the business of the RJS Subsidiaries, (b) Security Interests for current Taxes, assessments or similar governmental charges or levies not yet due or which are being contested in good faith through appropriate proceedings and for which appropriate reserves in accordance with GAAP are reflected in the consolidated financial statements of Energy Supply or of the RJS Subsidiaries, as applicable, (c) mechanic's, workmen's, materialmen's, carrier's, repairer's, warehousemen's and similar Security Interests arising or incurred in the ordinary course of business for amounts not yet delinquent or which are being contested in good faith through appropriate proceedings and for which appropriate reserves in accordance with GAAP are reflected in the consolidated financial statements of Energy Supply or of the RJS Group, as applicable, and (d) Security Interests set forth in Section 12.01(b) of the Parent Disclosure Letter with respect to Parent and its Subsidiaries (in respect of the Energy Supply Business) and the members of the Energy Supply Group, or Section 12.01(b) of the RJS Disclosure Letter with respect to the RJS Subsidiaries.

"Permitted Refinancing Amount" means, in respect of the Indebtedness being exchanged for, or extended, refinanced, renewed or replaced, an aggregate amount equal to the sum of (i) the principal amount (or accreted value, if applicable) thereof, plus (ii) all unpaid accrued interest, premium, penalties or breakage fees thereon, (iii) the amount of any existing commitment unutilized and letters of

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credit undrawn thereunder, and (iv) all expenses incurred in connection therewith.

"Person" means an individual, a partnership, a corporation, a limited liability company, an association, a joint stock company, a trust, a joint venture, an unincorporated organization, other entity or a Governmental Authority.

"PJM" means PJM Interconnection, L.L.C., a regional transmission organization that coordinates the movement of wholesale electricity in all or parts of thirteen (13) states and the District of Columbia.

"PJM MAAC" means the Mid-Atlantic Area Council region of the PJM region.

"Post-Distribution Taxable Period" has the meaning given to such term in the Separation Agreement.

"PPL Susquehanna" has the meaning set forth in Section 5.16(a).

"Proposed Acquisition Transaction" means a transaction or series of transactions (or any agreement, understanding or arrangement, within the meaning of Section 355(e) of the Code and Treasury Regulation Section 1.355-7, to enter into a transaction or series of transactions), whether such transaction is supported by Parent or NewCo management or shareholders, is a hostile acquisition, or otherwise, as a result of which Parent, Energy Funding, NewCo, HoldCo or Energy Supply would merge or consolidate with any other Person or as a result of which any Person or any group of related Persons would (directly or indirectly) acquire, or have the right to acquire (directly or indirectly) from Parent, Energy Funding, NewCo, HoldCo or Energy Supply and/or one or more holders of Parent Capital Stock, Energy Funding Capital Stock, NewCo Capital Stock, HoldCo Capital Stock or Energy Supply Capital Stock, an amount of Parent Capital Stock, Energy Funding Capital Stock, NewCo Capital Stock, HoldCo Capital Stock or Energy Supply Capital Stock that could have, in the aggregate and taking into account the transactions contemplated by the Separation Agreement, the effect of causing one or more Persons (including Persons acting in concert) to acquire a fifty percent (50%) or greater interest in Parent, Energy Funding, NewCo, HoldCo or Energy Supply for purposes of Section 355(d) or (e) of the Code. For purposes of determining whether a transaction constitutes an indirect acquisition, any recapitalization resulting in a shift of value or voting power or any redemption of shares of stock shall be treated as an indirect acquisition of shares of stock by the non-exchanging shareholders.

"Proposed Amendment" has the meaning set forth in Section 8.07.

"Prudent Operating Practice" means those practices, methods, standards, techniques, specifications, procedures and acts of safety and performance that are commonly used from time to time by electric generation stations in the United States similar in size and type to those in the Energy Supply Business as good, safe and prudent engineering and operating practices in connection with the operation, maintenance, and repair of electric generating and other equipment, facilities and improvements of such electrical generation stations, with commensurate standards of safety, performance, dependability, efficiency and economy, consistent with applicable Law, Permits and applicable Contracts.

"Qualified Decommissioning Fund" has the meaning set forth in Section 5.16(b).

"Raven" has the meaning set forth in the preamble.

"Raven Contribution" has the meaning set forth in Section 2.07(b).

"Raven Percentage" means such percentage of the aggregate number of shares of NewCo Common Stock to be issued to Raven, Jade and Sapphire pursuant to Section 2.07(b), Section 2.07(c) and Section 2.07(d) that shall be allocated to Raven as set forth in the notice delivered by RJS pursuant to Section 2.07(f).

"Raven Power Finance" means Raven Power Finance LLC.

"Real Property Interests" has the meaning given to such term in the Separation Agreement.

"Record Date" means the close of business on the date to be determined by the board of directors of Parent as the record date for determining shareholders of Parent entitled to receive HoldCo Common Stock in the Distribution.

"Record Holders" means the holders of record of Parent Common Stock as of the close of business on the Record Date.

"Regulatory Approval" means any Parent Regulatory Approval or RJS Regulatory Approval.

"Release" means any spilling, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leaching, dumping or disposing into the indoor or outdoor environment, including surface water, groundwater, land surface or subsurface strata or ambient air (including the abandonment or discarding of barrels, containers and other closed receptacles containing any hazardous substance or pollutant or contaminant).

"Representatives" means with respect to any Person, such Person's officers, employees, accountants, consultants, legal counsel, financial advisors, agents, directors and other representatives.

"Required Financial Information" has the meaning set forth in Section 8.09(b).

"RJS" has the meaning set forth in the preamble.

"RJS Audited Balance Sheets" has the meaning set forth in Section 6.06(d).

"RJS Audited Financial Statements" has the meaning set forth in Section 6.06(a).

"RJS Benefit Plans" has the meaning set forth in Section 6.11(a).

"RJS Closing Refinanced Debt" has the meaning set forth in Section 8.09(a).

"RJS Disclosure Letter" means the disclosure letter delivered by RJS to Parent immediately prior to the execution of this Agreement.

"RJS Employees" has the meaning set forth in Section 6.11(a).

"RJS Facilities" has the meaning set forth in Section 6.15(a).

"RJS Financial Statements" has the meaning set forth in Section 6.06(a).

"RJS Financing" means, collectively, Indebtedness incurred by any one or more of the RJS Subsidiaries pursuant to (i) an offering of unsecured senior notes issued in a private placement under

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Rule 144A or Regulation S of the Securities Act in an amount not to exceed $1,300 million and (ii) a working capital revolving credit facility in an initial principal amount not to exceed $200 million. For the avoidance of doubt, any refinancing of an RJS Financing (other than pursuant to an Energy Supply Financing) on or prior to the earlier of the Closing Date and the Termination Date permitted in accordance with the terms of this Agreement shall also be deemed an RJS Financing.

"RJS Financing Agreement" means any commitment letter or other agreement entered into with respect to or in connection with an RJS Financing.

"RJS Group" means RJS and the RJS Subsidiaries.

"RJS HoldCo" has the meaning set forth in Section 2.07(a). "RJS Intellectual Property" has the meaning set forth in Section 6.16(a).

"RJS Interim Financial Statements" has the meaning set forth in Section 8.13(b).

"RJS Leased Real Property" has the meaning set forth in Section 6.18(a).

"RJS Leases" has the meaning set forth in Section 6.18(a).

"RJS MAE" means any event, change, effect, development, state of facts, circumstance, condition or occurrence, individually or in the aggregate, that has, or would reasonably be expected to have, a material adverse effect on the business, financial condition or results of operations of the RJS Subsidiaries, taken as a whole, or the ability of RJS to consummate the Closing Transactions, but shall not be deemed to include any event, change, effect, development, state of facts, circumstance, condition or occurrence (i) generally affecting the economy or the financial, securities or commodities markets in the United States or in the geographies, or the industry or industries in which the RJS Subsidiaries operate or (ii) resulting from or arising out of: (A) any changes, events or developments in the international, national, regional, state or local wholesale or retail markets for electric power, capacity or fuel or related products, including changes in customer usage patterns; (B) other than in connection with Section 5.05 and, to the extent related to Section 5.05, Section 9.03(b), the announcement or the existence of, or compliance with this Agreement, the Separation Agreement or any Ancillary Agreement or the consummation of the Transactions; (C) any adoption, implementation, promulgation, repeal, modification, reinterpretation or proposal of any Law (including any Environmental Law) after the date of this Agreement; (D) any changes in GAAP or accounting standards or regulatory accounting requirements applicable to the RJS Subsidiaries or interpretations thereof after the date of this Agreement; (E) any weather-related or other force majeure event or outbreak of hostilities or escalation thereof or acts of war or terrorism occurring after the date of this Agreement; (F) any failure to meet any internal or public projections, forecasts or estimates of revenues, earnings, cash flow or cash position or budgets (it being understood that the facts, events or circumstances giving rise to or contributing to such failure may be deemed to constitute, and may be taken into account in determining whether there has been or would reasonably be expected to be an RJS MAE); (G) any reduction in the credit rating of any RJS Subsidiary (it being understood that the facts, events or circumstances giving rise to or contributing to such change in credit rating may be deemed to constitute, and may be taken into account in determining whether there has been or would reasonably be expected to be an RJS MAE); and (H) seasonal fluctuations in the business of the RJS Subsidiaries; provided, however, that any event, change, effect, development, state of facts, circumstance, condition or occurrence described in each of clauses (i) and (ii) (A), (C), (D) or (E) above shall be taken into account in determining whether there has been or would reasonably be expected to be an RJS MAE to the extent that such event, change, effect, development, state of facts, circumstance, condition or occurrence, individually or in the aggregate, has or would reasonably be expected to have a disproportionate effect on the RJS Subsidiaries, taken as a whole, relative to other participants in the

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industries in which the RJS Subsidiaries operates.

"RJS Material Contract" has the meaning set forth in Section 6.10(a).

"RJS Owned Real Property" means all land, together with all buildings, structures, improvements, and fixtures located thereon, and all easements, servitudes and other interests and rights appurtenant thereto, owned by any RJS Subsidiary.

"RJS Payoff Letters" has the meaning set forth in Section 1.02(b).

"RJS Permits" has the meaning set forth in Section 6.09(b).

"RJS Refinanced Debt" means the Indebtedness set forth on Section 7.02(c)(viii) of the RJS Disclosure Letter (and includes any refinancing or extension thereof prior to the Closing pursuant to an RJS Financing or otherwise permitted in accordance with Section 7.02(c)(viii)).

"RJS Registered Intellectual Property" has the meaning set forth in Section 6.16(b).

"RJS Regulatory Approvals" has the meaning set forth in Section 6.05(b).

"RJS Separation Plan" has the meaning set forth in Section 2.07(a).

"RJS Separation Transactions" has the meaning set forth in Section 2.07(a).

"RJS Subsidiaries" means, collectively, the Existing RJS Subsidiaries, RJS HoldCo (if any), and each Subsidiary of RJS HoldCo (if any) that owns, directly or indirectly, the Existing RJS Subsidiaries.

"RJS Takeover Proposal" means any bona fide offer, inquiry, proposal or indication of interest received from a third party (other than an offer, inquiry, proposal or indication of interest by a Party to this Agreement) relating to, or which is reasonably expected to lead to, any RJS Takeover Transaction.

"RJS Takeover Transaction" means, other than in connection with the Transactions, (i) other than in the ordinary course of business (and other than the acquisition, tender offer, exchange offer or other similar transaction in respect of any direct or indirect equity interests in any of the funds managed or advised by, or general partners associated with, Riverstone Investment Group LLC or any of its Affiliates), any direct or indirect acquisition (whether by purchase, lease, exchange, transfer, merger or consolidation), in a single transaction or a series of related transactions, of any Assets of the RJS Subsidiaries that constitute or account for 10% or more of the consolidated assets, consolidated revenues or consolidated net income of the RJS Subsidiaries, taken as a whole, (ii) any direct or indirect acquisition of any Capital Stock, tender offer, exchange offer or other similar transaction of or involving any of the RJS Subsidiaries (other than the acquisition, tender offer, exchange offer or other similar transaction in respect of any direct or indirect equity interests in any of the funds managed or advised by, or general partners associated with, Riverstone Investment Group LLC or any of its Affiliates), (iii) any merger, share exchange, recapitalization, spin-off, consolidation, other business combination or similar transaction (or series of related transactions) involving any of the RJS Subsidiaries (other than any merger, consolidation, share exchange, recapitalization, consolidation, other business combination or similar transaction (or series of related transactions) of any of the funds managed or advised by, or general partners associated with, Riverstone Investment Group LLC or any of its Affiliates), (iv) liquidation or dissolution (or the adoption of a plan of liquidation or dissolution) of any of the RJS Subsidiaries, or

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(v) any other similar transaction (or series of related transactions) involving the RJS Subsidiaries that would reasonably be expected to prevent or materially impair or delay the consummation of the Transactions.

"RJS Transition Services" has the meaning set forth in Section 8.15(b).

"RJS Transition Services Agreement" has the meaning set forth in Section 8.15(b).

"RJS Unaudited Financial Statements" has the meaning set forth in Section 6.06(a).

"Sapphire" has the meaning set forth in the preamble.

"Sapphire Contribution" has the meaning set forth in Section 2.07(d).

"Sapphire Percentage" means such percentage of the aggregate number of shares of NewCo Common Stock to be issued to Raven, Jade and Sapphire pursuant to Section 2.07(b), Section 2.07(c) and Section 2.07(d) that shall be allocated to Sapphire as set forth in the notice delivered by RJS pursuant to Section 2.07(f).

"Sapphire Power Finance" means Sapphire Power Finance LLC.

"Sarbanes-Oxley Act" has the meaning set forth in Section 5.06(a).

"SEC" means the United States Securities and Exchange Commission.

"Second Interim Period" means the period from January 1, 2015 to (and including) the earliest of December 31, 2015, the Closing Date and the Termination Date, if the Closing or the Termination Date does not occur prior to January 1, 2015.

"Securities Act" means the Securities Act of 1933, as amended.

"Security Interest" means any mortgage, hypothecation, security interest, pledge, lien, charge, claim, option, indenture, deed of trust, right to acquire, voting or other restriction, licenses to third parties, leases to third parties, royalty obligation, security agreements, right-of-way, condition, easement, encroachment, restrictions or limitations on use of real or personal property, right of first refusal or other restriction on transfer or any other encumbrance of any nature whatsoever, excluding restrictions on transfer under securities Laws. For the avoidance doubt, offset and netting provisions arising pursuant to Contracts shall not constitute Security Interests.

"Separation Agreement" means the Separation Agreement, dated as of the date of this Agreement, among the Parties (other than Merger Sub).

"Separation Costs" means all fees and expenses incurred by any of Parent, any Subsidiary of Parent or any member of the Energy Supply Group in connection with (i) the Spin Transactions and (ii) except as described in the immediately preceding clause (i), the Transactions (other than Shared Expenses).

"Separation Date" has the meaning given to such term in the Separation Agreement.

"Separation Time" has the meaning given to such term in the Separation Agreement.

"Separation Transactions" has the meaning given to such term in the Separation

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Agreement.

"Shared Expenses" means (i) all requisite filing fees incurred by any of the Parties or their Affiliates (but not expenses of counsel to any Party) in respect of any notice submitted pursuant to the Antitrust Laws, including the HSR Act; (ii) all fees and expenses of printers utilized by the Parties in connection with the preparation of the filings with the SEC contemplated by Section 8.04, (iii) all fees and expenses that are expressly described in this Agreement as constituting Shared Expenses or are listed on Section 12.01(c)(iii) of the Parent Disclosure Letter or Section 12.01(c)(iii) of the RJS Disclosure Letter, (iv) all Financing Expenses, (v) all fees and expenses incurred by any of the Parties or their Affiliates in connection with obtaining any consents from any applicable lenders and satisfying the conditions in respect of any applicable change of control provisions and other events of default arising out of or in connection with the consummation of the Transactions in respect of any RJS Refinanced Debt that will remain outstanding following the Closing, and (vi) all fees and expenses incurred by any of the Parties or their Affiliates (but not expenses of counsel to any Party) in connection with (A) the Merger; (B) any consultant retained for or on behalf of the members of the Energy Supply Group or the Combined Group with the agreement of both Parent and RJS and listed on Section 12.01(c)(iv) of the Parent Disclosure Letter and (C) any other product or service agreed upon by the Parties in good faith to be obtained or incurred primarily for the benefit of NewCo and its Subsidiaries; provided that, notwithstanding the foregoing (except to the extent constituting Financing Expenses), (a) all fees and expenses of financial, legal, accounting and other professional advisors retained by Parent or its Affiliates, including Morgan Stanley & Co. LLC , Citigroup Global Markets Inc., Simpson Thacher & Bartlett LLP, K&L Gates LLP and Ernst & Young shall be Transaction Expenses of Parent, (b) all fees and expenses of financial, legal, accounting and other professional advisors retained by RJS or its Affiliates, including J.P. Morgan Securities LLC, Vinson & Elkins L.L.P., Winston & Strawn and PricewaterhouseCoopers LLC shall be Transaction Expenses of RJS and (c) all fees and expenses for all independent market consultants and economic analysis consultants shall be Transaction Expenses borne by the Party incurring them; provided, further, that, in the event that (x) the Closing Transactions are not consummated, then all Financing Expenses in connection with (I) any RJS Financing or (II) an Energy Supply Financing which refinances the Specified Energy Supply Refinanced Debt or the incurrence of the Indebtedness permitted to be incurred pursuant to Section 7.01(c)(vii)(D) of the Parent Disclosure Letter shall not be Shared Expenses, but instead shall be Transaction Expenses of RJS (in the case of the Indebtedness described in the immediately preceding clause (I)) and Parent (in the case of the Indebtedness described in the immediately preceding clause (II)), or (y) the Closing Transactions are consummated and an RJS Financing is subsequently refinanced at or prior to Closing, then the Financing Expenses in connection with the first RJS Financing shall be Transaction Expenses and shall not be Shared Expenses.

"Shareholders Agreement" means a Shareholders Agreement between NewCo and RJS on the terms and conditions set forth in Exhibit E attached hereto and otherwise on terms and conditions mutually reasonably satisfactory to the Parties.

"Specified Encumbrances" means, collectively, (i) Permitted Encumbrances, (ii) any Security Interest securing any of the Financings, (iii) subject to the repayment of the RJS Refinanced Debt in accordance with Section 2.09 or solely to the extent that any RJS Refinanced Debt would remain outstanding following the Closing in accordance with the terms of this Agreement, any Security Interest securing such RJS Refinanced Debt, (iv) Security Interests securing Hedging Trading activities or Indebtedness of the type described in clause (viii) of the definition of "Indebtedness," in each case, existing as of the date of the Agreement or permitted to be engaged in or incurred pursuant to Section 7.02(c)(vi) or Section 7.02(c)(viii)(D) and (v) cash collateral securing letters of credit permitted to be issued pursuant to Section 7.02(c)(viii)(E).

"Specified Energy Marketing and Trading Contracts" means Energy Marketing and Trading Contracts of the type set forth on Section 12.01(d) of the Parent Disclosure Letter.

"Specified Energy Supply Entities" means all members of the Energy Supply Group, other than PPL EnergyPlus, LLC, PPL Treasure State, LLC and PPL EnergyPlus Retail, LLC.

"Specified Energy Supply Refinanced Debt" means the Indebtedness set forth on Section 12.01(e) of the Parent Disclosure Letter.

"Spin Transactions" has the meaning given to such term in the Separation Agreement.

"Straddle Period" has the meaning given to such term in the Separation Agreement.

"Structured Transaction" means a non-standard commodity or a highly negotiated transaction with respect to the purchase or sale of a commodity not offered over the counter or on an exchange, in each case, within the following business segments: (i) load-following arrangements for the supply of power and energy; (ii) agreements to supply capacity, underlying or load shape energy and/or power basis hedges to municipalities or cooperatives, (iii) energy management agreements, and (iv) heat-rate call options, tolling agreements, and similar arrangements, and (v) weather or other non-standard options and derivatives unrelated to Hedging Trading activities.

"Sublease Agreement" has the meaning given to such term in the Separation Agreement.

"Subsidiary" means, with respect to any Person, any corporation or other entity (including partnerships and other business associations and joint ventures) of which at least a majority of the voting power represented by the outstanding capital stock or other voting securities or interests having voting power under ordinary circumstances to elect directors or similar members of the governing body of such corporation or entity (or, if there are no such voting interests, fifty percent (50%) or more of the Capital Stock of such corporation or entity) shall at the time be held, directly or indirectly, by such Person.

"Surviving Company" has the meaning set forth in Section 2.06(a).

"Susquehanna" has the meaning set forth in Section 5.16(a).

"Tax" or "Taxes" means all taxes, charges, fees, levies, penalties or other assessments imposed by any federal, state, local, provincial or foreign taxing authority, including income, gross receipts, excise, real or personal property, sales, use, transfer, customs, duties, franchise, payroll, withholding, social security, receipts, license, stamp, occupation, employment, or any tax based upon, measured by or calculated with respect to the generation of electricity or other taxes, including any interest, penalties or additions attributable thereto, and any payments to any state, local, provincial or foreign taxing authorities in lieu of any such taxes, charges, fees, levies or assessments.

"Tax Documents" has the meaning given to such term in the Separation Agreement.

"Tax Return" means any return, report, information return, declaration, claim for refund or other document (including any schedule or related or supporting information), including amendments thereto, and including any return filed by a nuclear decommissioning trust.

"Tax Sharing Agreement" has the meaning set forth in Section 8.17(a).

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"Termination Date" has the meaning set forth in Section 7.01(a).

"Third Interim Period" means the period from January 1, 2016 to (and including) the earliest of December 31, 2016, the Closing Date and the Termination Date, if the Closing or the Termination Date does not occur prior to January 1, 2016.

"Third-Party Claim" has the meaning given to such term in the Separation Agreement.

"Topaz Power Holdings" means Topaz Power Holdings LLC.

"TPM" means Topaz Power Management, LP.

"Trademarks" has the meaning given to such term in the Separation Agreement.

"Transaction Expenses" means all costs, fees and expenses incurred by the Parties or their Affiliates in connection with the Transactions (including fees and expenses of legal counsel, accountants, investment bankers and other Representatives and consultants, if any), whether or not paid prior to Closing. For the avoidance of doubt, Shared Expenses shall not be Transaction Expenses of any Party.

"Transactions" means the Separation Transactions, the Spin Transactions, the Closing Transactions, the RJS Separation Transactions, the Financings and the other transactions contemplated by this Agreement and the Other Transaction Documents.

"Transfer" has the meaning set forth in Section 7.01(c)(iii).

"Transition Services" has the meaning set forth in Section 8.15(b).

"Trustee" has the meaning set forth in Section 5.16(d).

"WARN Act" has the meaning set forth in Section 7.01(c)(xviii).

[Signature Page Follows]

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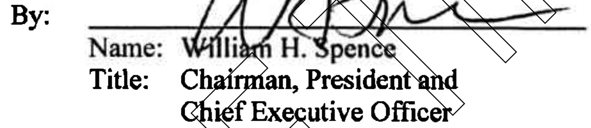
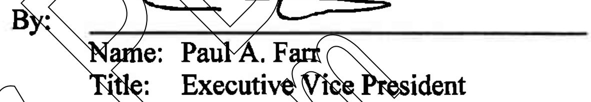
IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed as of the day and year first above written.

PPL CORPORATION



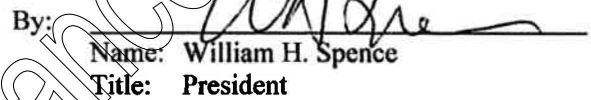
By: ______________________
Name: William H. Spence
Title: Chairman, President and Chief Executive Officer

PPL ENERGY SUPPLY, LLC



By: ______________________
Name: Paul A. Farr
Title: Executive Vice President

TALEN ENERGY CORPORATION

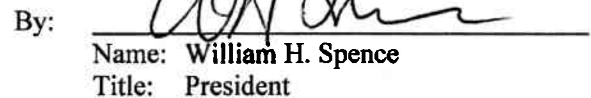


By: ______________________
Name: William H. Spence
Title: President

TALEN ENERGY HOLDINGS, INC.

By: ______________________
Name: William H. Spence
Title: President

TALEN ENERGY MERGER SUB, INC.



By: ______________________
Name: William H. Spence
Title: President

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IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed as of the day and year first above written.

RAVEN POWER HOLDINGS LLC

By: ______________________
Name: Charles C. Cook
Title: President and Chief Operating Officer

SAPPHIRE POWER HOLDINGS LLC

By: ______________________
Name: Charles C. Cook
Title: President and Chief Operating Officer

C/R ENERGY JADE, LLC

By: ______________________
Name: Charles C. Cook
Title: President and Chief Operating Officer

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[Signature Page to Transaction Agreement]

Annex I

1. Each interconnection agreement to be replaced or modified at or prior to the Separation Date pursuant to Schedule 1.02(h) to the Separation Agreement has been replaced or modified as required thereunder.

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Project 80
NewCo / HoldCo
Certificates of Incorporation and Bylaws
Term Sheet

The following is a description of the material terms of the amended and restated Certificates of Incorporation and Bylaws of NewCo and HoldCo (each, a "Company"). Capitalized terms used, but not defined herein shall have the meaning set forth in the Transaction Agreement to which this Exhibit is attached.

The Certificates of Incorporation and Bylaws of each Company shall be customary for publicly-traded companies of the size and type of each Company, generally consistent with those of Parent (with such changes as are necessary to reflect that NewCo and HoldCo are Delaware corporations whereas Parent is a Pennsylvania corporation) and, in particular, shall provide as follows:

Authorized Shares

- The number of authorized shares of NewCo Common Stock shall be equal to the Aggregate Authorized NewCo Amount.
- The number of authorized shares of HoldCo Common Stock shall be equal to the Aggregate HoldCo Amount.
- The number of authorized shares of preferred stock of each Company ("Preferred Stock") shall be [●].
- The Board of Directors of each Company (the "Board") shall have the authority to issue shares of Preferred Stock from time to time in one or more classes or series, and to fix by resolution, at the time of issuance of each of such class or series, the distinctive designations, terms, relative rights, privileges, qualifications, limitations, options, conversion rights, preferences, and voting powers, and such prohibitions, restrictions and qualifications of voting or other rights and powers thereof.

Board

- The Board will consist of a single class of directors each serving for a one-year term.
- Subject to the rights of any holders of Preferred Stock and the provisions of the Stockholders Agreement, the Board of each Company shall consist of such number of directors as may be determined from time to time by resolution of the Board. The number of directors shall initially be five. Substantially contemporaneous with Contributions, the number of directors on each Board will be expanded to eight and the resulting three vacancies shall be filled by directors designated by Riverstone (as defined in Exhibit B) as set forth under the caption "Board

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	Designation Rights" on Exhibit B.
	• Directors shall be elected by a plurality of the votes cast.
	• Any director may be removed from office, but only for cause.
Special Meetings	• Special meetings of the stockholders may be called at any time only by the chairman of the board, if there be one, or by resolution of the Board, which may fix the date, time and place of the meeting.
Nominations for Election of Directors and Other Business to be Transacted	• Advance notice generally consistent with the procedures set forth in Parent's Bylaws shall be required.
Elections / Stockholder Actions	• The stockholders of either Company shall not have the right to cumulate their votes for the election of directors of such Company.
	• The shareholders shall not be entitled to act by written consent unless it is unanimous.
DGCL Section 203	• NewCo will opt out of Section 203 of the DGCL.
Indemnification and Advancement of Expenses	• Officers and directors shall be indemnified to the fullest extent permitted by law.
	• Each Company shall advance defense costs to its officers and directors, subject to reimbursement if it is ultimately determined that the individual's conduct did not meet the applicable standard of conduct to entitle the individual to indemnification under Delaware law.
	• Employees and other authorized representatives shall be indemnified on a basis consistent with those of Parent.
Uncertificated Shares	• Any or all classes and series of shares of either Company may be represented by uncertificated shares to the extent determined by the Board.
Other Business	• Corporate Opportunities. None of the stockholders, any director or any of their respective affiliates who acquire knowledge of a potential transaction, agreement, arrangement or other matter that may be an opportunity for either Company or any other stockholder, shall have any duty to communicate or offer such opportunity to either Company or any other stockholder, and such stockholders shall not be liable to either Company or the

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other stockholders for breach of any duty by reason of the fact that such stockholder pursues or acquires for itself, directs such opportunity to another person or does not communicate such opportunity or information to either Company; provided such stockholders, director or any of their affiliates do not engage in such business or activity using confidential or proprietary information that was provided by or on behalf of either Company.

Stockholders Agreement

- The Certificate of Incorporation and Bylaws of each Company will contain such terms as are consistent with and necessary or reasonably advisable to implement the terms and intent of the Stockholders Agreement.

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Exhibit B

Stockholders Agreement
Term Sheet

The following is a description of the material terms of a proposed stockholders agreement that would be entered into between C/R Energy Jade, LLC, Sapphire Power Holdings LLC, Raven Power Holdings LLC[1] (collectively, "Riverstone") and Talen Energy Corporation, a Delaware corporation ("NewCo").

Board Designation Rights	The board of directors of NewCo (the "Board") will be comprised of 8 members. Riverstone shall have the right to designate two (2) directors to the Board until such time as Riverstone no longer beneficially owns at least 25% of NewCo's common stock (the "Common Stock") outstanding on the Closing Date after which time Riverstone shall have the right to designate one (1) director to the Board for so long as Riverstone beneficially owns at least 10% of the Common Stock outstanding on the date of the issuance of the Common Stock to Riverstone (the "Closing Date"). Riverstone shall have the further right to designate one (1) independent director to the Board, who shall be an individual who is not an officer, director, employee or affiliate of Riverstone and is "independent" (as defined in the rules and regulations governing the requirements of companies listing on the New York Stock Exchange) (an "Independent Director") for so long as Riverstone beneficially owns at least 10% of the Common Stock outstanding on the Closing Date. After the first date on which Riverstone no longer beneficially owns at least 10% of the Common Stock outstanding on the Closing Date, the Independent Director previously designated by Riverstone shall continue to serve his or her term as a director, but the Board will not be required to re-nominate such Independent Director at the next election of directors. Riverstone will be offered representation or observer rights on each of the Board's committees, as permitted by applicable law or regulations.
Voting Agreement	Until six months after the date there is no Riverstone designee serving as a director on the Board and Riverstone no longer has any right to designate a director to serve on the Board, Riverstone shall cause each share of Common Stock beneficially owned by

[1] RJS Holdco (as defined in the Transaction Agreement) may be substituted for any of C/R Energy Jade, LLC, Sapphire Power Holdings LLC or Raven Power Holdings LLC.

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Riverstone to be voted in favor of all those persons nominated to serve as directors of NewCo by the Board.

Standstill

From the Closing Date until three months after the date on which Riverstone is no longer entitled to designate a director to the Board, Riverstone shall not, directly or indirectly, without the prior written approval of at least a majority of the members of the Board not designated by Riverstone:

- acquire, agree to acquire, propose or offer to acquire, or facilitate the acquisition or ownership of, Common Stock, or securities of NewCo that are convertible into Common Stock, other than as a result of any stock split, stock dividend or subdivision of Common Stock;

- deposit any Common Stock into a voting trust or similar contract or subject any Common Stock to any voting agreement, pooling arrangement or similar arrangement or other contract, or grant any proxy with respect to any Common Stock (other than to NewCo or a person specified by NewCo in a proxy card provided to stockholders of NewCo by or on behalf of NewCo);

- enter, agree to enter, propose or offer to or enter into any merger, business combination, sale of assets, recapitalization, restructuring, change in control transaction or other similar extraordinary transaction involving NewCo or any of its subsidiaries (unless such transaction is affirmatively publicly recommended by the Board and there has otherwise been no breach of the standstill provisions in connection with or relating to such transaction);

- make, or in any way participate or engage in (subject to the last paragraph of this section), any "solicitation" of "proxies" (as such terms are used in the proxy rules of the SEC) to vote, or advise or knowingly influence any person with respect to the voting of, any Common Stock;

- call, or seek to call, a meeting of the stockholders of NewCo or initiate any stockholder proposal for action by stockholders of NewCo;

- form, join or in any way participate in (subject to the last paragraph of this section) a group (as such term is used in the rules of the SEC) with respect to any Common Stock;

- otherwise act, alone or in concert with others, to seek to

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control or influence the management or policies of NewCo;

- publicly disclose any intention, plan, arrangement or other contract prohibited by, or inconsistent with, the foregoing; or

- advise or knowingly assist or encourage or enter into any negotiations or agreements or other contracts with any other persons in connection with the foregoing.

Further, Riverstone shall not, directly or indirectly, take any action that would reasonably be expected to require NewCo to make a public announcement regarding the possibility of a business combination, merger, sale of assets or other type of transaction or matter described in the standstill provisions.

Notwithstanding the foregoing, but subject to the provisions set forth under the "Voting Agreement," Riverstone shall be entitled to vote each share of Common Stock that it beneficially owns for or against any proposal or action in its sole discretion.

Lockup

Until the date that is 180 days after the Closing Date (the "Lockup Period"), Riverstone shall not transfer, directly or indirectly, any shares of Common Stock other than (i) to its affiliates (which shall have the meaning ascribed to such term in Section 12b-2 under the Securities Exchange Act of 1934, as amended, but not including portfolio companies) who agree to become bound, and do become bound, by all the terms of the stockholders agreement, or (ii) to NewCo or its subsidiaries.

Notwithstanding the foregoing, no transfer shall be permitted if such transfer would violate applicable federal or state securities laws.

Registration Rights

After the Closing Date, Riverstone shall have the registration rights set forth below:

Registered Offerings. Upon request by Riverstone, NewCo will file and cause to become effective a registration statement on an appropriate form covering the resale of Riverstone's Common Stock. Subject to customary blackout exceptions, Riverstone will have the right to request one or more underwritten offerings of Common Stock; provided, that Riverstone may not request more than one underwritten offering in any six month period, and each such offering shall be for no fewer than the number of shares of Common Stock representing the lesser of (i) $100 million or (ii) all of the shares of Common Stock owned by Riverstone as

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of the date of such request.

Piggyback Rights. Riverstone will have unlimited piggyback registration rights, subject to customary pro rata cut-backs based on the number of shares requested to be covered under such registration.

Lockups. In connection with an underwritten registered offering, all holders of registrable securities will be subject to a customary lock-up period as reasonably agreed to by NewCo.

Registration Expenses. All fees and expenses (including reasonable fees and expenses of counsel) in connection with a registration will be paid by NewCo, other than underwriting fees and discounts.

Minority Protections

For so long as Riverstone is entitled to designate a director to the Board, NewCo shall not take any of the following actions or enter into any arrangement or contract to do any of the following actions, without the affirmative vote or consent of Riverstone:

- create, authorize or issue any class of capital stock or series of preferred stock in an amount greater than $100 million, the terms of which expressly provide that such class or series will rank senior to the Common Stock;
- declare or make any direct or indirect dividend other than any dividend (or other distribution) in cash or shares of Common Stock to all holders of Common Stock, pro rata;
- amend, repeal, modify or alter the Certificate of Incorporation or bylaws of NewCo in a manner that would adversely affect Riverstone's rights or obligations under the stockholders agreement;
- unless the Board (other than the Riverstone Board designees (excluding any "Independent Director" designated by Riverstone)) unanimously approves such a transaction, any (i) acquisition (whether by merger or otherwise) by NewCo or its subsidiaries of any capital stock, ownership interests, equity interests or assets of any person, or the acquiring by NewCo or its subsidiaries by any other manner of any business, properties, assets or persons in one transaction or a series of related transactions, (ii) disposition (whether by merger or otherwise) of assets of NewCo or its subsidiaries or the shares or other capital stock, ownership interests or equity interests of any NewCo subsidiary, in each case

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where the amount of consideration for any such acquisition or disposition exceeds 20% of the market capitalization individually, or (iii) any merger or consolidation of NewCo;

- [enter into, make, amend or conduct any transaction, contract, agreement or understanding with or for the benefit of PPL Corporation or its subsidiaries other than transactions that do not exceed $100 million in any calendar year; provided that any transaction with or for the benefit of PPL Corporation must be on arm's-length terms;][2]
- adopt, approve of or issue any "poison pill" or similar rights plan that would treat Riverstone as an acquiring person;
- effect a liquidation or dissolution of NewCo or any of its subsidiaries;
- insolvency events with respect to NewCo or any of its subsidiaries; or
- increase the size of the Board.

The officers and directors of NewCo will cause NewCo's subsidiaries not to take any action that would require board approval at the NewCo level without obtaining such board approval.

Other Business

Conflicts of Interest. Subject to applicable law (other than duties and obligations under Delaware law that can be waived, modified or eliminated) and obligations of confidentiality, the stockholders, each director and their respective affiliates may engage in businesses of every type and description and other activities for profit and to engage in and possess an interest in other business ventures of any and every type or description, whether in businesses engaged in or anticipated to be engaged in by NewCo, independently or with others, including business interests and activities in direct competition with the business and activities of NewCo.

Corporate Opportunities. None of the stockholders, any director or any of their respective affiliates who acquire knowledge of a potential transaction, agreement, arrangement or other matter that may be an opportunity for NewCo or any other stockholder, shall have any duty to communicate or offer such opportunity to NewCo

[2] To exclude load-following deals, transmission and interconnection charges, and Eplus contract with PPL Solutions.

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or any other stockholder, and such stockholders shall not be liable to NewCo or the other stockholders for breach of any duty by reason of the fact that such stockholder pursues or acquires for itself, directs such opportunity to another person or does not communicate such opportunity or information to Newco; provided such stockholders, director or any of their affiliates do not engage in such business or activity using confidential or proprietary information that was provided by or on behalf of NewCo.

Confidentiality	The stockholders party to the stockholders agreement shall be subject to customary confidentiality provisions.

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PARENT DISCLOSURE LETTER

HIGHLY CONFIDENTIAL

FILED UNDER SEAL

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RJS DISCLOSURE LETTER

HIGHLY CONFIDENTIAL

FILED UNDER SEAL

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APPENDIX C

EMPLOYEE MATTERS AGREEMENT

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Execution Version

EMPLOYEE MATTERS AGREEMENT

by and among

PPL CORPORATION,

TALEN ENERGY CORPORATION,

C/R ENERGY JADE, LLC,

SAPPHIRE POWER HOLDINGS LLC,

and

RAVEN POWER HOLDINGS LLC

dated as of

June 9, 2014

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EMPLOYEE MATTERS AGREEMENT

This Employee Matters Agreement (as hereafter amended, modified or changed from time to time in accordance with the terms hereof, this "Agreement"), dated as of June 9, 2014 is among PPL Corporation, a Pennsylvania corporation ("Parent"), Talen Energy Corporation, a Delaware corporation ("NewCo"), and C/R Energy Jade, LLC, a Delaware limited liability company (together with its successors and permitted assigns, "Jade"), Sapphire Power Holdings LLC, a Delaware limited liability company (together with its successors and permitted assigns, "Sapphire"), and Raven Power Holdings LLC, a Delaware limited liability company (together with its successors and permitted assigns, "Raven" and together with Jade and Sapphire, "RJS"). Each of Parent, NewCo and RJS is herein referred to as a "Party" and together, as "Parties".

RECITALS:

WHEREAS, the board of directors of Parent has determined that it is advisable and in the best interests of Parent and Parent's stockholders to separate the Energy Supply Business from Parent and to distribute the Energy Supply Business (as defined below) to its stockholders in the manner contemplated by (i) the Separation Agreement, dated as of June 9, 2014 among Parent, Talen Energy Holdings, Inc., a Delaware corporation ("HoldCo"), NewCo, PPL Energy Supply, LLC, a Delaware limited liability company ("Energy Supply"), and RJS (the "Separation Agreement") and (ii) the Transaction Agreement, dated as of June 9, 2014, among Parent, HoldCo, NewCo, Energy Supply, Talen Energy Merger Sub, Inc., a Delaware corporation ("Merger Sub"), and RJS (the "Transaction Agreement");

WHEREAS, pursuant to the Transaction Agreement, the respective boards of directors of HoldCo and NewCo will cause Merger Sub to be merged (the "Merger") with and into HoldCo, with HoldCo surviving the Merger as a wholly-owned Subsidiary of NewCo, on the terms and subject to the conditions set forth in the Transaction Agreement and in accordance with the General Corporation Law of the State of Delaware and the Delaware Limited Liability Company Act;

WHEREAS, pursuant to the Transaction Agreement, substantially contemporaneous to the Merger, RJS will contribute the RJS Subsidiaries to NewCo in exchange for shares of NewCo Common Stock; and

WHEREAS, pursuant to the Separation Agreement, Parent, the Energy Supply Group and RJS have agreed to enter into this Agreement for the purpose of allocating Assets, Liabilities and responsibilities with respect to certain employee matters and employee compensation and benefit plans and programs between and among them and to address certain other employment-related matters.

NOW, THEREFORE, in consideration of the foregoing and the mutual agreements, provisions and covenants contained herein, and intending to be legally bound hereby, the Parties agree as follows:

ARTICLE I
DEFINITIONS AND INTERPRETATION

Section 1.1 Definitions. Capitalized terms listed in this Section 1.1 shall have the meanings assigned to such terms in this Section 1.1. Capitalized terms used but not defined herein and not otherwise listed in this Section 1.1 shall have the meanings set forth in the Separation Agreement.

"Actuary" shall mean, when immediately preceded by "Parent," the actuary retained by Parent in respect of the Parent Retirement Plan and Parent OPEB Plan, and when immediately preceded by "NewCo," the actuary retained by NewCo in respect of the NewCo Retirement Plan and NewCo OPEB Plan.

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"Affiliate" shall have the meaning ascribed thereto in the Transaction Agreement.

"Agreement" shall have the meaning ascribed thereto in the preamble hereto.

"Ancillary Agreements" shall have the meaning ascribed thereto in the Transaction Agreement.

"Benefit Arrangement" shall mean a Benefit Plan or Benefit Policy.

"Benefit Plan" shall mean, with respect to an entity, each plan, program, arrangement, agreement or commitment that is an employment, change in control, severance, retention, consulting, non-competition or deferred compensation agreement, or an executive compensation, incentive bonus or other bonus, employee pension, profit-sharing, savings, retirement, supplemental retirement, equity option, equity purchase, equity appreciation right, restricted equity, other equity-based compensation, severance pay, salary continuation, life, health, hospitalization, disability or accident insurance plan or other employee benefit plan, program, arrangement, agreement or commitment, including any "employee benefit plan" (as defined in Section 3(3) of ERISA), sponsored or maintained by such entity (or to which such entity contributes or is required to contribute or in which it participates), and excluding workers' compensation plans, policies, programs and arrangements.

"Benefit Policy" shall mean, with respect to an entity, each plan, program, arrangement, agreement or commitment that is a vacation pay or other paid or unpaid leave policy or practice sponsored or maintained by such entity (or to which such entity contributes or is required to contribute) or in which it participates.

"Closing" shall have the meaning ascribed thereto in the Transaction Agreement.

"Coal Act" shall mean the Coal Industry Retiree Health Benefit Act of 1992, as amended.

"Coal Act Liability" shall mean all Liabilities that arise under the Coal Act.

"Code" shall mean the U.S. Internal Revenue Code of 1986 (or any successor statute), as amended from time to time, and the regulations promulgated thereunder.

"Collective Bargaining Agreement" shall mean all Contracts with the collective bargaining representatives of Energy Supply Employees, including those that set forth the terms and conditions of employment of Energy Supply Employees.

"Eligible Energy Supply Retiree Welfare Participant" shall mean an Energy Supply Employee who, immediately prior to the Separation Time, is eligible to receive benefits under an OPEB Plan sponsored or maintained by Parent upon satisfaction of the applicable eligibility criteria thereunder.

"Energy Supply" shall have the meaning ascribed thereto in the preamble hereto.

"Energy Supply Benefit Arrangement" shall mean any Benefit Arrangement sponsored, maintained or contributed to exclusively by one or more members of the Energy Supply Group.

"Energy Supply DB Participant" shall mean each individual who has accrued a benefit under the Parent Retirement Plan and who is either (i) an Energy Supply Employee or (ii) a Former Energy Supply Employee who ceased employment with the Energy Supply Group on or after July 1, 2000 (provided that any Former Energy Supply Employee who has accrued a benefit under the Montana Plan shall be an Energy Supply DB Participant regardless of when their employment ceased).

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"Energy Supply Employee" shall mean (i) any individual employed by any member of the Energy Supply Group as of the Separation Time, and (ii) any other individual identified on Exhibit B-1, which exhibit will list approximately 200 individuals who provide direct or indirect services to the Energy Supply Group but are not employed by a member of the Energy Supply Group, as agreed by the Parent and RJS in writing pursuant to Section 2.11 (the individuals identified on Exhibit B-1 are referred to herein as the "Transferring Employees"), in each case, regardless of whether such individual is on a Leave of Absence at any time; provided, however, that (x) no individual employed by the Parent Group shall be an Energy Supply Employee if his or her employment is not transferred from the Parent Group to an Energy Supply Sub and (y) in no event shall a Retained Employee be an Energy Supply Employee.

"Energy Supply Reimbursement Account Participants" shall mean each Energy Supply Employee who, as of the Separation Time, is a participant in the Parent Reimbursement Account Plan.

"Energy Supply Restricted Employee" means any individual who is employed by any member of the Energy Supply Group as of immediately following the Separation Time.

"Energy Supply Subs" shall have the meaning ascribed thereto in the Transaction Agreement.

"ERISA" shall mean the U.S. Employee Retirement Income Security Act of 1974, as amended, and the regulations promulgated thereunder.

"ERISA Affiliate" shall mean with respect to any Person, each business or entity which is a member of a "controlled group of corporations," under "common control" or a member of an "affiliated service group" with such Person within the meaning of Sections 414(b), (c) or (m) of the Code, or required to be aggregated with such Person under Section 414(o) of the Code, or under "common control" with such Person within the meaning of Section 4001(a)(14) of ERISA.

"Estimated Parent Retirement Plan Transfer Amount" shall have the meaning ascribed thereto in Section 3.1(c)(ii).

"Estimated Parent VEBA Transfer Amount" shall have the meaning ascribed thereto in Section 5.1(b)(ii).

"Final Parent Retirement Plan Transfer Amount" shall have the meaning ascribed thereto in Section 3.1(c)(iv).

"Final Parent Transfer Date" shall have the meaning ascribed thereto in Section 3.1(c)(v).

"Final Parent VEBA Transfer Amount" shall have the meaning ascribed thereto in Section 5.1(b)(ii)(B).

"Financings" shall have the meaning ascribed thereto in the Transaction Agreement.

"Former Energy Supply Employee" shall mean each individual formerly employed by a member of the Energy Supply Group or the Parent Group prior to the Separation Time; provided, however, that if an individual was formerly employed by a member of the Parent Group, such individual shall constitute a Former Energy Supply Employee only if such individual primarily provided services for the benefit of the Energy Supply Business during the time they were employed by a member of the Parent Group.

"HIPAA" shall mean the Health Insurance Portability and Accountability Act of 1996, as amended.

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"Initial NewCo VEBA Transfer Amount" shall have the meaning ascribed thereto in Section 5.1(b)(ii)(A).

"Initial Parent Transfer Amount" shall have the meaning ascribed thereto in Section 3.1(c)(iii).

"IRS" shall mean the U.S. Department of the Treasury Internal Revenue Service.

"Jade" shall have the meaning ascribed thereto in the preamble hereof.

"Joint Defense Agreement" shall have the meaning ascribed thereto in the Transaction Agreement.

"Leave of Absence" shall mean any approved leave of absence whether paid or unpaid, that is protected by Law or provided for under a Parent policy, program or agreement, including USERRA Leave, leave under the Family and Medical Leave Act or corresponding state law or any Parent short-term or long-term disability policy, program or arrangement.

"Local 1600 CBA" means that certain Collective Bargaining Agreement made and entered into by and between Local Union No. 1600 of the International Brotherhood of Electrical Workers, A.F.L. - C.I.O. (the "Union") and Parent as agent in fact for its Subsidiaries that employ employees represented by the Union, effective May 17, 2010, and all predecessor and successor agreements thereto and all other Contracts between the Union and Parent relating to such Collective Bargaining Agreement.

"Merger" shall have the meaning ascribed thereto in the recitals hereto.

"Merger Sub" shall have the meaning ascribed thereto in the recitals hereto.

"Montana Plan" shall mean the Subsidiary Retirement Plan.

"Multiemployer Plan" shall have the meaning ascribed thereto in Section 2.6.

"NewCo" shall have the meaning ascribed thereto in the preamble hereto.

"NewCo Benefit Arrangement" shall mean any Benefit Arrangement sponsored, maintained or contributed to by any member of the Energy Supply Group or any ERISA Affiliate thereof immediately following the Separation Time, including any such arrangement entered into pursuant to this Agreement.

"NewCo Common Stock" shall have the meaning ascribed thereto in the Transaction Agreement.

"NewCo Reimbursement Account Plan" shall have the meaning ascribed thereto in Section 5.2.

"NewCo Retirement Plan" shall have the meaning ascribed thereto in Section 3.1(a).

"NewCo Savings Plan" shall have the meaning ascribed thereto in Section 4.1.

"NewCo Stock Plan" shall mean the plan adopted by NewCo prior to the Separation Time pursuant to Section 7.1.

"NewCo Welfare Plan" shall mean health and welfare plans for the benefit of Energy Supply Employees.

"OPEB Plan" shall mean health and welfare plans that provide post-employment welfare benefits (*i.e.*, any retiree medical and/or life benefits), including any obligation to provide any such benefits with

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respect to Coal Act Liabilities, and, when immediately preceded by "Parent," means any OPEB Plan maintained by any member of the Parent Group and, when immediately preceded by "NewCo," means any OPEB Plan maintained by any member of the Energy Supply Group.

"Other Transaction Documents" shall have the meaning ascribed thereto in the Transaction Agreement.

"Parent" shall have the meaning ascribed thereto in the preamble hereto.

"Parent Benefit Arrangement" shall mean any Benefit Arrangement sponsored, maintained or contributed to by any member of the Parent Group or any ERISA Affiliate thereof (exclusive of any member of the Energy Supply Group).

"Parent Common Stock" shall mean the issued and outstanding shares of common stock, par value $0.01 per share, of Parent.

"Parent Director" means any individual who is or was previously a non-employee member of the board of directors of Parent.

"Parent Disclosure Letter" shall have the meaning ascribed thereto in the Transaction Agreement.

"Parent Excess Plan" shall mean the Supplemental Compensation Pension Plan.

"Parent Master Trust" shall mean the Master Trust Agreement with The Bank of New York Mellon.

"Parent Master Trust Applicable Proportions" shall mean, as of the applicable time, to the extent practicable, substantially similar proportions of the asset classes in the applicable corresponding subaccount of the Parent Master Trust; provided that, any proposed deviation thereto shall be subject to the prior consent of RJS, such consent not to be unreasonably withheld.

"Parent Non-Qualified Plan" shall mean, collectively, the Amended and Restated Executive Deferred Compensation Plan (f/k/a Officers Deferred Compensation Plan), the Supplemental Executive Retirement Plan and the Supplemental Compensation Pension Plan.

"Parent Reimbursement Account Plan" shall have the meaning ascribed thereto in Section 5.2.

"Parent Restricted Employee" means any person who was an employee of any member of the Parent Group as of immediately following the Separation Time.

"Parent Restricted Stock Unit" shall mean a unit granted by Parent or one of its Affiliates pursuant to one of the Parent Stock Plans representing a general unsecured promise by Parent or one of its Affiliates to deliver a share of Parent Common Stock and/or dividend equivalents, if applicable (or the cash equivalent of either).

"Parent Retirement Plan" shall mean the PPL Retirement Plan and/or the Montana Plan.

"Parent Savings Plan" shall mean, the Parent employee savings plans and any other Benefit Plan maintained by any member of the Parent Group in which Energy Supply Employees participate immediately before the Separation Time and that are intended to satisfy the requirements of Sections 401(a) and 401(k) of the Code.

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"Parent Stock Plans" shall mean, collectively, the Parent 2012 Stock Incentive Plan, the Amended and Restated Incentive Compensation Plan, and the Amended and Restated Incentive Compensation Plan for Key Employees.

"Parent True-Up Amount" shall have the meaning ascribed thereto in Section 3.1(c)(v) hereof.

"Parent VEBA Applicable Proportions" shall mean, as of the applicable time, to the extent practicable, substantially similar proportions of the asset classes in the Parent VEBA; provided, that any proposed deviation thereto shall be subject to the prior consent of RJS, such consent not to be unreasonably withheld.

"Parent Welfare Plans" shall mean any employee welfare benefit plan maintained by Parent or any member of the Parent Group and in which Energy Supply Employees participate.

"Participating Company" shall mean Parent or any Person (other than an individual) participating in a Parent Benefit Arrangement.

"Party" shall have the meaning ascribed thereto in the preamble hereof.

"PPL Montana" shall mean PPL Montana, LLC.

"Proposed Actual Parent VEBA Transfer Amount" shall have the meaning ascribed thereto in Section 5.1(b)(ii)(B) hereof.

"Raven" shall have the meaning ascribed thereto in the preamble hereof.

"Record Date" shall have the meaning ascribed thereto in the Transaction Agreement.

"Retained Employee" shall mean any individual identified on Exhibit A, which exhibit shall never contain the names of more than three individuals. Prior to the Separation Date, Parent shall have the ability to update Exhibit A with RJS's consent, which consent may not be unreasonably withheld; provided, that any such update shall not be effective unless the proposed revisions are provided to RJS in writing at least ten (10) Business Days prior to the Separation Date.

"Revised Parent Retirement Plan Transfer Amount" shall have the meaning ascribed thereto in Section 3.1(c)(iv) hereof.

"RJS" shall have the meaning ascribed thereto in the recitals hereto.

"RJS Benefit Plan" shall have the meaning ascribed thereto in the Transaction Agreement.

"RJS Disclosure Letter" shall have the meaning ascribed thereto in the Transaction Agreement.

"RJS Employees" shall have the meaning ascribed thereto in Section 2.2(b) hereof.

"RJS HoldCo" shall have the meaning ascribed thereto in Section 10.10 hereof.

"RJS Separation Plan" shall have the meaning ascribed thereto in the Transaction Agreement.

"RJS Subsidiaries" shall have the meaning ascribed thereto in the Transaction Agreement.

"Sapphire" shall have the meaning ascribed thereto in the preamble hereof.

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"Separation Agreement" shall have the meaning ascribed thereto in the recitals hereto.

"Severance Costs" shall mean the cost of severance pay and benefits, if any, that are actually paid or provided to those individuals (i) who are Transferring Employees or (ii) who primarily provide services to the Energy Supply Group immediately prior to the Separation Time (and who primarily provide services to the Energy Supply Group as of the date hereof) but are not employees of a member of the Energy Supply Group immediately following the Separation Time, each of whom will be identified on Exhibit B-2.

"Transaction Agreement" shall have the meaning ascribed thereto in the recitals hereto.

"Transactions" shall have the meaning ascribed thereto in the Transaction Agreement.

"Transferring Employees" shall have the meaning ascribed thereto in the definition of "Energy Supply Employee" in this Section 1.1.

"Transition Services Agreement" shall have the meaning ascribed thereto in the Transaction Agreement.

"Union Employee" shall mean any Energy Supply Employee who is or becomes represented by a labor union.

"U.S." shall mean the United States of America.

"USERRA Leave" shall mean a leave of absence in respect of which reemployment rights are protected under the Uniformed Services Employment and Reemployment Rights Act.

"VEBA" shall, when immediately preceded by "Parent," mean, collectively, the Welfare Trust Agreements with Bank of New York Mellon for the Bargaining Unit Retiree Group Life Insurance Plan, Bargaining Unit Retiree Health Plan, Managers Compensation Plan Retiree Group Life Insurance Plan, Managers Compensation Plan Retiree Health Plan, Benefit Plan for UMWA Represented Employees of Pennsylvania Mines Corporation, and the Pennsylvania Mines Black Lung Trust, which are intended to be voluntary employees' beneficiary associations under Section 501(c)(9) of the Code and, when immediately preceded by "NewCo," means the voluntary employees' beneficiary association trust or trusts maintained or to be established by NewCo pursuant to Section 5.1(b)(i).

"VEBA True-Up Amount" shall have the meaning ascribed thereto in Section 5.1(b)(ii)(C).

Section 1.2 References. Unless the context otherwise requires:

(a) references in this Agreement to Articles, Sections, Exhibits and Schedules shall be deemed references to Articles and Sections of, Exhibits and Schedules to, this Agreement;

(b) references in this Agreement to any time shall be to the then prevailing New York, New York time unless otherwise expressly provided herein; and

(c) references to an individual as an "Employee" are descriptive only and are not necessarily intended to mean that an individual is in fact an employee of any Party.

Section 1.3 Relation to Other Documents. Except as expressly provided in the Other Transaction Documents, to the extent there is any inconsistency between this Agreement and the terms of another agreement pertaining to the Separation or Merger that is the subject of this Agreement and such

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inconsistency (i) arises in connection with or as a result of employment with, before or after the Separation Date, for any member of the Parent Group, Energy Supply Group or RJS Group and (ii) relates to the allocation of Liabilities attributable to the employment or termination of employment of all present or former Parent employees or Energy Supply Employees or any of their dependents and beneficiaries (and any alternate payees in respect thereof), the terms of this Agreement shall prevail.

ARTICLE II
GENERAL PRINCIPLES

Section 2.1 Assumption and Retention of Liabilities; Related Assets.

(a) Effective as of the Separation Time, except as otherwise expressly provided for in this Agreement, Parent shall, or shall cause one or more members of the Parent Group to, assume or retain, as applicable, and pay, perform, fulfill and discharge, in due course in full:

(i) all Liabilities under all Parent Benefit Arrangements which exist, or arise as the result of events, occurrences or omissions that exist, as of the Separation Time;

(ii) all Liabilities with respect to the employment, service, termination of employment or termination of service of all current and former employees (other than Energy Supply Employees and Former Energy Supply Employees) of any member of the Parent Group or the Energy Supply Group and their dependents and beneficiaries (and any alternate payees in respect thereof), in each case, to the extent such Liability arose in connection with or as a result of employment with any member of the Parent Group or Energy Supply Group before, at or after the Separation Time or the performance of services for any member of the Parent Group or Energy Supply Group before, at or after the Separation Time;

(iii) all Liabilities with respect to the employment, service, termination of employment or termination of service of any individual listed on Exhibit B-1 or Exhibit B-2 who is not an employee of a member of the Energy Supply Group immediately following the Separation Time, with the exception of the Severance Costs;

(iv) all Coal Act Liabilities (other than those attributable to the Energy Supply Group, or any Energy Supply Employee or Former Energy Supply Employee); and

(v) any other Liabilities or obligations expressly assigned to Parent or any of its Affiliates under this Agreement.

(b) Effective as of the Separation Time, except as otherwise expressly provided for in this Agreement, Energy Supply shall, or shall cause one or more members of the Energy Supply Group to, assume or retain, as applicable, and pay, perform, fulfill and discharge, in due course in full:

(i) all Liabilities with respect to the employment, service, termination of employment or termination of service of all Energy Supply Employees and Former Energy Supply Employees and their respective dependents and beneficiaries (and alternate payees in respect thereof), in each case, to the extent such Liability: (x) is not assumed or retained by a member of the Parent Group pursuant to Section 2.1(a) above, and (y) arose in connection with or as a result of employment with any member of the Parent Group, Energy Supply Group or RJS Group before, at or after the Separation Time or the performance of services for any member of the Parent Group, Energy Supply Group or RJS Group before, at or after the Separation Time;

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(ii) all Coal Act Liabilities attributable to the Energy Supply Group, or any Energy Supply Employee or Former Energy Supply Employee;

(iii) all Liabilities under all Energy Supply Benefit Arrangements and NewCo Benefit Arrangements (including the establishment and maintenance of trusts, as applicable, that are separate from any trusts presently maintained in respect thereof by any member of the Parent Group);

(iv) all Severance Costs resulting from the termination of employment of any individual listed on Exhibit B-2 who is not an employee of a member of the Energy Supply Group immediately following the Separation Time (and Newco shall reimburse the Parent Group to the extent the Parent Group incurs or pays any Severance Costs); and

(v) any other Liabilities or obligations expressly assigned to Energy Supply, NewCo or any of their respective Affiliates under this Agreement.

(c) From and after the Separation Time, to the extent that any member of the Parent Group is liable for any Coal Act Liability attributable to the Energy Supply Group, each member of the Energy Supply Group shall jointly and severally reimburse and otherwise fully indemnify the applicable member of the Parent Group for all such amounts.

(d) From time to time after the Separation Time, the Parties shall promptly reimburse one another, upon reasonable request of the Party requesting reimbursement and the presentation by such Party of such substantiating documentation as the other Party shall reasonably request, for the cost of any obligations or Liabilities satisfied or assumed by the Party requesting reimbursement or its Affiliates that are, or that have been made pursuant to this Agreement, the responsibility of the other Party or any of its Affiliates.

(e) Parent shall retain responsibility for all employee-related regulatory filings for reporting periods ending at or prior to the Separation Time including Equal Employment Opportunity Commission EEO-1 reports and affirmative action program (AAP) reports and responses to Office of Federal Contract Compliance Programs (OFCCP) submissions. To the extent Energy Supply requires Information to satisfy any of its comparable filing requirements for reporting periods ending following the Separation Time, Parent shall provide data and information (to the extent permitted by applicable Laws and consistent with Section 9.1) to Energy Supply, which shall be responsible for making such filings in respect of Energy Supply Employees.

Section 2.2 Treatment of Compensation and Benefit Arrangements.

(a) For a period of at least twenty-four (24) months following the Separation Date, NewCo shall provide or shall cause to be provided to each Energy Supply Employee (i) a base salary and a bonus opportunity that are no less favorable in aggregate value than the base salary and bonus opportunity provided to such Energy Supply Employee immediately before the Separation Date, (ii) eligibility to participate in a severance benefit arrangement that provides potential severance benefits that are no less favorable in aggregate value than the severance benefits provided under the severance benefit arrangement, if any, set forth in Section 5.11(a) of the Parent Disclosure Letter in which such Energy Supply Employee is eligible to participate immediately before the Separation Date and (iii) other compensation and employee benefits that are substantially similar in the aggregate to the other compensation and employee benefits provided to such Energy Supply Employee immediately prior to the Separation Date (it being understood that one type of compensation or benefit may be substituted for another as long as compensation and employee benefits are substantially similar in the aggregate), except in each case, as necessary to comply with applicable Law; provided, however, that this Section 2.2(a) shall not apply to any Union Employee,

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whose terms and conditions of employment shall be governed by any applicable Collective Bargaining Agreement.

(b) For a period of at least twenty-four (24) months following the Separation Date, NewCo shall provide or shall cause to be provided to each employee of RJS immediately after the Merger ("RJS Employees") (i) a base salary and a bonus opportunity that are no less favorable in aggregate value than the base salary and bonus opportunity provided to such RJS Employee immediately before the Merger, (ii) eligibility to participate in a severance benefit arrangement that provides potential severance benefits that are no less favorable in aggregate value than the severance benefits provided under the severance benefit arrangement, if any, set forth in Section 6.11(a) of the RJS Disclosure Letter in which such RJS Employee is eligible to participate immediately before the Merger and (iii) other compensation and employee benefits that are substantially similar in the aggregate to the other compensation and employee benefits provided to such RJS Employee immediately prior to the Merger (it being understood that one type of compensation or benefit may be substituted for another as long as compensation and employee benefits are substantially similar in the aggregate), except in each case as necessary to comply with applicable Law; provided, however, that this Section 2.2(b) shall not apply to any RJS Employee subject to a collective bargaining agreement, whose terms and conditions of employment shall be governed by any applicable collective bargaining agreement.

Section 2.3 Participation in Parent Benefit Arrangements. Except as otherwise expressly provided for in this Agreement or as otherwise expressly agreed to in writing between the Parties, (a) effective as of the Separation Time, Energy Supply and each member of the Energy Supply Group shall cease to be a Participating Company in any Parent Benefit Arrangement other than with respect to any outstanding equity awards granted under any Parent Stock Plan and (b) each Energy Supply Employee, effective as of the Separation Time, shall cease to participate in, be covered by, accrue benefits under, be eligible to contribute to or have any rights under any Parent Benefit Arrangement (except to the extent of obligations that accrued before the Separation Time), and Parent and Energy Supply shall take all necessary action to effectuate each such cessation.

Section 2.4 Service Recognition. Effective as of the Separation Date, for purposes of eligibility, vesting, determination of level of benefits, and, to the extent applicable, benefit accruals (including, with respect to Energy Supply Employees, for purposes of the NewCo Retirement Plan) and benefit subsidies under any NewCo Benefit Arrangement in which an Energy Supply Employee or RJS Employee is eligible to participate following the Separation Date, NewCo shall, and shall cause each member of the Energy Supply Group, to give such Energy Supply Employee or RJS Employee full credit for such individual's service with any member of the Parent Group, the Energy Supply Group or the RJS Group, as applicable, or any predecessor thereto prior to the Separation Date, to the same extent such service was recognized by the applicable Parent Benefit Arrangement, Energy Supply Benefit Arrangement or RJS Benefit Plan, as the case may be, immediately prior to the Separation Date; provided, that such service shall not be recognized to the extent such recognition would result in the duplication of benefits. In addition, and without limiting the generality of the foregoing provisions of this Section 2.4, for purposes of each NewCo Benefit Arrangement in which an Energy Supply Employee or RJS Employee is eligible to participate following the Separation Date, (i) NewCo shall cause such Energy Supply Employee or RJS Employee to be immediately eligible to participate, without any waiting time, in such NewCo Benefit Arrangement to the extent coverage under the NewCo Benefit Arrangement is comparable to a Parent Benefit Arrangement, Energy Supply Benefit Arrangement or RJS Benefit Plan, as applicable, in which such Energy Supply Employee or RJS Employee participated immediately before the Separation Date (and in which such Energy Supply Employee or RJS Employee no longer participates following the Separation Date) and (ii) for purposes of each NewCo Benefit Arrangement providing medical, dental, pharmaceutical or vision benefits to any Energy Supply Employee or RJS Employee, NewCo shall use best efforts to cause all pre-existing condition exclusions and actively-at-work requirements of such NewCo Benefit

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Arrangement to be waived for such employee and his or her covered dependents, except to the extent such conditions would not have been waived under the comparable Parent Benefit Arrangement, Energy Supply Benefit Arrangement or RJS Benefit Plan, as the case may be, in which such employee participated immediately prior to the Separation Date, and NewCo shall cause any eligible expenses incurred by such employee and his or her covered dependents during the portion of the plan year of the Parent Benefit Arrangement, Energy Supply Benefit Arrangement or RJS Benefit Plan, as the case may be, ending on the date such employee's participation in the corresponding NewCo Benefit Arrangement begins to be taken into account under such NewCo Benefit Arrangement for purposes of satisfying all deductible, coinsurance and maximum out-of pocket requirements applicable to such employee and his or her covered dependents for the applicable plan year as if such amounts had been paid in accordance with the NewCo Benefit Arrangement. On the Separation Date and as necessary from time to time thereafter, Parent shall provide NewCo with all Information needed to make the proper calculations and determinations to comply with the foregoing obligations.

Section 2.5 Collective Bargaining Agreements. Notwithstanding anything in this Agreement to the contrary, prior to the Separation Time, Parent, NewCo and any applicable Energy Supply Sub shall take or cause to be taken actions that are necessary (if any) for the applicable Energy Supply Subs to continue to maintain or to assume and honor any legal obligations to which they are subject with respect to Union Employees, including obligations regarding Benefit Arrangements and other employee matters contained in Collective Bargaining Agreements and any pre-existing collective bargaining relationships with respect to Union Employees. For the avoidance of doubt, prior to the Separation Time, Parent and the applicable Energy Supply Subs that are parties to Collective Bargaining Agreements shall engage in any necessary "effects" bargaining and may amend Collective Bargaining Agreements and Benefit Arrangements as the result of such bargaining (which may include any amendments that cause the Local 1600 CBA to be divided into separate Contracts, one of which would apply solely to Parent and Non-Energy Supply Subs and one of which would apply solely to those Energy Supply Subs that employ Union Employees pursuant to the Local 1600 CBA); provided, however, that any such amendment that is adverse in any material respect to NewCo or any Energy Supply Sub shall be subject to the prior consent of RJS, such consent not to be unreasonably withheld. After the Separation Time, the applicable members of the Energy Supply Group shall continue to maintain and honor any legal obligations to which they are subject with respect to Union Employees, including obligations regarding Benefit Arrangements and other employee matters contained in Collective Bargaining Agreements and any pre-existing collective bargaining relationships with Union Employees. Except as necessary to comply with applicable Law, NewCo shall, or shall cause any applicable Energy Supply Subs to, either replicate, to the extent administratively practicable, any Parent Benefit Arrangement required to be provided under the terms of any Collective Bargaining Agreements or, to the extent that it is not administratively practicable to replicate any Parent Benefit Arrangement, implement a substitute Benefit Arrangement in accordance with any obligations under applicable Law. Further, notwithstanding anything in this Agreement to the contrary and subject to the consent obligations set forth above, Parent, NewCo and any Energy Supply Sub may take any such other actions as are necessary to comply with their respective bargaining obligations, if any, with any labor organization under applicable Law and the results of such negotiations.

Section 2.6 Multiemployer Plans. To the extent that the transactions contemplated by this Agreement, the Separation Agreement, the Transaction Agreement or any Ancillary Agreement would result in a complete or partial withdrawal from any "multiemployer plan," as such term is defined in Section 4001(a) of ERISA, to which Parent or any of its Affiliates (other than a member of the Energy Supply Group) is obligated to make (or makes) contributions as of the date hereof under a Collective Bargaining Agreement (a "Multiemployer Plan"), NewCo and Parent intend to comply with the requirements of Section 4204 of ERISA in order that the transactions contemplated hereby and thereby shall not be deemed to be a complete or partial withdrawal. Accordingly, subject to the terms of the applicable Collective Bargaining Agreements, from and after the Separation Date, NewCo shall contribute (or cause one of its

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Affiliates to contribute) to each Multiemployer Plan substantially the same number of "contribution base units" for which Parent or its applicable Affiliate (other than a member of the Energy Supply Group) had an "obligation to contribute" (as those phrases are defined in Sections 4001(a)(11) and 4212 of ERISA, respectively) immediately prior to the Separation Date. With respect to each Multiemployer Plan, to the extent required by such Multiemployer Plan and Section 4204 of ERISA, NewCo shall also provide (or cause one of its Affiliates to provide) to such Multiemployer Plan, for a period of five consecutive plan years commencing with the first plan year beginning after the Separation Date, either a bond issued by a surety company (acceptable for purposes of Section 412 of ERISA) or an amount held in escrow by a bank or similar financial institution satisfactory to the Multiemployer Plan. The amount of such bond or escrow deposit shall be equal to the greater of the amount set forth in Section 4204(a)(1)(B)(i) or Section 4204(a)(1)(B)(ii) of ERISA for such Multiemployer Plan. If NewCo is required to provide a bond or an amount in escrow with respect to a Multiemployer Plan, Parent shall pay to NewCo the cost of such bond or the amount of such escrow not less than ten (10) Business Days prior to NewCo obtaining such bond or establishing such escrow, and NewCo shall not be required to reimburse Parent for any such costs or amounts.

Section 2.7 Transition Services. The Parties acknowledge that Parent, or a member of the Energy Supply Group may provide administrative services for certain of the other Party's benefit programs for a transitional period under the terms of the Transition Services Agreement. The Parties agree to enter into a business associate agreement (if required by HIPAA or other applicable health information privacy Laws) in connection with such Transition Services Agreement.

Section 2.8 No Acceleration of Benefits. Except as otherwise provided in this Agreement, no provision of this Agreement shall be construed to create any right, or accelerate vesting or entitlement, to any compensation or benefit whatsoever on the part of any Energy Supply Employee or other former, current or future employee of the Parent Group or NewCo under any Benefit Arrangement of the Parent Group or NewCo.

Section 2.9 Reserved.

Section 2.10 No Commitment to Employment or Benefits. Nothing contained in this Agreement shall be construed as a commitment or agreement on the part of any person to continue employment with any member of the Parent Group, any member of the RJS Group or NewCo, as a commitment on the part of any member of the Parent Group, any member of the RJS Group or NewCo to continue the employment, compensation, or benefits of any Person for any specified period or to provide any recall or similar rights to an individual on layoff or any type of Leave of Absence. This Agreement is solely for the benefit of the Parties and, except to the extent otherwise expressly provided herein, nothing in this Agreement, express or implied, is intended to confer any rights, benefits, remedies, obligations or Liabilities under this Agreement upon any Person, including any Energy Supply Employee or any RJS Employee or other current or former employee, officer, director or contractor of the Parent Group, RJS or NewCo, or any legal representative or beneficiary thereof, other than the Parties and their respective successors and assigns.

Section 2.11 Certain Employment Transfers. During the period between the date hereof and the Separation Date, Parent and RJS shall negotiate in good faith to agree, at least thirty (30) Business Days prior to the Separation Date, on the list of Transferring Employees to be set forth on Exhibit B-1. At least thirty (30) Business Days prior to the Separation Date, Parent shall provide RJS with the list of individuals to be set forth on Exhibit B-2. To the extent that the employment of any individual listed on the then-current Exhibit B-1 has not been transferred to a member of the Energy Supply Group, Parent shall cause such transfer to occur on or before the Separation Date, and except as otherwise expressly provided in this Agreement, the applicable member of the Energy Supply Group agrees to accept the employment obligations of such Energy Supply Employee, as of the Separation Date.

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ARTICLE III
QUALIFIED DEFINED BENEFIT PLANS

Section 3.1 Retirement Plan Transfer.

(a) Effective as of the Separation Date, NewCo shall, or shall have caused one or more members of the Energy Supply Group to, assume, establish or maintain a defined benefit pension plan or plans and related trust or trusts to accept the transfer of Assets and Liabilities described in Section 3.1(b) and Section 3.1(c) and provide retirement benefits to Energy Supply DB Participants who immediately prior to the Separation Date were participants, whether or not vested, under the Parent Retirement Plan with terms that are substantially similar to the terms of the Parent Retirement Plan (such defined benefit pension plan or plans, the "NewCo Retirement Plan"), except as necessary to comply with applicable Law. NewCo shall be responsible for taking all necessary, reasonable, and appropriate action to establish, maintain and administer the NewCo Retirement Plan so that it is qualified under Section 401(a) of the Code and that the related trust thereunder is exempt under Section 501(a) of the Code, and as soon as reasonably practicable following the Separation Date, NewCo shall take all steps reasonably necessary to obtain a favorable determination from the IRS as to such qualified status if one is not then applicable to the NewCo Retirement Plan. NewCo shall be responsible for any and all Liabilities (including Liability for funding) and other obligations with respect to the NewCo Retirement Plan.

(b) Assumption of Parent Retirement Plan Liabilities. Effective as of the Separation Date, NewCo shall cause the NewCo Retirement Plan to assume, fully perform, pay and discharge, all Liabilities under the Parent Retirement Plan relating to all Energy Supply DB Participants as of immediately before the Separation Date in accordance with the provisions of this Section 3.1.

(c) Transfer of the Parent Retirement Plan Assets.

(i) The Parties intend that the portion of the Parent Retirement Plan covering Energy Supply DB Participants shall be transferred to the NewCo Retirement Plan in accordance with Section 414(l) of the Code, Treasury Regulation Section 1.414(l)-1 and Section 208 of ERISA. No later than thirty (30) days prior to the Separation Date, Parent and NewCo shall (directly or through their respective Affiliates), to the extent necessary, file an IRS Form 5310-A regarding the transfer of Assets and Liabilities from the Parent Retirement Plan to the NewCo Retirement Plan.

(ii) Not later than five (5) Business Days prior to the Separation Date (or such later time as mutually agreed by Parent and NewCo), Parent shall cause the Parent Actuary to determine the estimated value, as of the Separation Date, of the Assets to be transferred to the NewCo Retirement Plan in accordance with the assumptions and valuation methodology set forth on Exhibit 3.1(c) attached hereto, as adjusted, to the extent necessary, to comply with applicable Law (the "Estimated Parent Retirement Plan Transfer Amount").

(iii) Not later than thirty (30) Business Days following the Separation Date (or such later time as mutually agreed by Parent and NewCo), Parent and NewCo shall cooperate in good faith to cause an initial transfer of Assets from the Parent Retirement Plan to the NewCo Retirement Plan in an amount equal to ninety percent (90%) of the Estimated Parent Retirement Plan Transfer Amount (such amount, the "Initial Parent Transfer Amount"). Parent shall satisfy its obligation pursuant to this Section 3.1(c)(iii) by causing the trust of the Parent Retirement Plan to transfer an amount of Assets in kind (with the prior written consent of NewCo), in cash, cash-like securities, other cash equivalents, or a combination thereof, in accordance with the Parent Master Trust Applicable Proportions, equal to the Initial Parent Transfer Amount.

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(iv) Within one hundred eighty (180) days (or such later time as mutually agreed by Parent and NewCo) following the Separation Date, Parent shall cause the Parent Actuary to provide NewCo with a revised calculation of the value, as of the Separation Date, of the Assets to be transferred to the NewCo Retirement Plan determined in accordance with the assumptions and valuation methodology (including a provision for crediting any distributions made from the Parent Retirement Plan) set forth on Exhibit 3.1(c) attached hereto (the "Revised Parent Retirement Plan Transfer Amount"). NewCo may submit, at its sole cost and expense, the Revised Parent Retirement Plan Transfer Amount to the NewCo Actuary for verification; provided, that such verification process and any calculation performed by the NewCo Actuary in connection therewith shall be performed solely on the basis of the assumptions and valuation methodology set forth on Exhibit 3.1(c) attached hereto. NewCo shall be responsible for the cost and expense of the NewCo Actuary and Parent shall be responsible for the cost and expense of the Parent Actuary for such data transfer. In the event the NewCo Actuary so determines that the value, as of the Separation Date, of the Assets to be transferred to the NewCo Retirement Plan differs from the Revised Parent Retirement Plan Transfer Amount, the NewCo Actuary shall identify in writing to the Parent Actuary all objections to the determination within ninety (90) days following Parent Actuary's delivery of the revised value calculation to NewCo pursuant to the first sentence of this paragraph (iv), and the NewCo Actuary and Parent Actuary shall use good faith efforts to reconcile any such difference. If the NewCo Actuary and the Parent Actuary fail to reconcile such differences, the NewCo Actuary and the Parent Actuary shall jointly designate a third, independent actuary whose calculation of the value, as of the Separation Date, of the Assets to be transferred to the NewCo Retirement Plan shall be final and binding; provided, that such calculation must be performed within sixty (60) days following designation of such third actuary and in accordance with the assumptions and valuation methodology set forth on Exhibit 3.1(c) attached hereto; and provided, further, that if such value is not equal to or between the value determined by the NewCo Actuary and the Revised Parent Retirement Plan Transfer Amount, such value shall be deemed to be either the value determined by the NewCo Actuary or the Revised Parent Retirement Plan Transfer Amount, whichever is closer. Parent and NewCo shall each pay one-half of the costs incurred in connection with the retention of such independent actuary. The final, verified value, as of the Separation Date, of the Assets to be transferred to the NewCo Retirement Plan as determined in accordance with this Section 3.1(c)(iv) shall be referred to herein as the "Final Parent Retirement Plan Transfer Amount."

(v) Within forty-five (45) days (or such later time as mutually agreed by Parent and NewCo) of the determination of the Final Parent Retirement Plan Transfer Amount, Parent shall cause the Parent Retirement Plan to transfer to the NewCo Retirement Plan (the date of such transfer, the "Final Parent Transfer Date") an amount in kind, in cash, cash-like securities, other cash equivalents, or a combination thereof, in accordance with the Parent Master Trust Applicable Proportions, equal to (A) the Final Parent Retirement Plan Transfer Amount minus (B) the Initial Parent Transfer Amount (such difference, as adjusted to reflect earnings or losses as described below, the "Parent True-Up Amount"); provided, that in the event the Parent True-Up Amount is negative, Parent shall not be required to cause any such additional transfer and instead NewCo shall be required to cause a transfer of cash, cash equivalents or securities (or, if determined by NewCo with the prior written consent of Parent, Assets in kind) from the NewCo Retirement Plan to the Parent Retirement Plan in amount equal to the absolute value of the Parent True-Up Amount. The Parties acknowledge that the Parent Retirement Plan's transfer of the Parent True-Up Amount to the NewCo Retirement Plan shall be in full settlement and satisfaction of the obligations of Parent to cause the transfer of, and the Parent Retirement Plan to transfer, Assets to the NewCo Retirement Plan pursuant to this Section 3.1(c)(v). The Parent True-Up Amount, if any, shall be paid from the Parent Retirement Plan to the NewCo Retirement Plan, as determined by Parent in kind (with the prior written consent of NewCo), in cash, cash equivalents or securities or a combination thereof, as determined in accordance with the Parent Master Trust Applicable Proportions, and shall be adjusted to reflect fees or charges paid or incurred, and earnings or losses, during the period from the Separation Date to the Final Parent Transfer Date. Such earnings or losses shall be determined based on the actual rate of return of the Parent Retirement Plan for the period commencing on the Separation Date and ending as close

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as administratively practicable to the Final Parent Transfer Date. In the event that NewCo is obligated to cause the NewCo Retirement Plan to reimburse the Parent Retirement Plan pursuant to this Section 3.1(c)(v), such reimbursement shall be performed in accordance with the same principles set forth herein with respect to the payment of the Parent True-Up Amount. The Parties acknowledge that the NewCo Retirement Plan's transfer of such reimbursement amount to the Parent Retirement Plan shall be in full settlement and satisfaction of the obligations of NewCo to cause the transfer of, and the NewCo Retirement Plan to transfer, Assets to the Parent Retirement Plan pursuant to this Section 3.1(c)(v).

(d) Transfer of the Montana Plan. Notwithstanding anything in this Section 3.1 to the contrary, PPL Montana shall remain the sponsor of, and retain all Liabilities for, the Montana Plan and the assets in respect of the Montana Plan shall be transferred on or about the Separation Date from the Parent Master Trust to a new trust established by NewCo or its Subsidiaries. PPL Services Corporation and all other members of the Parent Group (if any) that also sponsor the Montana Plan shall cease to be sponsors thereof as of the Separation Date.

(e) Continuation of Elections. As of the Separation Date, to the extent permitted by applicable Law, NewCo shall cause the NewCo Retirement Plan to recognize and maintain all existing elections, including beneficiary designations, payment form elections and rights of alternate payees under qualified domestic relations orders with respect to Energy Supply DB Participant under the Parent Retirement Plan; provided, that nothing in this Section 3.1(e) shall prohibit NewCo from soliciting or causing the solicitation of new elections from each Energy Supply DB Participant to be effective under the NewCo Retirement Plan.

(f) Funding Level and Maintenance of Plan. Without limiting the general language in Section 2.2, with respect to any plan year of the NewCo Retirement Plan commencing during the twenty-four (24) month period following the Separation Date, NewCo shall cause the NewCo Retirement Plan to have an adjusted funding target attainment percentage (within the meaning of Section 436 of the Code) of at least ninety percent (90%). Notwithstanding anything in Section 2.8 to the contrary, for a period of not less than twenty-four (24) months following the Separation Date, NewCo shall or shall cause a Subsidiary to, provide each Energy Supply DB Participant with the same level of benefits following the Separation Date as those provided to such Energy Supply DB Participant under each Parent Retirement Plan prior to the Separation Date (except as necessary to comply with applicable Law) and shall not amend or terminate such NewCo Retirement Plan.

(g) Certain Obligations. If, as a result of the transfer and assumption of Liabilities and other obligations described in this Section 3.1, NewCo or any of its Subsidiaries is required to post a surety bond, letter of credit, guarantee or other security, Parent shall indemnify NewCo or such Subsidiary in respect of any Liability suffered or incurred by NewCo or such Subsidiary in respect of or relating to such surety bond, letter of credit, guarantee or other security.

ARTICLE IV
QUALIFIED DEFINED CONTRIBUTION PLANS

Section 4.1 NewCo Savings Plan. Effective as of the Separation Date, NewCo shall, or shall have caused one or more members of the Energy Supply Group, to establish or maintain a defined contribution savings plan or plans and related trust or trusts intended to satisfy the requirements of Sections 401(a), 401(k) and 501(a) of the Code with terms that are substantially similar to the terms of the applicable Parent Savings Plans in which Energy Supply Employees are participating immediately prior to the Separation Date (such defined contribution savings plan or plans, the "NewCo Savings Plan"), except as necessary to comply with applicable Law; provided, however, that NewCo shall not be required to establish any employee stock ownership plan. NewCo shall be responsible for taking all necessary, reasonable, and

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appropriate action to establish, maintain and administer the NewCo Savings Plan so that it is qualified under Section 401(a) of the Code, such that it satisfies the requirements of Section 401(k) of the Code and that the related trust thereunder is exempt under Section 501(a) of the Code, and as soon as reasonably practicable following the Separation Date, NewCo shall take all steps reasonably necessary to obtain a favorable determination from the IRS as to such qualification if one is not then applicable to the NewCo Savings Plan at the times prescribed under Revenue Procedure 2007-44, 2007-28 I.R.B. 54, or corresponding successor guidance. NewCo shall be responsible for any and all Liabilities (including Liability for funding) and other obligations with respect to the NewCo Savings Plan.

Section 4.2 Plan Treatment After Closing. Effective as of the Separation Date, NewCo shall cause the NewCo Savings Plan to accept eligible rollover distributions (as defined in Section 402(c)(4) of the Code) from Energy Supply Employees with respect to such Energy Supply Employees' account balances (including loans) under the Parent Savings Plans in the form of cash (and, as applicable, promissory notes with respect to loans), if elected by any such Energy Supply Employee; provided, that such rollover consists of the full balance (rather than a portion of the balance) of such account balance. The rollovers described in this Section 4.2 shall comply with all applicable Law, and each Party shall make all filings and take any actions required of such Party under applicable Law in connection therewith.

ARTICLE V
HEALTH AND WELFARE PLANS

Section 5.1 NewCo Retiree Welfare Benefits/Transfer of VEBA Assets.

(a) Retention of Post-Retirement Welfare Plan Obligations. Without limiting the general language in Section 2.2, for the twenty-four (24) month period following the Separation Date, NewCo shall maintain OPEB Plans with terms substantially similar to those in effect under the Parent OPEB Plan immediately before the Separation Date for the benefit of Eligible Energy Supply Retiree Welfare Participants and shall not amend or terminate such OPEB Plans, except as necessary to comply with applicable Law. Notwithstanding the foregoing, effective as of the Separation Date, Parent or a member of the Parent Group shall retain, and none of NewCo, the Energy Supply Group or the RJS Group shall have any obligation whatsoever with regard to, all obligations and Liabilities under any Parent OPEB Plan for benefits in respect of Former Energy Supply Employees (determined as of the Separation Date), including retirees of PPL Montana.

(b) Transfer of VEBA Assets.

(i) Establishment of NewCo VEBA. Effective not later than the Separation Date (or such later time as mutually agreed by Parent and NewCo), NewCo shall adopt the NewCo VEBA in a form that is substantially similar to the Parent VEBA as in effect immediately before the Separation Date and shall cause the NewCo VEBA to qualify under Section 501(c)(9) of the Code, except as necessary to comply with applicable Law.

(ii) VEBA Asset Allocations and Transfers. Prior to the Separation Date (or such later time as mutually agreed by Parent and NewCo), Parent shall cause the Parent Actuary to determine the estimated value, as of the Separation Date, of the Assets to be transferred to the NewCo VEBA in accordance with the assumptions and valuation methodology set forth on Exhibit 5.1(b)(ii) (the "Estimated Parent VEBA Transfer Amount").

(A) Initial Transfer. Not later than ten (10) Business Days following the Separation Date (or such later time as mutually agreed by Parent and NewCo), Parent and NewCo shall cooperate in good faith to cause an initial transfer of Assets in kind, in cash, cash-like securities, other cash

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equivalents, or a combination thereof, in accordance with the Parent VEBA Applicable Proportions, from the Parent VEBA to the NewCo VEBA in an amount equal to ninety percent (90%) of the Estimated Parent VEBA Transfer Amount (such amount, the "Initial NewCo VEBA Transfer Amount").

(B) Final Parent VEBA Transfer Amount. Within one hundred eighty (180) days (or such later time as mutually agreed by Parent and NewCo) following the Separation Date, Parent shall cause the Parent Actuary to provide NewCo with a revised calculation of the value, as of the Separation Date and using the assumptions and valuation methodology set forth on Exhibit 5.1(b)(ii) attached hereto, of the Assets credited under the Parent VEBA in respect of the Eligible Energy Supply Retiree Welfare Participants (the "Proposed Actual Parent VEBA Transfer Amount") and provide the Proposed Actual Parent VEBA Transfer Amount to NewCo for review. NewCo may submit, at its sole cost and expense, the Proposed Actual Parent VEBA Transfer Amount to the NewCo Actuary for verification; provided, that such verification process and any calculation performed by the NewCo Actuary in connection therewith shall be performed solely on the basis of the assumptions and valuation methodology set forth on Exhibit 5.1(b)(ii) attached hereto. NewCo shall be responsible for the cost and expense of the NewCo Actuary and Parent shall be responsible for the cost and expense of the Parent Actuary for such data transfer. The NewCo Actuary shall have forty-five (45) days to review such Proposed Actual Parent VEBA Transfer Amount and shall have access to all data used by the Parent Actuary to make its proposed calculations. If the NewCo Actuary determines that the value, as of the Separation Date, of the Assets credited under the Parent VEBA in respect of the Eligible Energy Supply Retiree Welfare Participants differs from the Proposed Actual Parent VEBA Transfer Amount, the Parent Actuary and the NewCo Actuary shall work together in good faith for thirty (30) days to reconcile such difference(s). If the NewCo Actuary and the Parent Actuary fail to reconcile such difference(s), the NewCo Actuary and the Parent Actuary shall jointly designate a third, independent actuary whose calculation of the value, as of the Separation Date, of the Assets credited under the Parent VEBA in respect of the Eligible Energy Supply Retiree Welfare Participants shall be final and binding; provided, that such calculation must be performed within ninety (90) days following designation of such third actuary and in accordance with the assumptions and valuation methodology set forth on Exhibit 5.1(b)(ii) attached hereto; and provided, further, that if such value is not equal to or between the value determined by the NewCo Actuary and the Proposed Actual Parent VEBA Transfer Amount, such value shall be deemed to be either the value determined by the NewCo Actuary or the Proposed Actual Parent VEBA Transfer Amount, whichever is closer. Parent and NewCo shall each pay one-half of the costs incurred in connection with the retention of such independent actuary. The final, verified value, as of the Separation Date, of the Assets credited under the Parent VEBA in respect of the Eligible Energy Supply Retiree Welfare Participants as determined in accordance with this Section 5.1(b)(ii)(B) shall be referred to herein as the "Final Parent VEBA Transfer Amount."

(C) True-Up Transfer. Within 180 days (or such later time as mutually agreed by Parent and NewCo) following the Separation Date (and in any event following the transfer described in subsection (b)(ii)(A) above), Parent shall cause the Parent VEBA to transfer to the NewCo VEBA an amount in kind, in cash, cash-like securities, other cash equivalents, or a combination thereof, in accordance with the Parent VEBA Applicable Proportions, equal to (I) the value of the Assets credited under the Parent VEBA as of the Separation Date in respect of the Eligible Energy Supply Retiree Welfare Participants minus (II) the Initial NewCo VEBA Transfer Amount (such difference, as adjusted as described below, the "VEBA True-Up Amount"); provided, that in the event the VEBA True-Up Amount is negative, Parent shall not be required to cause any such additional transfer and instead NewCo shall be required to cause a transfer of cash, cash equivalents, securities, other cash equivalents, or a combination thereof, (or, if determined by NewCo with the prior written consent of Parent, Assets in kind) from the NewCo VEBA to the Parent VEBA in an amount equal to the absolute value of the VEBA True-Up Amount. The Parties acknowledge that the Parent VEBA's transfer of the VEBA True-Up Amount to the NewCo VEBA shall be in full settlement and satisfaction of the obligations of Parent to cause the transfer of, and the Parent VEBA to transfer, Assets to the NewCo VEBA pursuant to this Section 5.1(b)(ii). The

VEBA True-Up Amount shall be paid from the Parent VEBA to the NewCo VEBA, in kind (with the prior written consent of NewCo), in cash, cash-like securities, or other cash equivalents or a combination thereof, in accordance with the Parent VEBA Applicable Proportions, and shall be adjusted to reflect fees or charges paid or incurred, and earnings or losses, during the period from the Separation Date to the Final Parent Transfer Date. Such adjustment shall be based on the methodology set forth on Exhibit 5.1(b)(ii). In the event that NewCo is obligated to cause the NewCo VEBA to reimburse the Parent VEBA pursuant to this Section 5.1(b)(ii), such reimbursement shall be performed in accordance with the same principles set forth herein with respect to the payment of the VEBA True-Up Amount. The Parties acknowledge that the NewCo VEBA's transfer of such reimbursement amount to the Parent VEBA shall be in full settlement and satisfaction of the obligations of NewCo to cause the transfer of, and the NewCo VEBA to transfer, Assets to the Parent VEBA pursuant to this Section 5.1(b)(ii).

(c) No Commingling of Funds. NewCo shall not commingle funds transferred to the NewCo VEBA in accordance with Section 5.1(b)(ii) with any other funds or apply the funds transferred to the NewCo VEBA in accordance with Section 5.1(b)(ii) for purposes other than the funding of benefits under one or more OPEB Plans with terms substantially identical to those in effect under the Parent OPEB Plan, except as necessary to comply with applicable Law, immediately before the Separation Date for the benefit of Energy Supply Employees who, immediately before the Separation Date, were eligible to receive such benefits upon satisfaction of applicable eligibility criteria.

Section 5.2 Reimbursement Account Plans. Effective as of the Separation Date, NewCo shall have established a health and dependent care reimbursement account plan (the "NewCo Reimbursement Account Plan") with features substantially similar to those contained in the PPL Flexible Spending Account Plan (or any successor thereto) as in effect immediately prior to the Separation Date (the "Parent Reimbursement Account Plan"). NewCo shall assume responsibility for administering under the NewCo Reimbursement Account Plan all reimbursement claims of Energy Supply Reimbursement Account Participants with respect to the period before, on and after the Separation Date. No more than forty-five (45) days following the Separation Date (or such later time as mutually agreed by Parent and NewCo), (A) Parent shall cause to be transferred to NewCo an amount in cash, cash-like securities or other cash equivalents equal to the excess, if any, of all contributions to the Parent Reimbursement Account Plan made with respect to the calendar year in which the Closing occurs (and, if the transfer occurs in any calendar year before April 1, the preceding calendar year) by or on behalf of any Energy Supply Reimbursement Account Participants prior to the Separation Date over the amount previously distributed to the Energy Supply Reimbursement Account Participants under the Parent Reimbursement Account Plan for the calendar year in which the Closing occurs (and, if the transfer occurs in any calendar year before April 1, the preceding calendar year), and (B) NewCo shall cause to be transferred to Parent an amount in cash, cash-like securities or other cash equivalents equal to the excess, if any, of the amount previously distributed to the Energy Supply Employees under the Parent Reimbursement Account Plan for the calendar year in which the Closing occurs (and, if the transfer occurs in any calendar year before April 1, the preceding calendar year) over all contributions to the Parent Reimbursement Account Plan made with respect to the calendar year in which the Closing occurs (and, if the transfer occurs in any calendar year before April 1, the preceding calendar year) by or on behalf of any Energy Supply Reimbursement Account Participants prior to the Separation Date.

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Section 5.3 Certain Liabilities.

(a) Insured Benefits. With respect to employee welfare and fringe benefits that are provided through the purchase of insurance, Parent shall timely pay all premiums in respect of coverage of Energy Supply Employees in respect of the period before the Separation Date, and NewCo shall cause Parent not to have any Liability in respect of any and all claims of Energy Supply Employees that are incurred under the NewCo Welfare Plans on or after the Separation Date.

(b) Self-Insured Benefits. Except to the extent otherwise provided in Section 5.3(c), with respect to employee welfare and fringe benefits that are provided on a self-insured basis, (i) Parent shall fully perform, pay and discharge, under the Parent Welfare Plans, all claims of Energy Supply Employees that are incurred but not paid prior to the Separation Date and (ii) NewCo shall fully perform, pay and discharge, under the NewCo Welfare Plans, from and after the Separation Date, all claims of Energy Supply Employees that are incurred on or after the Closing. For purposes of this Section 5.3(b), a claim or Liability is deemed to be incurred: with respect to medical, dental, vision and/or prescription drug benefits, upon the rendering of health services giving rise to such claim or Liability; with respect to life insurance, accidental death and dismemberment and business travel accident insurance, upon the occurrence of the event giving rise to such claim or Liability; and with respect to disability benefits, upon the date of an individual's disability, as determined by the disability benefit insurance carrier or claim administrator, giving rise to such claim or Liability.

(c) Special Prescription Drug Rules. With respect to Parent's prescription drug program, (i) Parent shall retain any prescription drug rebate or settlement from any medical claim administrator, pharmaceutical company or insurer regardless of the date of payment to the extent they are associated with claims that are incurred prior to the Separation Date, and (ii) Parent shall retain any Medicare Part D subsidy by the federal government regardless of the date of payment to the extent they are associated with claims that are incurred prior to the Separation Date.

Section 5.4 Time-Off Benefits. NewCo shall credit (or continue to credit) or cause to be credited (or continue to be credited) each Energy Supply Employee as of the Separation Date with the amount of accrued but unused vacation time, paid time off and other time-off benefits as such Energy Supply Employee had with the Parent Group or the Energy Supply Group as of immediately before the Separation Date.

ARTICLE VI
EXECUTIVE BENEFIT PLANS

Section 6.1 NewCo Excess Plan. Without limiting the general language in Section 2.2, for the twenty-four (24) month period following the Separation Date, NewCo shall establish and maintain a non-qualified deferred compensation plan under which Energy Supply Employees will participate, with terms that are substantially similar to the terms of the Parent Excess Plan immediately prior to the Separation Date.

Section 6.2 Liabilities of Parent Non-Qualified Plans. Parent shall retain responsibility for all Liabilities and fully perform, pay and discharge all obligations, when such obligations become due, of the Parent Non-Qualified Plans with respect to all Energy Supply Employees who are participants therein immediately before the Separation Date. NewCo shall notify Parent promptly following the termination of employment which occurs after the Separation Date with NewCo (or any NewCo Subsidiary) of all Energy Supply Employees who are participants in any Parent Non-Qualified Plans immediately before the Separation Date.

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Section 6.3 No Transfer of Assets Attributable to Parent Non-Qualified Plans. There shall be no transfer of assets to the Energy Supply Group (or to any trust maintained by any of them or to or in respect of any non-qualified plan maintained by any member of the Energy Supply Group or RJS Group) in respect of Liabilities under any Parent Non-Qualified Plans or any other non-qualified plan maintained by Parent or any member of the Parent Group.

Section 6.4 Separation is Not a Distributable Event. The Parties acknowledge that, for purposes of the Parent Non-Qualified Plans, neither the Separation nor the Merger nor any transfers of employment incident thereto shall result in a distributable event under any Parent Non-Qualified Plans.

ARTICLE VII
EQUITY INCENTIVE PLANS

Section 7.1 NewCo Equity Plan.

(a) Establishment of NewCo Equity Plan. Effective as of the Separation Date, NewCo shall establish and maintain the NewCo Stock Plan, with terms that are substantially similar to those in effect under the Parent Stock Plan immediately before the Separation Date for the benefit of eligible employees, consultants and directors of NewCo and its Subsidiaries.

(b) SEC Registration. Upon or as soon as reasonably practicable following the Separation Date, NewCo shall prepare and file with the SEC a registration statement on Form S-8 (or another appropriate form) registering under the Securities Act the offering of at least a number of shares of NewCo Common Stock issuable under the NewCo Stock Plan. NewCo shall keep such registration statement effective (and maintain the current status of the prospectus required thereby) for at least so long as any restricted stock units issued in respect of NewCo Common Stock pursuant to Section 7.2 remain outstanding.

(c) General Provisions.

(i) Parent and NewCo shall take any and all reasonable actions as shall be necessary and appropriate to further the provisions of this ARTICLE VII, including, to the extent practicable, providing written notice or similar communication to each Energy Supply Employee who holds one or more awards granted under any Parent Stock Plan informing such Energy Supply Employee of (i) the actions contemplated by this ARTICLE VII with respect to such awards and (ii) whether (and during what time period) any "blackout" period shall be imposed upon holders of awards granted under any Parent Stock Plan during which time awards may not be exercised or settled, as the case may be.

(ii) From and after the Effective Time, all awards adjusted pursuant to this ARTICLE VII shall be subject to the terms and conditions set forth in the applicable Parent Stock Plan or NewCo Stock Plan and corresponding award agreements. Without limiting the generality of the foregoing, from and after the Effective Time, all references to the applicable company in such Parent Stock Plan or NewCo Stock Plan, as applicable, including but not limited to, "Change in Control" and other administrative provisions requiring interpretation shall refer to the appropriate company to reflect the Transactions (e.g., the definition of "Change in Control" under the applicable NewCo Stock Plan and corresponding award agreement shall mean a Change in Control with respect to NewCo rather than Parent).

(iii) The adjustment or conversion of restricted stock units shall be effected in a manner that is intended to avoid the imposition of any accelerated, additional, penalty or other Taxes on the holders thereof pursuant to Section 409A of the Code.

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Section 7.2 Treatment of Outstanding Director Restricted Stock Units. Immediately prior to the Separation Time, each Parent Director shall be entitled to receive a number of NewCo Restricted Stock Units in respect of each Parent Restricted Stock Unit held by such Parent Director immediately prior to the Record Date with the number of NewCo Restricted Stock Units to be calculated to be the same as the number of shares of NewCo Common Stock that would be received in respect of a share of Parent Common Stock pursuant to the Separation Agreement and the Transaction Agreement. Each NewCo Restricted Stock Unit shall be subject to vesting and settlement restrictions that are substantially identical to those that applied to the Parent Restricted Stock Unit immediately before the Separation Time.

Section 7.3 Equity Awards under Parent Stock Plan. Parent shall take all actions necessary to cause each outstanding award under a Parent Stock Plan held by an Energy Supply Employee immediately prior to the Separation Time, to the extent not fully vested, to become fully vested (and, if applicable, exercisable) as of the Separation Time. Parent shall be solely responsible for all Liabilities with respect to each Parent Stock Plan, including (a) all income, payroll, or other Tax reporting related to income of employees from any awards granted pursuant to any Parent Stock Plan and (b) remitting applicable Tax withholdings for such income to each applicable taxing authority. Parent shall, within thirty (30) days of written demand thereof, reimburse NewCo for all reasonable out-of-pocket expenses arising as a result of incremental Tax reporting obligations and any incremental Tax obligations actually incurred by NewCo or any of its Subsidiaries in connection with Parent Stock Plan awards, except, in each case, with respect to the NewCo Restricted Stock Units issued pursuant to Section 7.2 for each Parent Director Restricted Stock Unit.

ARTICLE VIII
ADDITIONAL COMPENSATION MATTERS

Section 8.1 Workers' Compensation Liabilities. Effective as of the Separation Date, NewCo shall assume or cause a member of the Energy Supply Group to assume all Liabilities (other than any Liabilities related to medical or other similar services performed, or compensation in respect of lost work for periods, prior to the Separation Date) for Energy Supply Employees related to any and all workers' compensation claims and coverage, whether arising under any law of any state, territory, or possession of the U.S. or the District of Columbia and whether arising before, on or after the Separation Date, and NewCo or the applicable member of the Energy Supply Group shall be fully responsible for the administration of all such claims. If NewCo or the applicable member of the Energy Supply Group is unable to assume any such Liability or the administration of any such claim because of the operation of applicable state law or for any other reason, Parent shall retain such Liabilities and NewCo or the applicable member of the Energy Supply Group shall reimburse and otherwise fully indemnify Parent for all such Liabilities, including the costs of administering the plans, programs or arrangements under which any such Liabilities have accrued or otherwise arisen.

Section 8.2 Code Sections 162(m)/409A. Notwithstanding anything in this Agreement to the contrary (including the treatment of supplemental and deferred compensation plans, outstanding long-term incentive awards and annual incentive awards as described herein), the Parties agree to negotiate in good faith regarding the need for any treatment different from that otherwise provided herein to ensure that (i) a federal income Tax deduction for the payment of such supplemental or deferred compensation or long-term incentive award, annual incentive award or other compensation is not limited by reason of Section 162(m) of the Code and (ii) the treatment of such supplemental or deferred compensation or long-term incentive award, annual incentive award or other compensation does not cause the imposition of a Tax under Section 409A of the Code. In no event, however, will any Party be liable to another in respect of any Taxes imposed under Section 409A of the Code or the denial of any Tax deduction by reason of Section 162(m) of the Code.

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Section 8.3 Certain Payroll, Annual and Long-Term Bonus Matters.

(a) Post-Distribution Payroll for Pre-Separation Date Service. In the case of each Energy Supply Employee, the employer of such individual as of immediately before the Separation Date shall be responsible for paying (and the Form W-2 and other payroll reporting obligations for) the payroll amount due to such individual for the payroll period (or portion thereof) ending on the Separation Date.

(b) Annual Bonus Programs. Parent shall pay directly (or NewCo shall pay on behalf of Parent) to each Energy Supply Employee, the annual cash incentive bonus (if any) that such Energy Supply Employee would have earned for the calendar year during which the Separation Date occurs based on the actual level of performance of Parent for the calendar year in which the Separation Date occurs, pro-rated for the portion of the year through the Separation Date. Unless an exception for involuntary termination or retirement applies, such payment shall be made at the time that Parent pays its employees pursuant to its annual cash incentive bonus program; provided, however, that any Energy Supply Employee who voluntarily terminates employment prior to the bonus payment date shall not receive such annual cash incentive bonus, if any.

(c) Non-Solicit; No-Hire. During the period beginning on the Separation Date and ending on the one (1) year anniversary thereof RJS shall not, and shall not permit its Subsidiaries to, contact, approach, encourage, solicit or take any other action for the purpose of inducing any Parent Restricted Employee to terminate his or her employment with any member of the Parent Group, provided that notwithstanding the foregoing, RJS and its Subsidiaries shall not be prohibited from conducting general solicitations for employees through the use of media advertisements or professional search firms to the extent not specifically directed toward one or more Parent Restricted Employees or hiring any individual identified through such process. During the period beginning on the Separation Date and ending on the one (1) year anniversary thereof, Parent shall not, and shall not permit any of its Subsidiaries to, contact, approach, encourage, solicit or take any other action for the purpose of inducing any Energy Supply Restricted Employee to terminate his or her employment with any member of the Energy Supply Group; provided, that notwithstanding the foregoing, Parent and its Subsidiaries shall not be prohibited from conducting general solicitations for employees through the use of media advertisements or professional search firms to the extent not specifically directed toward one or more Energy Supply Restricted Employees or hiring any individual identified through such process.

ARTICLE IX
GENERAL AND ADMINISTRATIVE

Section 9.1 Sharing of Information. To the extent permitted by applicable Law, Parent and NewCo shall provide to each other and their respective agents and vendors all Information (other than attorney-client privileged Information or attorney work product) as the other may reasonably request to enable the requesting Party to defend or prosecute claims, administer efficiently and accurately each of its Benefit Arrangements (including in connection with audits or other proceedings maintained by any Governmental Authority), to timely and accurately comply with and report under Section 14 of the Securities Exchange Act of 1934, as amended and the Code, to determine the scope of, as well as fulfill, its obligations under this Agreement, and otherwise to comply with provisions of applicable Law. Such Information shall, to the extent reasonably practicable, be provided in the format and at the times and places requested, but in no event shall the Party providing such Information be obligated to incur any out-of-pocket expenses not reimbursed by the Party making such request or make such Information available outside of its normal business hours and premises. Any Information shared or exchanged pursuant to this Agreement shall be subject to the confidentiality requirements set forth in ARTICLE VII of the Separation Agreement; provided, that notwithstanding anything in such ARTICLE VII and without otherwise limiting the provisions of such ARTICLE VII, each of the Parties shall comply with any

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requirement of applicable Law in regard to the confidentiality of the Information (whether relating to employee records or otherwise) that is shared with another Party in accordance with this Section 9.1. The Parties also hereby agree to enter into any business associate agreements that may be required for the sharing of any Information pursuant to this Agreement to comply with the requirements of HIPAA. The Parties shall use their best efforts to secure Consents or authorizations from employees, former employees and their respective dependents to the extent required to permit the Parties to share Information as contemplated in this Section 9.1.

Section 9.2 Reasonable Efforts/Cooperation. Each of the Parties hereto shall use its commercially reasonable efforts to take promptly, or cause to be taken, all actions, and to do promptly, or cause to be done, and to assist and cooperate with the other Parties in doing, all things reasonably necessary, proper or advisable under applicable Laws or contractual obligations to carry out the intent and purposes this Agreement, including adopting plans or plan amendments. Each of the Parties hereto shall cooperate fully on any issue relating to the transactions contemplated by this Agreement for which the other Party seeks a determination letter or private letter ruling from the IRS, an advisory opinion from the Department of Labor or any other filing, consent or approval with respect to or by a Governmental Authority.

Section 9.3 Effect on Employment. Without limiting Section 2.3 or Section 2.4, except as expressly provided in this Agreement, the mere occurrence of the Separation or Merger shall not cause any employee to be deemed to have incurred a termination of employment which entitles such individual to the commencement of benefits under any of the Parent Benefit Arrangements or any of the Collective Bargaining Agreements (provided that Energy Supply Employees may become eligible for a distribution from the Parent Savings Plan in accordance with the terms of such plan).

Section 9.4 Consent of Third Parties. If any provision of this Agreement is dependent on the Consent of any third party and such Consent is withheld, the Parties hereto shall use their reasonable best efforts to implement the applicable provisions of this Agreement to the fullest extent practicable. If any provision of this Agreement cannot be implemented due to the failure of such third party to consent, the Parties hereto shall negotiate in good faith to implement the provision (as applicable) in a mutually satisfactory manner.

Section 9.5 Access to Employees. On and after the Separation Date, Parent, Energy Supply and NewCo shall, and shall cause each of their respective Affiliates to, use their best efforts to make available to each other those of their employees who may reasonably be needed in order to defend or prosecute any legal or administrative Action (other than a legal action between or among any of the Parties) to which any employee, director or Benefit Arrangement of the Parent Group or Energy Supply Group is a party and which relates in any way to their respective employment or to their respective Benefit Arrangements prior to the Separation Date. The Party to whom an employee is made available in accordance with this Section 9.5 shall pay or reimburse the other Party for all reasonable, pre-approved expenses which may be incurred by such employee in connection therewith, including all reasonable travel, lodging, and meal expenses, but excluding any amount for such employee's time spent in connection herewith.

Section 9.6 Beneficiary Designation/Release of Information/Right to Reimbursement. Without limiting the provisions of Section 2.7 or Section 3.1(d) or other provisions of this Agreement, to the extent permitted by applicable Law and except as otherwise provided for in this Agreement, all beneficiary designations, authorizations for the release of Information and rights to reimbursement made by or relating to Energy Supply Employees under Parent Benefit Arrangements shall be transferred to and be in full force and effect under the corresponding NewCo Benefit Arrangements until such beneficiary designations, authorizations or rights are replaced or revoked by, or no longer apply, to the relevant Energy Supply Employee.

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ARTICLE X
MISCELLANEOUS AND INDEMNIFICATION

Section 10.1 Entire Agreement. This Agreement (including the Exhibits and Schedules), the Confidentiality Agreements, the Joint Defense Agreement, the Transaction Agreement, the Separation Agreement, the Other Transaction Documents and the other Ancillary Agreements, including any related annexes, schedules and exhibits, as well as any other agreements and documents referred to herein and therein, shall together constitute the entire agreement between the Parties with respect to the express subject matter hereof and thereof and shall supersede all prior negotiations, agreements and understandings of the Parties of any nature, whether oral or written, with respect to such subject matter.

Section 10.2 Governing Law. This Agreement and all issues and questions concerning the construction, validity, enforcement and interpretation of this Agreement (and all schedules, annexes and exhibits hereto) shall be governed by and construed in accordance with the laws of the State of Delaware, without giving effect to any choice or conflict of law provision or rule (whether of the State of Delaware or any other jurisdiction) that would cause the application of the laws of any jurisdiction other than the State of Delaware.

Section 10.3 Employer Rights. Except as otherwise expressly provided in this Agreement (including Section 2.2, Section 3.1(f) and Section 5.1(a) and subject to the Collective Bargaining Agreements), nothing in this Agreement shall (a) be deemed an amendment of any employee benefit plan providing benefits to any individual or (b) be construed to prohibit any Party or any of their respective Affiliates from amending, modifying or terminating, to any extent or in any respect, any of their respective Benefit Arrangements at any time within their sole discretion.

Section 10.4 Specific Performance.

(a) The Parties understand and agree that the covenants and agreements on each of their parts herein contained are uniquely related to the desire of the Parties and their respective Subsidiaries to consummate the Transactions, that the Transactions are a unique business opportunity at a unique time for the Parties and their respective Subsidiaries, and further agree that irreparable damage would occur in the event that any provision of this Agreement were not performed in accordance with its specific terms and further agree that, although monetary damages may be available for the breach of such covenants and agreements, monetary damages would be an inadequate remedy therefor. The Parties understand and agree that the right of specific performance is an integral part of the Transactions and, without that right, none of the Parties would have entered into this Agreement. It is accordingly agreed that, in addition to any other remedy that may be available to it at law or in equity, including monetary damages, each of the Parties shall be entitled to seek an injunction or injunctions to prevent actual or threatened breaches of any of the terms, conditions or provisions this Agreement and to enforce specifically the terms and provisions of this Agreement exclusively in the Delaware Court of Chancery and any state appellate court therefrom within the State of Delaware (or, if the Delaware Court of Chancery declines to accept jurisdiction over a particular matter, any state or federal court within the State of Delaware). Each of the Parties further agrees that no Party to this Agreement shall be required to obtain, furnish or post any bond or similar instrument in connection with or as a condition to obtaining any remedy referred to in this Section 10.4 and each Party waives any objection to the imposition of such relief or any right it may have to require the obtaining, furnishing or posting of any such bond or similar instrument.

(b) No Party shall be liable to another Party or any of its Affiliates (or any of their respective Affiliates) for any exemplary damages or punitive damages, or any other damages to the extent not reasonably foreseeable, arising out of or in connection with this Agreement, the Transaction

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Agreement, the Separation Agreement or any Other Transaction Document (in each case, unless any such damages are payable to a third party pursuant to a Third-Party Claim).

(c) Each of the Parties irrevocably and unconditionally agrees that any Action with respect to this Agreement and the rights and obligations arising hereunder, or for recognition and enforcement of any judgment in respect of this Agreement and the rights and obligations arising hereunder brought by any other Party or Parties or their respective successors or assigns, shall be brought and determined exclusively in the Delaware Court of Chancery and any state appellate court therefrom within the State of Delaware (or, if the Delaware Court of Chancery declines to accept jurisdiction over a particular matter, any state or federal court within the State of Delaware). Each of the Parties hereby irrevocably submits with regard to any such Action for itself and in respect of its property, generally and unconditionally, to the personal jurisdiction of the aforesaid courts and agrees that it will not bring any Action relating to this Agreement or any of the transactions contemplated by this Agreement in any court other than the aforesaid courts. Each of the Parties hereby irrevocably waives, and agrees not to assert, by way of motion, as a defense, counterclaim or otherwise, in any Action with respect to this Agreement, (i) any claim that it is not personally subject to the jurisdiction of the above named courts for any reason other than the failure to serve in accordance with this Section 10.4, (ii) any claim that it or its property is exempt or immune from jurisdiction of any such court or from any legal process commenced in such courts (whether through service of notice, attachment prior to judgment, attachment in aid of execution of judgment, execution of judgment or otherwise) and (iii) to the fullest extent permitted by the applicable Law, any claim that (x) the Action in such court is brought in an inconvenient forum, (y) the venue of such Action is improper or (z) this Agreement, or the subject matter hereof, may not be enforced in or by such courts.

Section 10.5 Waiver of Jury Trial. EACH OF THE PARTIES IRREVOCABLY WAIVES ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY ACTION ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY.

Section 10.6 Notices. All notices, demands and other communications to be given or delivered to a Party under or by reason of the provisions of this Agreement shall be in writing (including in electronic form) and shall be deemed to have been given (i) if personally delivered, delivered by express courier service of national standing (with charges prepaid), or deposited in the United States mail, first class postage prepaid, on the date of physical receipt or (ii) if delivered by facsimile or electronic mail, if delivered (and, in each case, receipt confirmed in writing) on or before 5:00 p.m. New York City time on a Business Day, and if delivered after 5:00 p.m. New York City time, or during a non-Business Day, on the following Business Day, in each case, to such Party at the address set forth below:

(a) If to Parent:

c/o PPL Corporation
Two North Ninth Street
Allentown, PA 18101
Attention: General Counsel
Facsimile: (610) 774-4455
Telephone: (610) 774-5587
Email: rjgrey@pplweb.com

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with copies to (which shall not constitute notice):

Simpson Thacher & Bartlett LLP
425 Lexington Avenue
New York, NY 10017-3954
Attention: Gregory T. Grogan
Telephone: (212) 455-2477
Facsimile: (212) 455-2502
Email: ggrogan@stblaw.com

(b) If to RJS:

Riverstone Holdings LLC
712 Fifth Avenue, 36th Floor
New York, New York 10019
Attention: General Counsel
Telephone: (212) 993-0092
Facsimile: (888) 801-9301
Email: scoats@riverstonellc.com

with a copy to (which shall not constitute notice):

Vinson & Elkins LLP
1001 Fannin Street, Suite 2500
Houston, TX 77002
Attention: Trina Chandler
Telephone: (713) 758-3218
Facsimile: (713) 615-5088
Email: tchandler@velaw.com

(c) If to Energy Supply, NewCo, HoldCo or Merger Sub, prior to the Closing:

c/o PPL Corporation
Two North Ninth Street
Allentown, PA 18101
Attention: General Counsel
Telephone: (610) 774-4455
Facsimile: (610) 774-5587
Email: rjgrey@pplweb.com

with copies (prior to the Closing) to (which shall not constitute notice):

Simpson Thacher & Bartlett LLP
425 Lexington Avenue
New York, NY 10017-3954
Attention: Gregory T. Grogan
Telephone: (212) 455-2477
Facsimile: (212) 455-2502
Email: ggrogan@stblaw.com

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or to such other address(es) as shall be furnished in writing by any such Party to the other Party in accordance with the provisions of this Section 10.6.

Section 10.7 Amendments and Waivers.

(a) This Agreement may not be amended except by an instrument in writing signed by each of the Parties. Any provision of this Agreement may be waived; provided that (i) such waiver shall be binding upon a Party only if such waiver is set forth in a writing executed by such Party. No course of dealing between or among any Persons having any interest in this Agreement shall be deemed effective to modify, amend or discharge any part of this Agreement or any rights or obligations of any Party under or by reason of this Agreement.

(b) No delay or failure in exercising any right, power or remedy hereunder shall affect or operate as a waiver thereof; nor shall any single or partial exercise thereof or any abandonment or discontinuance of steps to enforce such a right, power or remedy preclude any further exercise thereof or of any other right, power or remedy. The rights and remedies hereunder are cumulative and not exclusive of any rights or remedies that any Party would otherwise have. Any waiver, permit, consent or approval of any kind or character of any breach or default under this Agreement or any such waiver of any provision of this Agreement must satisfy the conditions set forth in Section 10.7(a) and shall be effective only to the extent in such writing specifically set forth.

Section 10.8 Termination. This Agreement shall terminate without further action at any time before the Closing upon termination of the Transaction Agreement. If terminated, no Party shall have any Liability of any kind to the other Party or any other Person on account of this Agreement, except as provided in Section 10.02 of the Transaction Agreement.

Section 10.9 No Third-Party Beneficiaries. Except for the provisions of Section 10.14 with respect to indemnification of Indemnitees, this Agreement is solely for the benefit of the Parties (and their respective successors and permitted assigns) and does not confer on third parties (including any employees of any member of the Parent Group, the Energy Supply Group or the RJS Group) any remedy, claim, reimbursement, claim of action or other right in addition to those existing without reference to this Agreement.

Section 10.10 Assignability; Binding Effect. Neither this Agreement nor any of the rights, benefits or obligations hereunder may be assigned by any Party (whether by operation of Law or otherwise) without the prior written consent of the other Parties and any attempt to assign this Agreement without such consent shall be void and of no effect, except that, without the consent of the other Parties, (a) each of Raven, Jade and/or Sapphire may assign any or all of their respective rights, titles, interests, benefits and/or obligations under this Agreement to one or more newly formed Person(s) that, as of such date of assignment, individually or collectively, shall be wholly owned by Raven, Jade and/or Sapphire and that own, directly or indirectly, the RJS Subsidiaries (each such Person, an "RJS HoldCo") and upon such assignment and assumption by such assignee, such assignor shall be released from all liability or obligations under this Agreement, and (b) any Party (other than Parent) may assign all or any of its rights, titles, interests, benefits and/or obligations under this Agreement to (i) any Person providing any part of the Financings or any agent on behalf of any providers of the Financings for the purpose of creating a security interest herein or otherwise assign as collateral in connection therewith, (ii) one or more Affiliates of such Party, or (iii) from and after Closing, to any purchaser of all or substantially all of the assets of such Party; provided, however, that in the case of clause (b)(i) and (ii), no such assignment shall release such Party from any liability or obligation under this Agreement. This Agreement shall be binding upon and inure to the benefit of the Parties and their respective successors and permitted assigns.

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Section 10.11 Construction; Interpretation. Headings of the Articles and Sections of this Agreement are for convenience of the Parties only and shall be given no substantive or interpretive effect whatsoever. The table of contents to this Agreement is for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement. Whenever required by the context, any pronoun used in this Agreement or the Schedules and Exhibits hereto shall include the corresponding masculine, feminine or neuter forms, and the singular forms of nouns, pronouns and verbs shall include the plural and vice versa. Unless otherwise specified, reference to any agreement, document, plan, instrument or Law means such agreement, document, plan, instrument or Law as amended or otherwise modified from time to time in accordance with the terms thereof, and if applicable hereof. Whenever the words "include," "includes" or "including" are used in this Agreement, they shall be deemed to be followed by the words "without limitation." The words "hereof," "herein" and "hereunder" and words of similar import when used in this Agreement shall refer to this Agreement as a whole and not to any particular provision of this Agreement. Unless expressly stated to the contrary in this Agreement, all references to "the date hereof," "the date of this Agreement," "hereby" and "hereupon" and words of similar import shall all be references to June 9, 2014, regardless of any amendment or restatement hereof. Unless the context otherwise requires, "or," "neither," "nor," "any," "either," and "and/or" shall not be exclusive. The word "extent" in the phase "to the extent" means the degree to which a subject or other thing extends, and such phrase does not simply mean "if." The words "shall" and "will" have the same meaning. Except as otherwise provided in this Agreement, all accounting terms shall have their respective meanings under GAAP. All references to dollars or "$" shall be references to U.S. dollars. Whenever this Agreement refers to a number of days, such number shall refer to calendar days unless Business Days are specified. Whenever any action must be taken hereunder on or by a day that is not a Business Day, then such action may be validly taken on or by the next day that is a Business Day. The Parties have participated jointly in the negotiation and drafting of this Agreement, the Transaction Agreement, the Separation Agreement and the other Ancillary Agreements. In the event an ambiguity or question of intent or interpretation arises, this Agreement shall be construed as if drafted jointly by the Parties, and no presumption or burden of proof shall arise favoring or disfavoring any Party by virtue of the authorship of any of the provisions of this Agreement. All article, section, subsection, schedules and exhibit references used in this Agreement are to articles, sections, subsections, schedules and exhibits to this Agreement unless otherwise specified. The exhibits and schedules attached to this Agreement constitute a part of this Agreement and are incorporated herein for all purposes. If a term is defined as one part of speech (such as a noun), it shall have a corresponding meaning when used as another part of speech (such as a verb).

Section 10.12 Severability. If any term or provision of this Agreement or the application of any such term or provision to any Person or circumstance is determined or declared judicially to be invalid, unenforceable or void in any jurisdiction, such decision shall not have the effect of invalidating or voiding the remainder of this Agreement, it being the intent and agreement of the Parties that this Agreement shall be deemed amended by modifying such term or provision to the extent necessary to render it valid, legal and enforceable to the maximum extent permitted while preserving its intent or, if such modification is not possible, by substituting therefor another provision that is valid, legal and enforceable and that achieves the original intent of the Parties.

Section 10.13 Counterparts. This Agreement may be executed in multiple counterparts (any one of which need not contain the signatures of more than one Party), each of which shall be deemed to be an original but all of which taken together shall constitute one and the same agreement. This Agreement, and any amendments hereto, to the extent signed and delivered by means of a facsimile machine or other electronic transmission, shall be treated in all manner and respects as an original agreement and shall be considered to have the same binding legal effects as if it were the original signed version thereof delivered in person. At the request of any Party, the other Party shall re-execute original forms thereof and deliver them to the requesting Party. No Party shall raise the use of a facsimile machine or other electronic means to deliver a signature or the fact that any signature was transmitted or communicated through the use of a

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facsimile machine or other electronic means as a defense to the formation of a Contract and each such Party forever waives any such defense.

Section 10.14 Survival and Indemnification. The provisions of Section 5.03 of the Separation Agreement regarding the survival of covenants, obligations and agreements of the Parties shall apply to the covenants, obligations and agreements described in this Agreement as if they were set forth in the Separation Agreement. Without limiting the generality of the Separation Agreement, any Liabilities described in this Agreement as being assumed or retained by Parent or a member of the Parent Group shall be Excluded Liabilities, and any Liabilities described in this Agreement as being assumed or retained by Energy Supply or a member of the Energy Supply Group shall be Energy Supply Liabilities and, in each case, the provisions of the Separation Agreement (including the indemnification provisions of Sections 5.01 and 5.02 of the Separation Agreement) shall apply to such Liabilities.

[*Remainder of this page intentionally left blank*]

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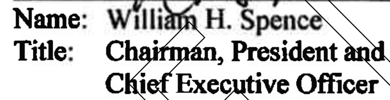
IN WITNESS WHEREOF, the Parties have caused this Agreement to be duly executed as of the day and year first above written.

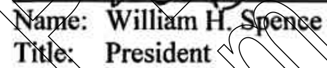
PPL CORPORATION



By: ____________________________

Name: William H. Spence
Title: **Chairman, President and Chief Executive Officer**

TALEN ENERGY CORPORATION



By: ____________________________

Name: William H. Spence
Title: President

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[*Signature Page to the Employee Matters Agreement*]

C/R ENERGY JADE, LLC

By:

Name: Charles C. Cook
Title: President and Chief Operating Officer

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[*Signature Page to the Employee Matters Agreement*]

SAPPHIRE POWER HOLDINGS LLC

By: ______________________________

Name: Charles C. Cook
Title: President and Chief Operating Officer

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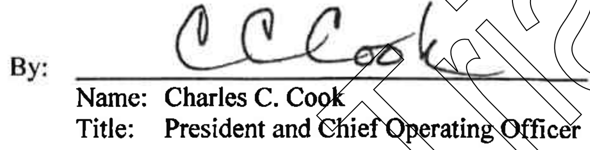
RAVEN POWER HOLDINGS LLC

By: 

Name: Charles C. Cook
Title: President and Chief Operating Officer

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[*Signature Page to the Employee Matters Agreement*]

EXHIBIT A

RETAINED EMPLOYEES

David G. DeCampli

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EXHIBIT B-1

CERTAIN ENERGY SUPPLY EMPLOYEES

[To be provided thirty (30) Business Days prior to the Separation Date]

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EXHIBIT B-2

CERTAIN OTHER EMPLOYEES

[To be provided thirty (30) Business Days prior to the Separation Date]

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EXHIBIT 3.1(c)

PARENT RETIREMENT PLAN PENSION ASSUMPTIONS

The assumptions below reflect accounting assumptions for the Plan Year beginning July 1, 2013.

Interest Rates	Most recently available assumptions under ERISA Section 4044 and IRC Section 414(l) at the time of the calculation
Mortality	Required mortality table under PBGC Reg. Section 4044.52 (as prescribed by ERISA Section 4044 and IRC Section 414(l))
Retirement	Rates varying by age and service for active participants in accordance with ERISA Section 4044. Assumed retirement age for terminated vested participants is age 60 (sample rates): Age: Service: **55** **60** **62** **65** **68** **10** 2% 18% 25% 50% 100% **20** 2% 18% 25% 50% 100% **25** 2% 20% 30% 50% 100%
Pre-retirement Turnover	SOA Hourly Union Select and Ultimate table based on age and service as of valuation date, adjusted to better reflect anticipated plan experience in accordance with ERISA Section 4044. Rates varying by age and service for active participants (sample rates): Age: Service: **30** **40** **50** **3** 8.4% 1.7% 1.0% **6** 4.0% 1.8% 1.6% **10+** 1.9% 1.4% 1.0%
Expense Load	N/A
Percent Married	90% of males; 60% of females

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EXHIBIT 5.1(b)(ii)

VEBA TRANSFER ASSUMPTIONS

EXHIBIT 5.1(b)(ii)-1 INITIAL TRANSFER ASSUMPTIONS

The value of assets to be transferred from the Parent VEBA in respect of the Energy Supply Employees shall be determined separately for each VEBA and each legal entity of Parent and in each case shall be equal to the total assets held in the Parent VEBA for a particular legal entity times the ratio of:

1. the Accumulated Postretirement Benefit Obligation ("APBO") associated with Energy Supply Employees from that legal entity immediately prior to the Separation Date, and

2. the APBO associated with all employees of Parent from that legal entity, including Energy Supply Employees, immediately before the Separation Date.

The APBO shall be determined based on an actuarial valuation using the same actuarial and economic assumptions and valuation methodology, including delayed attribution, used in the most recent ASC 715 accounting disclosure valuation coincident with or preceding the Separation Date.

EXHIBIT 5.1(b)(ii)-2 VEBA TRUE-UP EARNINGS DETERMINATION

Within 180 days (or such later time as mutually agreed by Parent and NewCo) following the Separation Date (and in any event following the transfer described in Section 5.1(b)(ii)(A)), Parent shall cause the Parent VEBA to transfer to the NewCo VEBA the VEBA True-Up Amount (V).

VEBA Trust True-Up Amount

First, the difference between the amount sent to NewCo (B) and the full amount that NewCo is owed (A) should be calculated. Call this V0.

V0 = A - B where

A = the value of the Assets credited under the Parent VEBA as of the Separation Date in respect of the Energy Supply Employees

B = the Initial NewCo VEBA Transfer Amount.

Next, V0 should be adjusted to reflect the deemed investment experience during the period from the Separation Date to the date of transfer of the VEBA True-Up Amount as follows:

V = VEBA True-Up Amount
= Adjusted V0
= V0 * (1 + i * d/365), where

i = the expected rate of return on asset assumption for each trust used in the most recent ASC 715 accounting valuation coincident with or preceding the Separation Date, and

d = # of days from the Separation Date to the payment date of V0.

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APPENDIX D

Organizational chart showing PPL Corp. and its relevant domestic subsidiaries prior to the closing of the Proposed Transaction (June 1, 2014)

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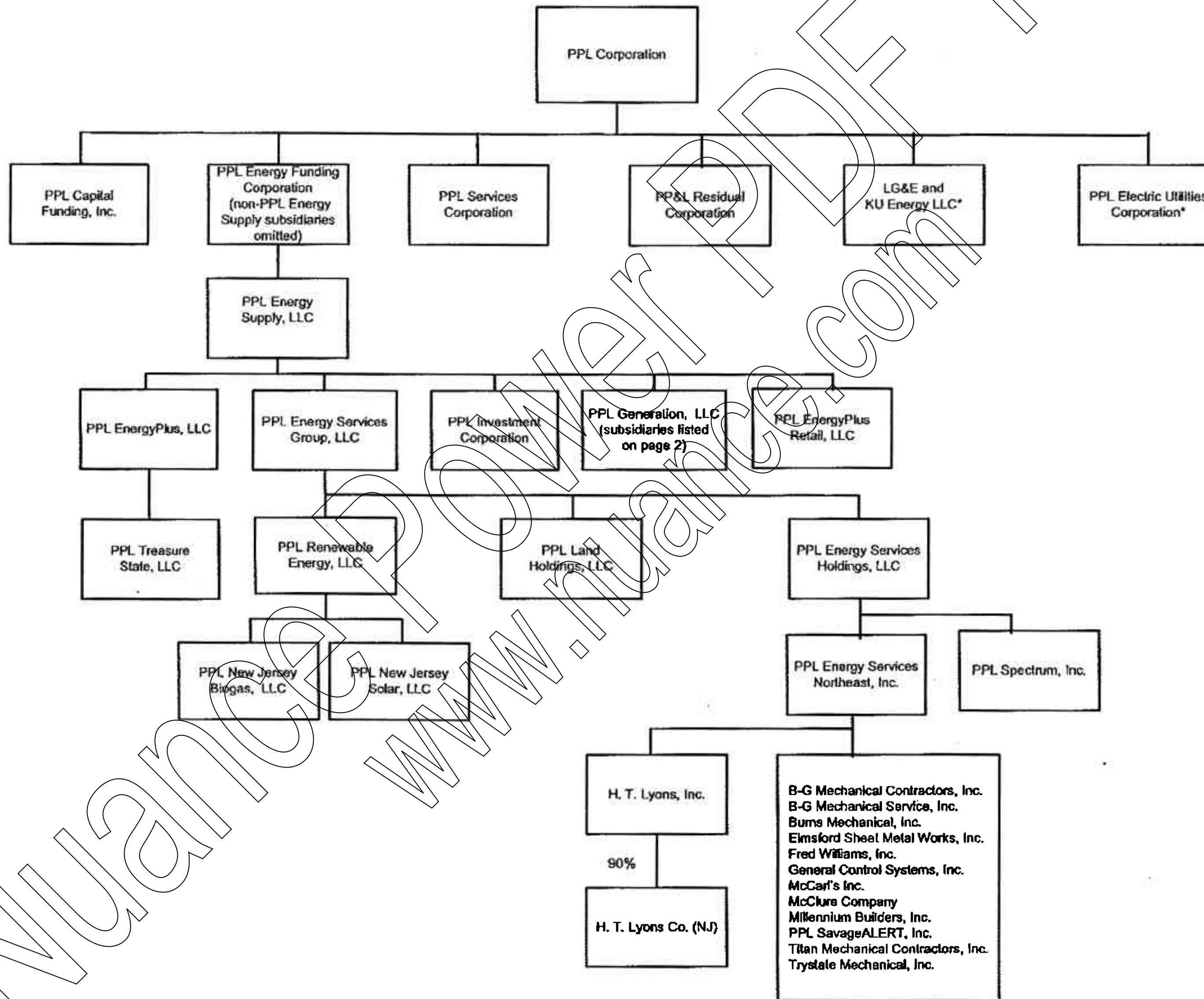
APPENDIX D
PPL Corporation Organization Chart
Prior to the Closing of the Proposed Transaction
(as of June 1, 2014)



*subsidiaries omitted

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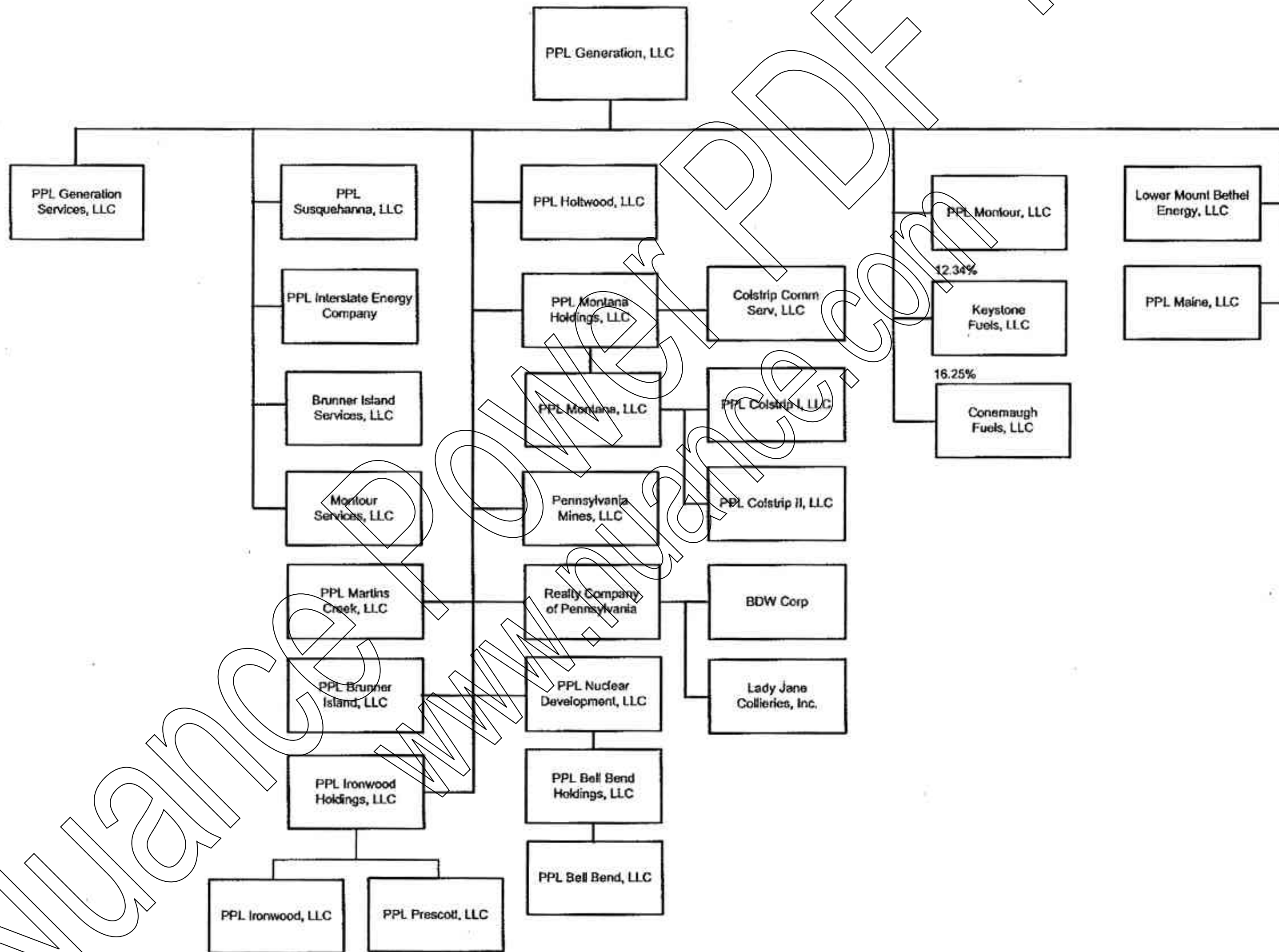

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APPENDIX E

Organizational chart showing Riverstone, the RJS Entities and relevant affiliates prior to the closing of the Proposed Transaction

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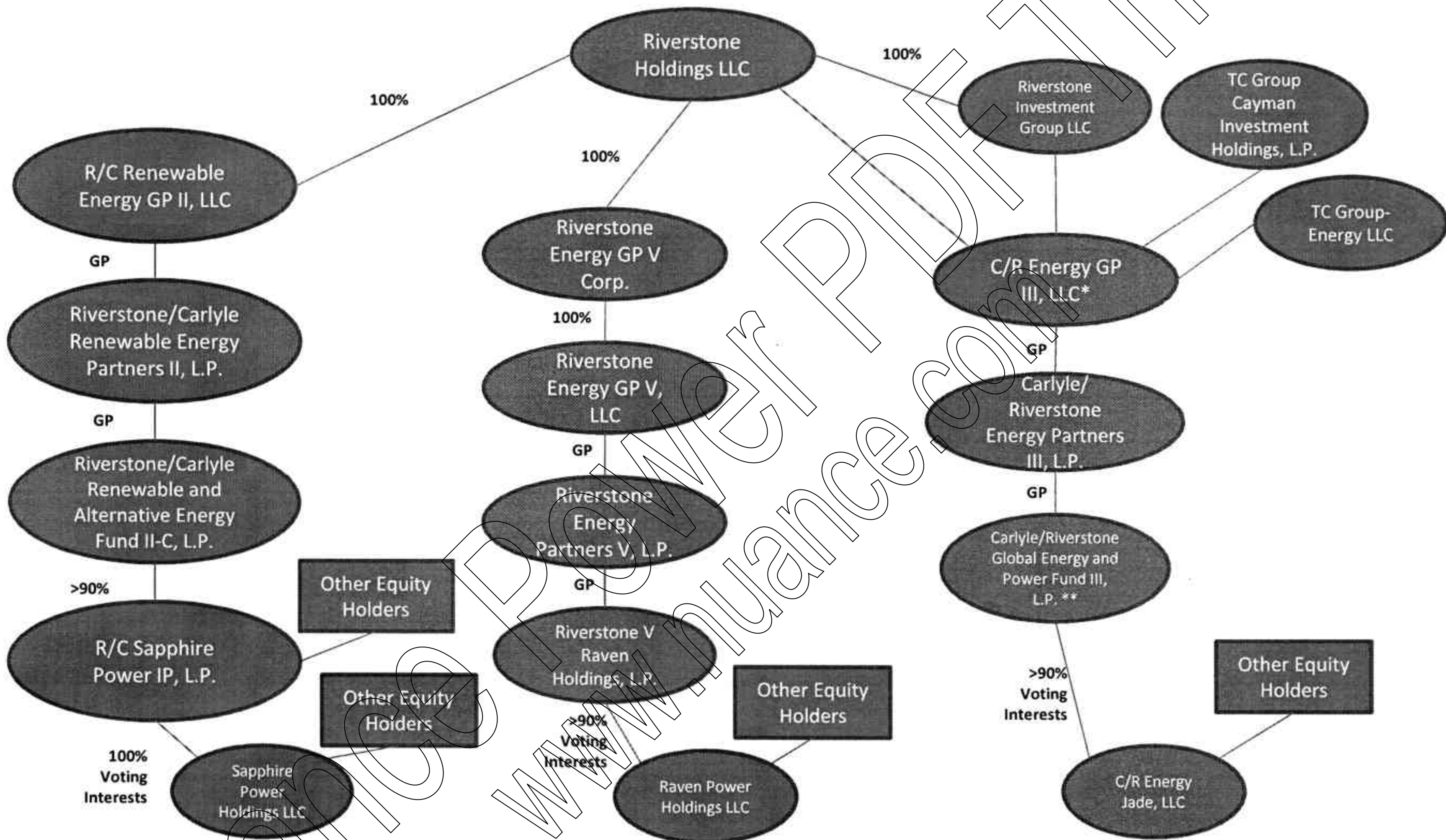

* Riverstone Holdings LLC designates individuals that appoint board members of C/R Energy Jade, LLC

** Includes affiliates under common control

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APPENDIX F

Organizational chart showing PPL Corp. and its first-tier domestic subsidiaries following the closing of the Proposed Transaction

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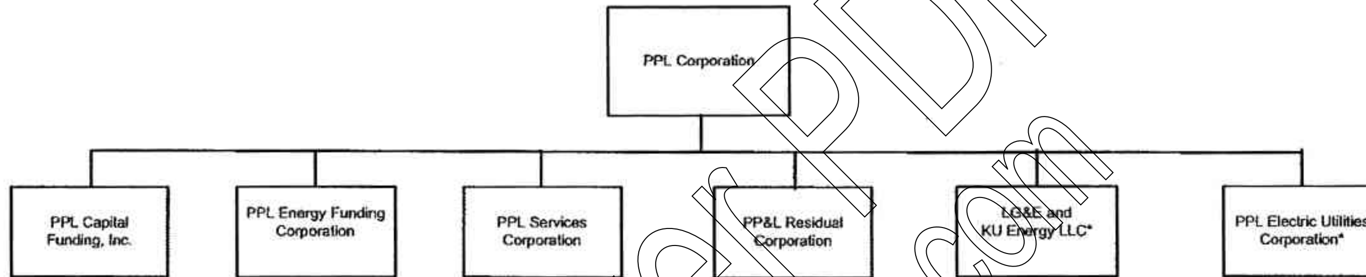
APPENDIX F
PPL Corporation Organization Chart After Closing of the Proposed Transaction



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*subsidiaries omitted

APPENDIX G

Organizational chart showing Riverstone, the RJS Entities and relevant affiliates following the closing of the Proposed Transaction

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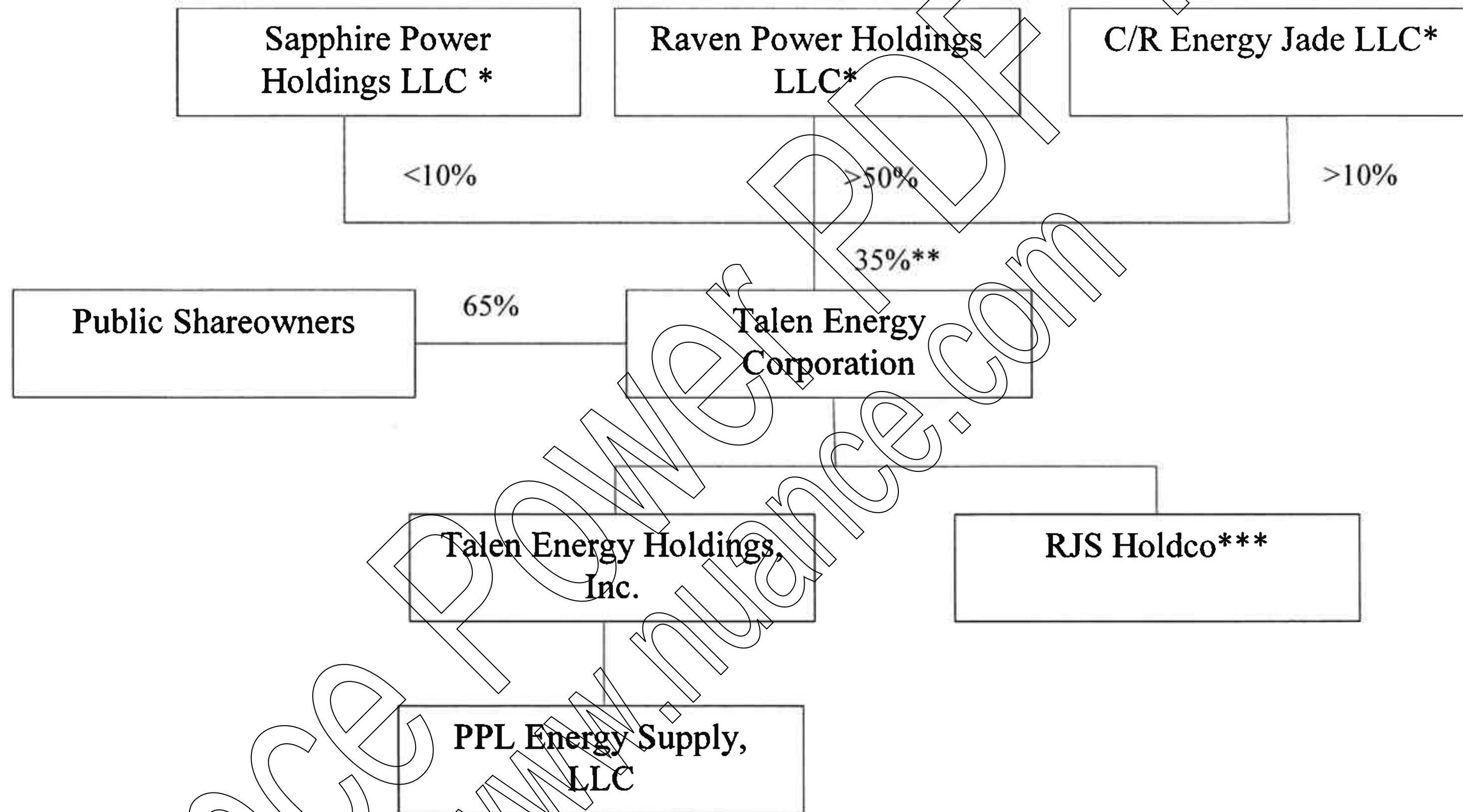
Post-Transaction Corporate Organizational Chart



* The upstream ownership of Sapphire Power Holdings LLC, Raven Power Holdings LLC and C/R Energy Jade, LLC (collectively "RJS Entities") is depicted in Appendix E, and will not change as a result of the Transaction.

**The common stock of Talen Energy Corporation will either be held directly by the RJS Entitles or by a special purpose entity wholly owned and controlled by Raven Power Holdings LLC

***RJS HoldCo may be merged into PPL Energy Supply, LLC.

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APPENDIX H

List of properties owned by PPL Energy Supply and/or its subsidiaries that currently are encumbered by PPL EU transmission rights-of-way

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APPENDIX H
List of Transmission Facilities
<u>Encumbering PPL Energy Supply Property</u>

1. <u>PPL Holtwood, LLC</u> – The following fifty seven (57) tracts of land owned by PPL Holtwood, LLC currently are encumbered with PPL EU's electric transmission line facilities. Existing PPL EU transmission facilities are located on PPL Holtwood properties based on reservation language in the applicable deed of transfer from PPL EU. Upon or after the closing of the Proposed Transaction each encumbrance on each property will be memorialized, notarized and recorded with a right of way agreement and map depicting the existing and, where applicable, expanded easement area.

County	Grid Number	Deed Book Reference	Location
Lancaster	38048S22009	6884/85	Manor Sub-Coal Washing Plant-HummelstownT/L-Manor-Donegal T/L
Lancaster	38016S22019	6884/99	Manor Sub-Coal Washing Plant-HummelstownT/L-Manor-Donegal T/L
Lancaster	38080S22010	6884/105	Manor Sub-Coal Washing Plant-HummelstownT/L-Manor-Donegal T/L
Lancaster	38070S22120	7101/662	Manor Sub-Coal Washing Plant-HummelstownT/L-Manor-Donegal T/L
Lancaster	38255S21944	7102/98	Manor Sub-Coal Washing Plant-HummelstownT/L-Manor-Donegal T/L
Lancaster	38247S21937	7102/104	Manor Sub-Coal Washing Plant-HummelstownT/L-Manor-Donegal T/L
Lancaster	38263S21934	7102/110	Manor Sub-Coal Washing Plant-HummelstownT/L-Manor-Donegal T/L
Lancaster	38250S21923	7102/116	Manor Sub-Coal Washing Plant-HummelstownT/L-Manor-Donegal T/L
Lancaster	38250S21923	7102/122	Manor Sub-Coal Washing Plant-HummelstownT/L-Manor-Donegal T/L
Lancaster	38252S21919	7110/677	Manor Sub-Coal Washing Plant-HummelstownT/L-Manor-Donegal T/L
Lancaster	38827S21120	7091/256	Holtwood Hydro Electric Development
Lancaster	38761S20993	7165/0443	Holtwood Hydro Electric Development
Lancaster	38940S21047	7165/0482	Holtwood Hydro Electric Development
Lancaster	39004S21126	7165/0482	Holtwood Hydro Electric Development
Lancaster	39009S21109	7165/0489	Holtwood Hydro Electric Development
Lancaster	38897S20982	7165/0489	Manor Sub-Coal Washing Plant-HummelstownT/L-Manor-Donegal T/L
Lancaster	39067S20867	7165/0474	Manor Sub-Coal Washing Plant-HummelstownT/L-Manor-Donegal T/L
Lancaster	39215S20916	7165/0389	Manor Sub-Coal Washing Plant-HummelstownT/L-Manor-Donegal T/L
Lancaster	39189S20716	7162/0068	Manor Sub-Coal Washing Plant-HummelstownT/L-Manor-Donegal T/L
Lancaster	39177S20851	7162/0068	Manor Sub-Coal Washing Plant-HummelstownT/L-Manor-Donegal T/L
Lancaster	39634S20878	7162/0082	Holtwood Hydro Electric Development
Lancaster	39048S20731	7162/0082	Holtwood Hydro Electric Development
Lancaster	39885S21154	7162/0082	Holtwood Hydro Electric Development
Lancaster	39843S21278	7162/0082	Holtwood Hydro Electric Development
Lancaster	39128S20631	7162/0073	Holtwood Hydro Electric Development
Lancaster	39754S18756	7119/0008	Holtwood Hydro Electric Development
Lancaster	40149S18781	7176/353	Holtwood - Lancaster Transmission Lines
Lancaster	39519S18686	7176/361	TBD
Lancaster	39527S18648	7176/379	TBD
Lancaster	40270S18806	7169/0058	Safe Harbor Project
Lancaster	40308S18511	7169/0064	Holtwood, LLC
Lancaster	40308S18511	7169/0064	Holtwood, LLC
Lancaster	40250S18430	7170/0048	TBD
Lancaster	39994S18209	7170/0068	TBD
Lancaster	39938S18440	7111/0037	TBD
Lancaster	40008S18439	7111/0057	Holtwood village
Lancaster	39888S18171	7170/0062	TBD
York	37931S21276	1412/1212	Safe Harbor - Riverside
York	37897S21008	1412/1212	Safe Harbor - Riverside
York	37949S20580	1417/3608	Safe Harbor - Riverside
York	39062S1845?	1417/3643	Holtwood Hydro Electric Plant
York	39540S18279	1417/3655	TBD
York	39563S1814?	1417/3661	Holtwood Hydro Electric Plant
York	39646S1804?	1417/3667	Holtwood Hydro Electric Plant

York	39859S1788?	1417/3678	TBD
Pike	TBD	1994/1072	Lake Wallenpaupack
Pike	TBD	1994/1072	Lake Wallenpaupack
Pike	70586N48471	1994/1072	Lake Wallenpaupack
Pike	70697N48688	1994/1072	Lake Wallenpaupack
Pike	70765N48506	1994/1072	Lake Wallenpaupack
Pike	TBD	1994/1072	Lake Wallenpaupack
Pike	71020N48538	1994/1072	Lake Wallenpaupack
Pike	70504N47587	1994/1072	Lake Wallenpaupack
Pike	71211N48747	1994/1072	Lake Wallenpaupack
Pike	71516N48471	1994/1072	Lake Wallenpaupack
Pike	70845N48612	1994/1141	Lake Wallenpaupack
Pike	70409N48198	1994/1154	Wallenpaupack Hydro Electric Development
Perry	18783S41894	1282/154	Juniata River Hydro-Electric Project

2. PPL Brunner Island, LLC – The following seven (7) tracts of land owned by PPL Brunner Island, LLC currently are encumbered with PPL EU's electric transmission line facilities. Existing PPL EU transmission facilities are located on PPL Brunner Island properties based on reservation language in the applicable deed of transfer from PPL EU. Upon or after the closing of the Proposed Transaction each encumbrance on each property will be memorialized, notarized and recorded with a right of way agreement and map depicting the existing and, where applicable, expanded easement area.

County	Grid Number	Deed Book Reference	Location
Lancaster	29986S28245	6793/0058	Brunner Island, LLC (Man Project)
Lancaster	30057S28233	6793/0058	Brunner Island, LLC (Man Project)
Lancaster	29872S28268	6793/0058	Brunner Island, LLC (Man Project)
Lancaster	29811S28280	6793/0058	Brunner Island, LLC (Man Project)
Lancaster	29888S28281	6793/0058	Brunner Island, LLC (Man Project)
York	29430S27779	1432/6285	Brunner Island Power S.E.S.
York	29839S27422	1432/6264	Brunner Island Power S.E.S.

3. PPL Montour, LLC – The following fifteen (15) tracts of land owned by PPL Montour, LLC currently are encumbered with PPL EU's electric transmission line facilities. Existing PPL EU transmission facilities are located on PPL Montour properties based on reservation language in the applicable deed of transfer from PPL EU. Upon or after the closing of the Proposed Transaction each encumbrance on each property will be memorialized, notarized and recorded with a right of way agreement and map depicting the existing and, where applicable, expanded easement area.

County	Grid Number	Deed Book Reference	Location
Montour	30297N33261	217/1466	Montour SES-Ash Loading
Montour	29550N33350	217/1500	Montour SES-Plant Site
Montour	29625N33255	217/1516	Montour SES-Plant Site
Montour	30120N32918	217/1522	Montour SES-Plant Site
Montour	29848N33284	217/1522	Montour SES-Plant Site
Montour	30032N33191	217/1522	Montour SES-Plant Site
Montour	30280N33174	217/1543	Montour SES-Plant Site
Montour	30450N32850	217/1549	Montour SES-Plant Site
Montour	29958N32955	217/1573	Montour SES-Plant Site
Montour	30023N32784	217/1614	Montour SES-Plant Site
Montour	29918N32438	218/0001	Montour SES-Plant Site
Montour	30160N32620	218/0007	Montour SES-Plant Site
Montour	29874N32604	218/0012	Montour SES-Plant Site
Northumberland	24710N32994	1296/639	Montour SES-Plant Site
Northumberland	24710N32980	1296/645	Montour SES-Plant Site
Luzerne	47725N28363	TBD	Harwood
Luzerne	47489N28362	2722/1184	Harwood

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4. PPL Martins Creek, LLC – The following three (3) tracts of land owned by PPL Martins Creek, LLC currently are encumbered with PPL EU's electric transmission line facilities. Existing PPL EU transmission facilities are located on PPL Martins Creek properties based on reservation language in the applicable deed of transfer from PPL EU. Upon or after the closing of the Proposed Transaction each encumbrance on each property will be memorialized, notarized and recorded with a right of way agreement and map depicting the existing and, where applicable, expanded easement area.

County	Grid Number	Deed Book Reference	Location
Northampton	73277S54499	2000-1/120320 2003-1/268715(corrective deed) 2003-1/276821(gen)	Martins Creek SES
Northampton	73035S54895	2000-1/20371	Martins Creek SES
Northampton	condemnation	2000-1/120358	Research needed

5. PPL Susquehanna, LLC – The following forty one (41) tracts of land owned by PPL Susquehanna, LLC and Allegheny Electric Cooperative currently are encumbered with PPL EU's electric transmission line facilities. Existing PPL EU transmission facilities are located on these properties based on reservation language in the applicable deed of transfer from PPL EU. Upon or after the closing of the Proposed Transaction each encumbrance on each property will be memorialized, notarized and recorded with a right of way agreement and map depicting the existing and, where applicable, expanded easement area.

County	Grid Number	Deed Book Reference	Location
Luzerne	44939N34557	2741/212	Susquehanna Station Site
Luzerne	44928N34438	2741/221	Susquehanna Station Site
Luzerne	44787N34292	2741/231	Susquehanna Station Site
Luzerne	44868N34300	2741/237	Susquehanna Station Site
Luzerne	44939N34345	2741/242	Susquehanna Station Site
Luzerne	44900N34242	2741/247	Susquehanna Station Site
Luzerne	45042N34160	2741/257	Susquehanna Station Site
Luzerne	44852N34076	2741/262	Susquehanna Station Site
Luzerne	44847N34010	2741/267	Susquehanna Station Site
Luzerne	44768N34254	2741/287	Susquehanna Station Site
Luzerne	44763N34295	2741/293	Susquehanna Station Site
Luzerne	44762N34300	2741/298	Susquehanna Station Site

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Luzerne	44760N34306	2741/303	Susquehanna Station Site
Luzerne	44760N34311	2741/308	Susquehanna Station Site
Luzerne	44760N34316	2741/313	Susquehanna Station Site
Luzerne	44759N34323	2741/322	Susquehanna Station Site
Luzerne	44759N34322	2741/327	Susquehanna Station Site
Luzerne	44758N34333	2741/332	Susquehanna Station Site
Luzerne	44758N34342	2741/337	Susquehanna Station Site
Luzerne	44448N34271	2741/423	Susquehanna Station Site
Luzerne	44440N34281	2741/428	Susquehanna Station Site
Luzerne	44459N34287	TBD	Susquehanna Station Site
Luzerne	44433N34288	2741/433	Susquehanna Station Site
Luzerne	44520N34321	2741/472	Susquehanna Station Site
Luzerne	44575N34229	2741/467	Susquehanna Station Site
Luzerne	44625N34110	2741/478	Susquehanna Station Site
Luzerne	44527N34078	2741/483	Susquehanna Station Site
Luzerne	44476N34066	2741/616	Susquehanna Station Site
Luzerne	44384N34241	2741/570	Susquehanna Station Site
Luzerne	44056N34270	2741/577	Susquehanna Station Site
Luzerne	44246N34050 44426N34050	2741/590	Susquehanna Station Site
Luzerne	44178N33919	2741/689	Susquehanna Station Site
Luzerne	44040N33889	2741/684	Susquehanna Station Site
Luzerne	43902N33862	2741/707	Susquehanna Station Site
Luzerne	43686N33934	2741/702	Susquehanna Station Site
Luzerne	43818N34080	2741/716	Susquehanna Station Site
Luzerne	43907N34088	2741/721	Susquehanna Station Site
Luzerne	43959N34153	2741/730	Susquehanna Station Site
Luzerne	44186N33985	2741/783	Susquehanna Station Site
Luzerne	44125N33928	2741/753	Susquehanna Station Site
Luzerne	432-331-N8	2741/773	Susquehanna Station Site

6. PPL Generation, LLC – The following thirty three (33) tracts of land owned by PPL Generation, LLC currently are encumbered with PPL EU's electric transmission line facilities. Existing PPL EU transmission facilities are located on PPL Generation properties based on reservation language in the applicable deed of transfer from PPL EU. Upon or after the closing of the Proposed Transaction each encumbrance on each property will be memorialized, notarized and recorded with a right of way agreement and map depicting the existing and, where applicable, expanded easement area.

County	Grid Number	Deed Book Reference	Location
Luzerne	53551N44654	2722/772	Stanton Steam Electric Station
Snyder	25247S56057	469/932	Sunbury Power Plant
Snyder	25260S56015	469/938	Sunbury Power Plant
Snyder	25251S55903	469/944	Sunbury Power Plant

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Snyder	25462S55937	469/950	Sunbury Power Plant
Snyder	25349S55813	469/956	Sunbury Power Plant
Snyder	25044S55618	469/989	Sunbury Power Plant
Snyder	25016S55424	470/0001	Sunbury Power Plant
Snyder	25066S55376	470/0007	Sunbury Power Plant
Snyder	25206S55468	470/0013	Sunbury Power Plant
Snyder	25343S55128	470/0119	Sunbury Power Plant
Snyder	25343S55128	470/0119	Sunbury Power Plant
Snyder	25343S55128	470/0119	Sunbury Power Plant
Snyder	25343S55128	470/0119	Sunbury Power Plant
Snyder	25343S55128	470/0119	Sunbury Power Plant
Snyder	25324S55063	470/0019	Sunbury Power Plant
Snyder	25245S55027	470/0037	Sunbury Power Plant
Snyder	25424S54892	470/0037	Sunbury Power Plant
Snyder	25525S55005	470/0037	Sunbury Power Plant
Snyder	25268S54977	470/0037	Sunbury Power Plant
Snyder	25488S54965	470/0037	Sunbury Power Plant
Snyder	25433S54901	470/0037	Sunbury Power Plant
Snyder	25489S54993	470/0037	Sunbury Power Plant
Snyder	25152S55084	470/0037	Sunbury Power Plant
Snyder	25505S55021	470/0037	Sunbury Power Plant
Snyder	25359S54940	470/0037	Sunbury Power Plant
Snyder	25384S54890	470/0037	Sunbury Power Plant
Snyder	25489S54988	470/0037	Sunbury Power Plant
Snyder	25413S54874	470/0037	Sunbury Power Plant
Snyder	25153S54373	470/0048	Sunbury Power Plant
Snyder	25519S55002	470/0048	Sunbury Power Plant
Snyder	25509S54987	470/0048	Sunbury Power Plant
Snyder	25210S55215	470/0048	Sunbury Power Plant

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APPENDIX I

List of properties owned by PPL Energy Supply and/or its subsidiaries that currently are encumbered by PPL EU distribution rights-of-way

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APPENDIX I
List of Distribution Rights
<u>Encumbering PPL Energy Supply Property</u>

1. <u>PPL Holtwood, LLC</u> – PPL Holtwood, LLC owns various properties in Lancaster County pursuant to the following one hundred eleven (111) deeds. PPL EU has existing distribution facilities located on these properties pursuant to reservation language in the deeds of transfer from PPL EU. Upon or after closing, an appropriate agreement will be executed and recorded, if necessary, to confirm the rights for the existing distribution facilities.

6884/0045	7102/0058	7091/0256	7162/0094	7188/0232	7169/0503
6884/0052	7102/0064	7091/0262	7162/0073	7111/0021	7169/0508
6884/0059	7102/0069	7165/045	7162/0100	7188/0220	7169/0046
6884/0066	7110/0671	7165/0431	7159/0028	7188/0214	7169/0058
6884/0072	7102/0098	7165/0437	7159/0033	7119/0022	7169/0064
6884/0079	7110/0646	7165/0458	7159/0022	7119/0027	7169/0072
6884/0085	7102/0104	7165/0443	7159/0039	7119/0032	7170/0048
6884/0093	7102/0110	7165/0482	7159/0015	7119/0008	7170/0054
6884/0099	7102/0116	7165/0489	7159/0101	7119/0015	7170/0062
6884/0105	7102/0122	7165/0467	7159/0113	7176/0353	7170/0068
7101/0662	7110/0677	7165/0495	7159/0080	7169/0052	7170/0075
7101/0669	7091/0295	7165/0474	7159/0095	7176/0368	7111/0037
7102/0047	7091/0301	7165/0389	7159/0106	7188/0226	7111/0057
7102/0052	7091/0307	7165/0416	7159/0250	7176/0373	7111/0028
7101/0675	7091/0313	7165/0399	7188/0256	7176/0361	7111/0045
7101/0680	7091/0319	7165/0404	7188/0262	7176/0379	7111/0051
7101/0656	7091/0235	7165/0410	7188/0268	7176/0483	
7110/0664	7091/0242	7162/0068	7188/0245	7169/0490	
7110/0651	7091/0250	7162/0082	7188/0238	7169/0497	

2. <u>PPL Montour, LLC</u> – PPL Montour, LLC owns various properties in Montour, Northumberland and Columbia Counties pursuant to the following fifteen (15) deeds. PPL EU has existing distribution facilities located on these properties pursuant to reservation language in the deeds of transfer from PPL EU. Upon or after closing, an appropriate agreement will be executed and recorded, if necessary, to confirm the rights for the existing distribution facilities.

217/1476	217/1492	217/1528	217/1569	217/1614
217/1480	217/1512	217/1559	217/1573	1296/639
217/1485	217/1522	217/1565	217/1582	1296/645

3. <u>PPL Susquehanna, LLC</u> – PPL Susquehanna, LLC owns various properties in Luzerne County pursuant to the following one hundred seven (107) deeds. PPL EU has existing

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distribution facilities located on these properties pursuant to reservation language in the deeds of transfer from PPL EU. Upon or after closing, an appropriate agreement will be executed and recorded, if necessary to confirm the rights for the existing distribution facilities.

2741/570	2741/303	2741/398	2741/478	2741/577	2741/675
2741/207	2741/308	2741/402	2741/483	2741/595	2741/689
2741/212	2741/313	2741/407	2741/505	2741/590	2741/684
2741/217	2741/322	2741/411	2741/496	2741/600	2741/707
2741/221	2741/327	2741/415	2741/500	2741/604	2741/702
2741/231	2741/332	2741/419	2741/711	2741/608	2741/716
2741/237	2741/337	2741/423	2741/726	2741/612	2741/721
2741/242	2741/347	2741/428	2741/698	2741/621	2741/730
2741/247	2741/352	2741/433	2741/522	2741/626	2741/735
2741/252	2741/356	2741/438	2741/651	2741/630	2741/739
2741/257	2741/360	2741/442	2741/526	2741/634	2741/783
2741/262	2741/364	2741/447	2741/638	2741/646	2741/753
2741/267	2741/369	2741/451	2741/655	2741/642	2741/768
2741/273	2741/377	2741/455	2741/550	2741/694	2741/763
2741/282	2741/381	2741/459	2741/616	2741/659	2741/759
2741/287	2741/385	2741/463	2741/586	2741/668	2741/773
2741/293	2741/390	2741/472	2741/566	2741/679	2741/778
2741/298	2741/394	2741/467	2741/582	2741/671	

4. <u>PPL Generation, LLC</u> – PPL Generation, LLC owns various properties in Lancaster, Northumberland, Luzerne and Snyder Counties pursuant to the following one hundred nineteen (119) deeds. PPL EU has existing distribution facilities located on these properties pursuant to reservation language in the deeds of transfer from PPL EU. Upon or after closing, an appropriate agreement will be executed and recorded, if necessary, to confirm the rights for the existing distribution facilities.

5004801	505/0865	506/0982	227/0146	227/0249	227/0349
5004802	505/0870	506/0987	227/0151	227/0253	217/1578
5004803	505/0875	506/0001	227/0156	227/0257	227/0357
5004804	505/0880	506/0006	227/0162	227/0262	227/0362
5004805	505/0885	200110196	227/0168	227/0267	227/0368
5001834	505/0890	200110198	227/0174	227/0273	227/0374
5001835	505/0895	200110199	227/0179	227/0277	227/0378
5001836	505/0900	200110200	227/0183	227/0281	227/0383
5001837	505/0905	200110203	227/0188	227/0285	227/0387
5001838	505/0910	200110204	227/0194	227/0289	227/0392
5001825	505/0915	200110205	227/0198	227/0294	227/0397
5768367	506/0011	227/0105	227/0204	227/0299	227/0402

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5001826	505/0920	227/0110	227/0210	227/0304	227/0408
1385/776	505/0927	227/0114	227/0216	227/0308	227/0412
1385/781	505/0932	227/0118	227/0222	227/0316	227/0417
1385/786	505/0937	227/0122	227/0226	227/0321	3001/192401
505/0845	505/0957	227/0126	227/0231	227/0327	3001/192425
505/0850	505/0966	227/0131	227/0236	227/0333	3001/192478
505/0855	505/0971	227/0136	227/0240	227/0337	3001/192466
505/0860	505/0977	227/0141	227/0245	227/0343	

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APPENDIX J

List of properties owned by PPL Energy Supply and/or its subsidiaries at which PPL EU substation facilities are located

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APPENDIX J
List of PPL EU Substations
Located at PPL Energy Supply Property

1. PPL Holtwood, LLC – Two (2) PPL EU substation facilities are located on the following eight (8) tracts of land owned by PPL Holtwood, LLC. The PPL EU substation facilities are located on PPL Holtwood properties based on reservation language in the applicable deed of transfer from PPL EU. Both substations are located on PPL Holtwood-owned buffer lands. A survey will be conducted to confirm the metes and bounds and appropriate legal description of the substation properties and, upon or after the closing of the Proposed Transaction, a deed of transfer will be prepared and executed by PPL Holtwood transferring ownership to PPL EU. In addition, PPL Holtwood also will grant PPL EU one or more access easements across related properties as reasonably necessary for the routine operation and maintenance of the substation facilities.

County	Grid Number	Deed Book Reference	Substation Name
Lancaster	38177S21939	7101/680	Manor Substation
Lancaster	38245S21903	7091/295	Manor Substation
Lancaster	38252S21913	7091/301	Manor Substation
Lancaster	38244S21910	7091/307	Manor Substation
Lancaster	38261S21892	7091/313	Manor Substation
Lancaster	38232S21884	7091/319	Manor Substation
Lancaster	40003S18319	7170/0075	Face Rock Substation
Lancaster	40108S18389	7111/2001	Face Rock Substation

2. PPL Brunner Island, LLC – One PPL EU substation is located on two (2) tracts of land owned by PPL Brunner Island, LLC. The PPL EU substation facility is located on PPL Brunner Island property based on reservation language in the applicable deed of transfer from PPL EU. The substation facility is located "within the plant fence" on the PPL Brunner Island property. A survey will be conducted to confirm the metes and bounds and appropriate legal description of the substation properties and, upon or after the closing of the Proposed Transaction, perpetual easement agreements will be executed by PPL Brunner Island in favor of PPL EU. In addition, PPL Brunner Island also will grant PPL EU one or more access easements across related properties as reasonably necessary for the routine operation and maintenance of the substation facility.

County	Grid Number	Deed Book Reference	Substation Name
York	29455S27972	1432/6285	Brunner Island Power S.E.S.
York	29233S27961	1432/6285	Brunner Island Power S.E.S.

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3. PPL Montour, LLC – Two (2) PPL EU substation facilities are located on the following three (3) tracts of land owned by PPL Montour, LLC. Existing PPL EU substation facilities are located on PPL Montour properties based on reservation language in the applicable deed of transfer from PPL EU. One substation is located at the Montour generating facility "within the plant fence," and one is located at the Harwood site in Luzerne County on a non-generating property. A survey will be conducted to confirm the metes and bounds and appropriate legal description for each substation facility. Upon or after the closing of the Proposed Transaction, (i) a perpetual easement agreement will be executed by PPL Montour in favor of PPL EU with respect to the substation located at the plant property and (ii) a deed of transfer will be executed by PPL Montour transferring ownership of the site located in Luzerne County. In addition, PPL Montour also will grant PPL EU one or more access easements across related properties as reasonably necessary for the routine operation and maintenance of the substation facilities.

County	Grid Number	Deed Book Reference	Substation Name
Luzerne	47468N28473	2722/1178	Harwood
Luzerne	47592N28480	2722/1189	Harwood
Montour	29611N33142	217/1532	Montour S.E.S.

4. PPL Martins Creek, LLC – Two (2) PPL EU substation facilities are located on the following two (2) tracts of land owned by PPL Martins Creek, LLC. The PPL EU substation facilities are located on PPL Martins Creek property based on reservation language in the applicable deed of transfer from PPL EU. The substations are located "within the plant fence" on the PPL Martins Creek property. A survey will be conducted to confirm the metes and bounds and appropriate legal description of the substation properties and, upon or after the closing of the Proposed Transaction, perpetual easement agreements will be prepared and executed by PPL Martins Creek in favor of PPL EU. In addition, PPL Martins Creek also will grant PPL EU one or more access easements across related properties as reasonably necessary for the routine operation and maintenance of the substation facilities.

County	Grid Number	Deed Book Reference	Substation Name
Northampton	73144S54521	2000-1/120298	Martins Creek SES
Northampton	73019S54309	2000-1/120320	Martins Creek SES

5. PPL Susquehanna, LLC – Three (3) PPL EU substation facilities are located on the following four (4) tracts of land owned by PPL Susquehanna, LLC and Allegheny Electric Cooperative. The PPL EU substation facilities are located on these properties based on reservation language in the applicable deed of transfer from PPL EU. One of the three substations is located on PPL Susquehanna plant property "within the plant fence," a second is located in close proximity to the fenced plant, and the third is located in Conygham Township on buffer lands. A survey will be conducted to confirm the metes and bounds and appropriate legal description of the substation properties. Upon or after the closing of the Proposed Transaction, an appropriate property interest will be transferred to PPL EU.

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County	Grid Number	Deed Book Reference	Substation Name
Luzerne	43959N34153	2741/730	Susquehanna Station Site T-110
Luzerne	44186N33985	2741/783	Susquehanna Station Site
Luzerne	44125N33928	2741/753	Susquehanna Station Site
Luzerne	45139N34058	2741/273	Susquehanna 230 Switchyard

6. PPL Generation, LLC – One (1) PPL EU substation is located on the following two (2) tracts of land owned by PPL Generation, LLC. The PPL EU substation facility is located on the PPL Generation property based on reservation language in the deed of transfer from PPL EU. The substation is located at a generating facility location which is no longer active (Stanton). A survey will be conducted to confirm the metes and bounds and appropriate legal description of the substation property and, upon or after the closing of the Proposed Transaction, a deed of transfer will be prepared and executed by PPL Generation transferring ownership to PPL EU. In addition, PPL Generation also will grant PPL EU one or more access easements across related properties as reasonably necessary for the routine operation and maintenance of the substation facilities.

County	Grid Number	Deed Book Reference	Substation Name
Luzerne	53205N44693	2722/772	Stanton Substation
Luzerne	53281N44811	2722/779	Stanton Substation

7. PPL IEC – One (1) PPL EU substation is located on land owned by PPL IEC. The property is located in Lower Mount Bethel Township, Northampton County, PA and is more fully described as Tax Parcel Number G11-05-014. A survey will be conducted to confirm the metes and bounds and appropriate legal description of the substation property and, upon or after the closing of the Proposed Transaction, an appropriate property interest will be transferred to PPL EU.

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APPENDIX K

List of miscellaneous properties and interests owned by PPL Energy Supply and/or its subsidiaries that currently are used by PPL EU

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APPENDIX K
List of PPL EU Miscellaneous Use of
PPL Energy Supply Group Property

1. PPL EU's access/use of existing fiber-optic network cabling and other telecommunication equipment located on PPL Energy Supply Group's properties. Upon or after closing, appropriate easements and/or license agreements will be executed to ensure that use of the fiber-optic network cabling and other telecommunication equipment continues consistent with past practices.

2. Lease Agreement between PPL Holtwood, LLC as Lessor and The County of Lancaster County-Wide Communications as Lessee with respect to a telecommunication tower located at Drytown and Old Holtwood Roads, Martic Township, Lancaster County, PA and more fully described as Tax Parcel Number 21J-2-12B.

- PPL EU utilizes space within an existing telecommunication building owned by PPL Holtwood located at the facility and occupies existing space on the telecommunication tower, currently owned by Lancaster County.
- It is anticipated that a Lease Agreement will be executed by PPL Holtwood and PPL EU, upon or after closing, to memorialize the parties understanding which will enable PPL EU to continue its use of the existing telecommunication building.

3. The following control equipment houses are located on property owned by PPL Energy Supply subsidiaries and currently utilized by both PPL EU and the applicable PPL Energy Supply subsidiaries. Upon or after closing, appropriate easements and/or license agreements will be executed to ensure that use of the control equipment houses continues consistent with past practices.

a. Susquehanna 230 kV substation located in Conygham Township, Luzerne County and more fully depicted as Tax Parcel Number 09-05-00A-07A-000.

b. Susquehanna 230 kV T10 substation located in Salem Township, Luzerne County and more fully depicted as Tax Parcel Number 55-O4-00A-008-000.

c. Susquehanna 500-230 kV substation located in Salem Township, Luzerne County and more fully depicted as Tax Parcel Number 55-O4-00A-000.

d. Brunner Island 230 kV switchyard located in East Manchester Township, York County and more fully depicted as Tax Parcel Number 26-000-NI-176-00-00000.

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e. Montour 230 substation located in Derry Township, Montour County and more fully depicted as Tax Parcel Number 3-23-17.

f. Martins Creek 230 kV substation located in Lower Mount Bethel Township, Northampton County and more fully depicted as Tax Parcel Number G11 3 1 0117.

g. Martins Creek 69 kV substation located in Lower Mount Bethel Township, Northampton County and more fully depicted as Tax Parcel Number G11 3 1 0117.

h. Stanton 230-69kV substation located in Exeter Township, Luzerne County and more fully depicted as Tax Parcel Numbers 17-C11-00A-001-000, 17-C11-00A-01A-000, 17-C11-00A-01B-000, 17-C11-00A-01B-001 and 17-C11-00A-01C-000.

i. Wallenpaupack 69 kV substation located in Palmyra Township, Wayne County and more fully depicted as Tax Parcel Number 18-0-0295-0028

j. Face Rock 69 kV substation located in Martic Township, Lancaster County and more fully depicted as Tax Parcel Number 430-80189-0-0000.

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APPENDIX L

List of miscellaneous properties and interests owned by PPL EU that currently are used by PPL Energy Supply and/or its subsidiaries

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APPENDIX L
List of PPL Energy Supply Group
Use of PPL EU Property

1. Combustion Turbine Generators. The following easements between PPL EU and PPL Martins Creek, LLC are for combustion turbine generator facilities located on PPL EU property. These easements will continue but will be updated upon or after closing of the Proposed Transaction to include customary and reasonable environmental indemnity language as agreed between PPL EU and PPL Martins Creek.

- Easement Agreement between PPL Electric Utilities Corporation as Grantor and PPL Martins Creek, LLC as Grantee dated July 1, 2000 with respect to the Combustion Turbine Generator located in Pottsville, Schuylkill County, Pennsylvania (Fishbach), recorded on August 30, 2000 in Deed Book 969, Page 243.

- Easement Agreement between PPL Electric Utilities Corporation as Grantor and PPL Martins Creek, LLC as Grantee dated July 1, 2000 with respect to the Combustion Turbine Generator located in Harrisburg, Dauphin County, Pennsylvania (Harrisburg), recorded on September 8, 2000 in Deed Book 3762, Page 555.

- Easement Agreement between PPL Electric Utilities Corporation as Grantor and PPL Martins Creek, LLC as Grantee dated July 1, 2000 with respect to the Combustion Turbine Generator located in Plains Township, Luzerne County, Pennsylvania (Jenkins), recorded on August 23, 2000 in Deed Book 2731, Page 103.Addendum to Easement Agreement between PPL Electric Utilities Corporation as Grantor and PPL Martins Creek, LLC as Grantee dated September 22, 2009 and recorded in Book 3009, Page 193941 on September 24, 2009 for the purposes of Grantee relocating its fuel unloading area outside of the current easement area and additional easement area for said purpose granted by Grantor.

- Easement Agreement between PPL Electric Utilities Corporation as Grantor and PPL Martins Creek, LLC as Grantee dated July 1, 2000 with respect to the Combustion Turbine Generator located in Bald Eagle Township, Clinton County, Pennsylvania (Lock Haven), recorded on August 28, 2000 in Deed Book 1118, Page 77.

- Easement Agreement between PPL Electric Utilities Corporation as Grantor and PPL Martins Creek, LLC as Grantee dated July 1, 2000 with respect to the Combustion Turbine Generator located in Allentown, Lehigh County, Pennsylvania (Allentown), recorded on August 25, 2000 in Volume 976, Page 544.Addendum to Easement Agreement between PPL Electric Utilities Corporation as Grantor and PPL Martins Creek, LLC as Grantee dated September 22, 2009 and recorded as Instrument Number 2009038940 on September 29, 2009 for the purpose of Grantee extending its current easement area to include Grantee's existing maintenance shed.

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- Easement Agreement between PPL Electric Utilities Corporation as Grantor and PPL Martins Creek, LLC as Grantee dated July 1, 2000 with respect to the Combustion Turbine Generator located in Williamsport, Lycoming County, Pennsylvania (Williamsport), recorded on August 28, 2000 in Deed Book 3611, Page 149.

2. Office Facilities. PPL Energy Supply subsidiaries currently use the following office space located on PPL EU property.

- H.T. Lyons, Inc. utilizes 989 square feet of office space within PPL EU's Scranton Service Center located at 600 Larch Street, Scranton, PA 18509 and more fully described as Tax Parcel Numbers 146-09-050-002P and 146-09-050-002. It is anticipated that the use by H.T. Lyons of this building will terminate on or before closing of the Proposed Transaction.

- McClure Company utilizes 1884 square feet of office space within PPL EU's Susquehanna Service Center located at 4810 Lycoming Mall Drive, Montoursville, PA 17754 and more fully described as Tax Parcel Number 12+,352.0-0202.A+000. It is anticipated that the use by McClure of this building will terminate on or before closing of the Proposed Transaction.

- Various PPL Energy Supply subsidiaries occupy approximately 3500 square feet of office and storage space within PPL EU's System Facilities Center located at One Scotch Pine, Hazleton, PA 18202 and more fully described as Tax Parcel Number 26-U6S3-001-06Z-001. It is anticipated that the use by PPL Energy Supply subsidiaries of this building will terminate on or before closing of the Proposed Transaction.

3. Miscellaneous.

- License Agreement between PPL Electric Utilities Corporation as Licensor and PPL Susquehanna, LLC as Licensee dated May 7, 2014 with respect to an existing air monitoring station as required by the Nuclear Regulatory Commission measuring approximately 100 square feet. It is anticipated that the continued use by PPL Susquehanna of PPL EU's land for the aforesaid purpose will be more permanently memorialized in an appropriate agreement and such agreement will be recorded in the Luzerne County Recorder of Deeds Office upon or after the closing of the Proposed Transaction.

- License Agreement between PPL Electric Utilities Corporation as Licensor and PPL Susquehanna, LLC as Licensee dated May 7, 2014 with respect to a Radiological Monitoring Environmental Program Garden as required by the Nuclear Regulatory Commission, measuring 400 square feet. It is anticipated that the continued use by PPL Susquehanna of PPL EU's land for the aforesaid purpose will be more permanently memorialized in an appropriate agreement and such agreement will be

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recorded in the Luzerne County Recorder of Deeds Office upon or after the closing of the Proposed Transaction..

- PPL Energy Supply subsidiaries' access/use of existing fiber-optic network cabling and other telecommunication equipment located on PPL EU's property. Upon or after closing, appropriate easements and/or license agreements will be executed to ensure that use of the fiber-optic network cabling and other telecommunication equipment continues consistent with past practices.

- PPL Energy Supply and its subsidiaries currently utilize PPL EU's Record Center Facility located at Sesquoi Street, Allentown PA 18101 and more fully depicted as Tax Parcel Number 02-19-640508-559637-1. The active use of the Record Center by PPL Energy Supply and its subsidiaries will cease upon the closing of the Proposed Transaction, subject to their right to request access to documents retained therein pursuant to the terms of the Separation Agreement and any applicable transition services agreement(s).

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APPENDIX M

List of certain of the intercompany affiliate agreements with PPL EU and PPL IEC that will remain in place unchanged after closing of the Proposed Transaction

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APPENDIX M
List of Intercompany Affiliate Agreements with PPL EU and PPL IEC that will Continue Unchanged after Closing of the Proposed Transaction

1. Retail Electricity Master Agreement dated June 11, 2012 between PPL EnergyPlus, LLC and PPL Electric Utilities Corporation

    (a) Purchase Order dated June 11, 2012 (Rate Schedule SA)

    (b) Purchase Order dated June 11, 2012 (Rate Schedule GS)

2. Contracts in effect from time to time between PPL EnergyPlus, LLC and PPL Electric Utilities Corporation pursuant to PPL Electric Utilities Corporation's Electric Generation Supplier Tariff in connection with PPL EnergyPlus, LLC's retail electricity business. Such contracts include the following by way of example:

    (a) Individual Coordination Agreement dated as of January 16, 2009 between PPL Electric Utilities Corporation and PPL EnergyPlus, LLC

    (b) Scheduling Coordinator Designation Form dated as of February 13, 2009 between PPL EnergyPlus, LLC and PPL Electric Utilities Corporation

    (c) Guaranty dated February 24, 2009 by PPL Energy Supply, LLC in favor of PPL Electric Utilities Corporation

3. Load Following Agreements

    (a) Alternative Energy Credit Supply Master Agreement dated August 13, 2009 between PPL Electric Utilities Corporation and PPL EnergyPlus, LLC

        (i) Transaction Confirmation for PV Alternative Energy Credits (01/01/11 – 12/31/15)

    (b) Default Service Block Supply Master Agreement dated October 21, 2010 between PPL Electric Utilities Corporation and PPL EnergyPlus, LLC

        (i) Transaction Confirmation for Block Services (01/01/11 –12/31/15)

    (c) Default Service Supply Master Agreement dated October 24, 2013 between PPL Electric Utilities Corporation and PPL EnergyPlus, LLC

        (i) Transaction Confirmation for Small C&I 9-Month Full Requirements (03/01/14 – 11/30/14)

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(ii) Transaction Confirmation for Small C&I 12-Month Full Requirements (12/01/13 – 11/30/14)

(iii) Transaction Confirmation for Residential 9-Month Full Requirements (03/01/14 – 11/30/14)

(iv) Transaction Confirmation for Residential 12-Month Full Requirements (12/01/13 – 11/30/14)

(d) Confidentiality Agreement dated April 3, 2013 between PPL EnergyPlus, LLC and PPL Electric Utilities Corporation

(e) Confidentiality Agreement dated June 7, 2012 between PPL EnergyPlus, LLC and PPL Electric Utilities Corporation (relating to Alternative Energy Credit Supply)

(f) Confidentiality Agreement dated June 7, 2012 between PPL EnergyPlus, LLC and PPL Electric Utilities Corporation (relating to Default Service Block Supply)

(g) Declaration of Authority dated October 23, 2013 by PPL Electric Utilities Corporation and PPL EnergyPlus, LLC

(h) Declaration of Authority dated January 31, 2011 by PPL Electric Utilities Corporation and PPL EnergyPlus, LLC

(i) Guaranty Agreement dated April 23, 2010 by PPL Energy Supply, LLC in favor of PPL Electric Utilities Corporation, as amended by Amendment No. 1 thereto dated April 23, 2010

4. <u>Power Sales Agreement</u> dated May 18, 2000 between PPL Electric Utilities Corporation and PPL EnergyPlus, LLC (for resale of NUG output)

5. <u>Agreements with PPL Mechanical Contractor Subsidiaries</u>

(a) Contract for Bi-annual Planned Maintenance for Harwood Substation dated August 1, 2011 between McClure Company and PPL Electric Utilities Corporation.

(b) Contract to Inspect and Repair Air-Conditioning Unit in 230 Building dated May 14, 2014 between McClure Company and PPL Electric Utilities Corporation.

(c) Contract for Stanton Control Cubicle HVAC dated December 12, 2013 between McClure Company and PPL Electric Utilities Corporation.

(d) Contract for Telemetric/QEI Radio Replacement ROC Conversion dated February 23, 2014 between McCarl's Inc. and PPL Electric Utilities Corporation.

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6. Commitments Regarding Pollution Control Facilities, dated July 1, 2000, by PPL Montour, LLC, PPL Brunner Island, LLC, PPL Martins Creek, LLC, PPL Holtwood, LLC and PPL Susquehanna, LLC, in favor of PPL Electric Utilities Corporation

7. PPL IEC Tariff Agreements

   (a) Gas Transportation Services Agreement dated August 30, 2002 between PPL Interstate Energy Company and PPL Martins Creek, LLC (PA PUC Tariff No. 4)

   (b) Gas Transportation Services Agreement dated August 30, 2002 between PPL Interstate Energy Company and Lower Mount Bethel Energy, LLC (PA PUC Tariff No. 5)

   (c) Transportation Services Agreement dated May 25, 2004 between PPL Interstate Energy Company and PPL Martins Creek, LLC (PA PUC Tariff No. 7)

   (d) Transportation Services Agreement dated May 25, 2004 between PPL Interstate Energy Company and Lower Mount Bethel Energy, LLC (PA PUC Tariff No. 7)

8. Other PPL IEC Affiliate Agreements

   (a) Reimbursement, Construction and Ownership Agreement dated January 8, 2002 among Lower Mount Bethel Energy, LLC as successor in interest to LMB Funding, Limited Partnership, PPL Martins Creek, LLC and PPL Interstate Energy Company

   (b) Tank Farm Operating Agreement dated July 31, 1992 between Interstate Energy Company (n/k/a PPL Interstate Energy Company) and PPL Martins Creek, LLC as assignee of Pennsylvania Power & Light Company

   (c) Base Contract for Retail Sale and Purchase of Natural Gas or Electricity dated August 24, 2010 between PPL EnergyPlus, LLC and PPL Interstate Energy Company

      (i) Transaction Confirmation dated February 28, 2013 (for sale of electricity from March 2013 to February 2015)

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APPENDIX N

List of intercompany affiliate agreements that will remain in place unchanged after closing, but PPL Energy Supply and its subsidiaries will no longer be parties

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APPENDIX N
List of Intercompany Affiliate Agreements to which
PPL Energy Supply and its Subsidiaries
Will No Longer be Parties

1. Services Agreement, dated April 27, 1995, by and between PP&L Resources, Inc. and Pennsylvania Power and Light Company.

2. Agreement for Filing Consolidated Income Tax Returns and For Allocation of Consolidated Income Tax Liability and Benefits, dated November 1, 2010, by and among PPL Corporation and its subsidiaries.

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APPENDIX O

List of interconnection agreements between PPL Energy Supply and its subsidiaries and PPL EU

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APPENDIX O
List of Interconnection Agreements among
PPL Energy Supply and its Subsidiaries and PPL EU

1. Remain in Place After Closing

   a. PPL Generation

      i. Interconnection Service Agreement, effective December 11, 2012, among PJM Interconnection, L.L.C., Lower Mount Bethel Energy, LLC and PPL Electric Utilities Corporation

   b. PPL Renewable Energy

      i. Interconnection Agreement, dated May 14, 2013, by and between PPL Electric Utilities Corporation and PPL Renewable Energy, LLC (*Frey Farm Landfill*)

      ii. Interconnection Service Agreement, dated March 29, 2010, by and among PJM Interconnection, L.L.C., Turkey Hill LP, and PPL Electric Utilities Corporation (*Frey Farm Wind*)

      iii. Interconnection Agreement, dated March 2, 2012, by and between PPL Electric Utilities Corporation and PPL Renewable Energy, LLC (*Lycoming County Landfill*)

2. Replaced Upon Closing via FERC *Pro Forma* Interconnection Agreement

   a. PPL Generation

      i. Nuclear Generator Interconnection Agreement, effective July 1, 2000, between PPL Electric Utilities Corporation (f/k/a PP&L, Inc.) and PPL Susquehanna, LLC

      ii. Interconnection Service Agreement, effective January 23, 2006, among PJM Interconnection, L.L.C., PPL Susquehanna, LLC and PPL Electric Utilities Corporation

      iii. Generator Interconnection Agreement, effective July 1, 2000, between PPL Electric Utilities Corporation (f/k/a PP&L, Inc.) and PPL Brunner Island, LLC

      iv Interconnection Service Agreement, effective July 1, 2000, between PJM Interconnection, L.L.C. and PPL Brunner Island, LLC

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v. Generator Interconnection Agreement, effective July 1, 2000, between PPL Electric Utilities Corporation (f/k/a PP&L, Inc.) and PPL Montour, LLC

vi. Interconnection Service Agreement, effective August 16, 2004, among PJM Interconnection, L.L.C., PPL Montour, LLC and PPL Electric Utilities Corporation

vii. Generator Interconnection Agreement, effective July 1, 2000, between PPL Electric Utilities Corporation (f/k/a PP&L, Inc.) and PPL Martins Creek, LLC

viii. Interconnection Service Agreement, effective July 1, 2000, between PJM Interconnection, L.L.C. and PPL Martins Creek, LLC ix. Generator Interconnection Agreement, effective July 1, 2000, between PPL Electric Utilities Corporation (f/k/a PP&L, Inc.) and PPL Holtwood, LLC

x. Interconnection Service Agreement, effective February 21, 2008, among PJM Interconnection, L.L.C., PPL Holtwood, LLC and PPL Electric Utilities Corporation

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