



Force for Good

TALEN[™]
ENERGY

Exhibit A: Cleansing Materials | August 2022

Disclaimers

Non-GAAP Financial Measures

We include in this presentation Adjusted EBITDA, Adjusted Free Cash Flow, and Realized Energy Margin, which are not financial measures prepared under United States Generally Accepted Accounting Principles ("GAAP"). Non-GAAP measures, such as Adjusted EBITDA, Adjusted Free Cash Flow, and Realized Energy Margin, do not have definitions under GAAP and may be defined differently by, and not be comparable to, similarly titled measures used by other companies or used in our credit facilities, the indentures governing our notes or any of our other debt agreements. Generally, a non-GAAP financial measure is a numerical measure of financial performance, financial position, or cash flows that excludes (or includes) amounts that are included in (or excluded from) the most directly comparable measure calculated and presented in accordance with GAAP. Management cautions investors not to place undue reliance on such non-GAAP measures, but to consider them along with their most directly comparable GAAP measures. Adjusted EBITDA, Adjusted Free Cash Flow, and Realized Energy Margin have limitations as analytical tools and should not be considered in isolation or as a substitute for analyzing our results as reported under GAAP.

Market and Industry Data

This presentation has been prepared by the Company, a wholly-owned subsidiary of Talen Energy Corporation ("TEC"), and includes market data and other information from independent industry publications as well as surveys and our own research and knowledge of the industry. Some data is also based on management's estimates, which are derived from our review of internal sources, as well as the independent sources described above. Although we believe these sources are reliable, we have not independently verified the information and cannot guarantee its accuracy and completeness. As a result, you should be aware that market share, ranking and other similar data set forth in this presentation, and estimates and beliefs based on such data, may not be reliable.

Forward Looking Statements

This presentation has been prepared by TES. Statements contained in this presentation concerning expectations, beliefs, plans, objectives, goals, strategies, future events or performance and underlying assumptions and other statements that are not statements of historical fact are "forward-looking statements." These statements often include words such as "believe," "expect," "anticipate," "intend," "plan," "estimate," "target," "project," "forecast," "seek," "will," "may," "should," "could," "would" or similar expressions. Talen undertakes no obligation to update forward-looking statements to reflect events or circumstances after the date on which such statement is made or to reflect the occurrence of unanticipated events. New factors emerge from time to time, and it is not possible for us to predict all of these factors. Although we believe that the expectations and assumptions reflected in these statements are reasonable, there can be no assurance that these expectations will prove to be correct. Forward-looking statements are subject to many risks and uncertainties, and actual results may differ materially from the results discussed in forward-looking statements. In addition to the specific factors discussed in "Significant Business Risks" in the TES financial statements, the following are among the important factors that could cause actual results to differ materially from the forward-looking statements: Talen's or its subsidiaries' levels of indebtedness; the terms and conditions of debt instruments that may restrict Talen's ability to operate its business; operational, price and credit risks in the wholesale and retail electricity markets; the effectiveness of Talen's risk management techniques, including hedging, with respect to electricity and fuel prices, interest rates and counterparty credit and non-performance risks; methods of accounting and developments in or interpretations of accounting requirements that may impact reported results, including with respect to, but not limited to, hedging activity; Talen's ability to forecast the actual load needed to perform full-requirements sales contracts; the effects of transmission congestion due to line maintenance outages and the performance of transmission facilities and any changes in the structure and operation of, or the pricing limitations imposed by, the Regional Transmission Organization ("RTOs") and Independent System Operators ("ISOs") that operate those facilities; blackouts due to disruptions in neighboring interconnected systems; federal and state legislation and regulation, including federal and state tax laws and regulations, and costs of complying with governmental permits and approvals; costs of complying with environmental and related worker health and safety laws and regulations; the impacts of climate change, including changes in regulation or their enforcement; the availability and cost of emission allowances; the performance of Talen's subsidiaries and affiliates, on which the ability of its subsidiaries to meet their debt obligations largely depend; the risks inherent with variable rate indebtedness; disruption in or adverse developments of financial markets; acquisition or divestiture activities, including Talen's ability to realize expected synergies and other benefits from such business transactions; Talen's ability to achieve anticipated cost savings; the execution and development of proposed future enterprises, including the ability to permit, develop and construct the proposed renewable energy, energy storage, data center and digital currency facilities, realization of assumptions underlying the statements regarding future enterprises, and the realization of estimates of valuations of future enterprises; Talen's ability to optimize its competitive power generation operations and the costs associated with any capital expenditures; significant increases in operation and maintenance expenses, such as health care, and pension costs, including as a result of changes in interest rates; the loss of key personnel (for health or other reasons) and the ability to hire and retain qualified employees; possibility of strikes or work stoppages by unionized employees; legislation, structure, or implementation of any tax credits benefitting zero carbon or nuclear generation facilities; war, armed conflicts or terrorist attacks, including cyber-based attacks; and pandemics, including for COVID-19.

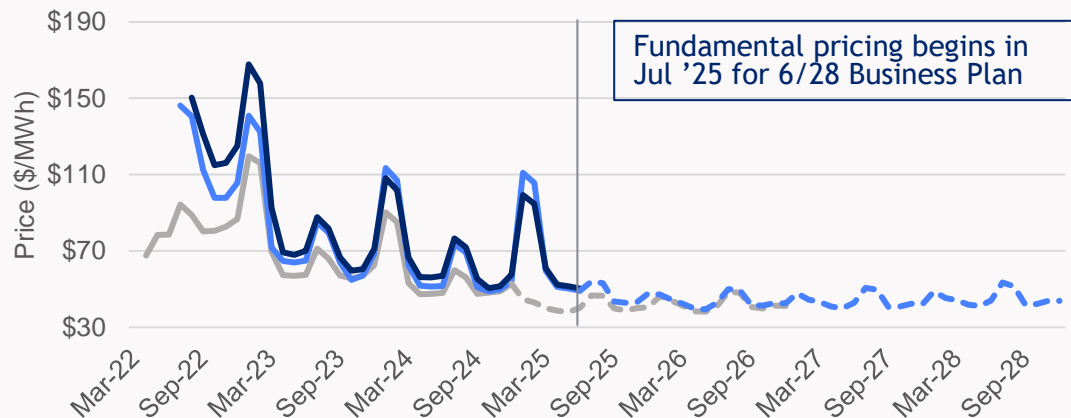
This presentation also contains preliminary financial results, which were prepared as of the date hereof and are preliminary, unaudited, unreviewed and subject to completion, based on information available to management as of the date of this presentation, subject to the closing and finalization of financial and accounting procedures for the period (which have yet to be performed) and should not be viewed as a substitute for full financial statements prepared in accordance with GAAP. Actual results may be materially different from the preliminary estimated results. As a result, prospective investors should exercise caution in relying on this information and should not draw any inferences from this information regarding financial or operating data not provided in this presentation.

This presentation also contains financial forecasts with respect to the Company's projected financial results. TES' independent auditors have not audited, reviewed, studied, compiled or performed any procedures with respect to the projections for the purpose of their inclusion in this presentation, and accordingly, they did not express an opinion or provide any other form of assurance with respect thereto for the purpose of this presentation. These projections are forward-looking statements and should not be relied upon as being necessarily indicative of future results. The assumptions and estimates underlying the prospective financial information are inherently uncertain and are subject to a wide variety of significant business, economic, and competitive risks and uncertainties that could cause actual results to differ materially from those contained in the prospective financial information. Accordingly, there can be no assurance that the prospective results are indicative of the future performance of Talen or that actual results will not differ materially from those presented in the prospective financial information. Inclusion of the prospective financial information in this presentation should not be regarded as a representation by any person that the results contained in the prospective financial information will be achieved.

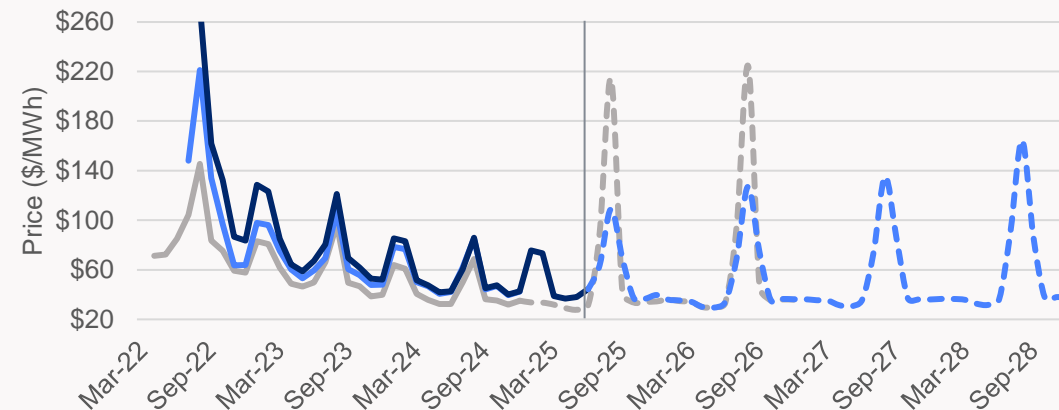
This presentation is not a research report. This presentation is strictly private and confidential and is subject to FRE 408 and its equivalents. Information in this presentation may only be used in accordance with your compliance policies and procedures, contractual obligations (including, without limitation, as regards confidentiality and restrictions on disclosure) and applicable laws and regulations. Information may not be used for any unlawful purpose. This presentation may contain material non-public information concerning TEC, TES and their subsidiaries. Some or all of the information contained herein is or may be price sensitive and the use of such information may be regulated or prohibited by applicable legislation relating to insider trading.

Commodity Price Comparison

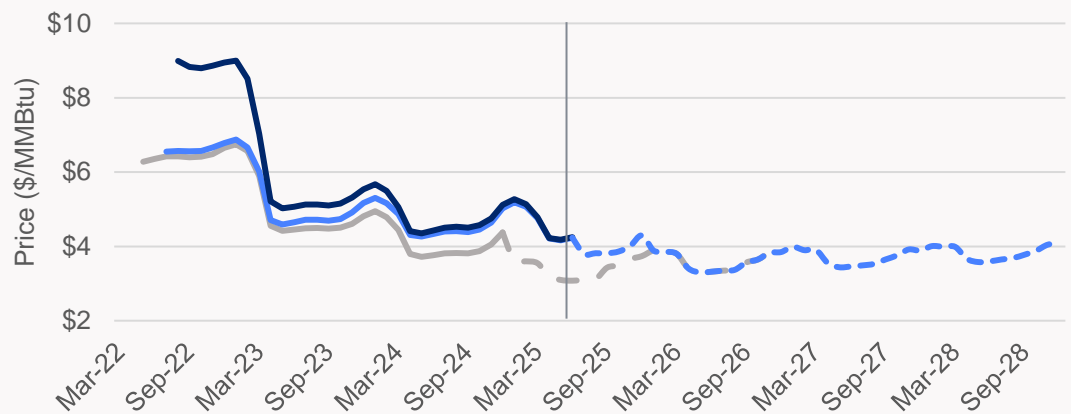
PJM Western Hub On-Peak Forward Curve



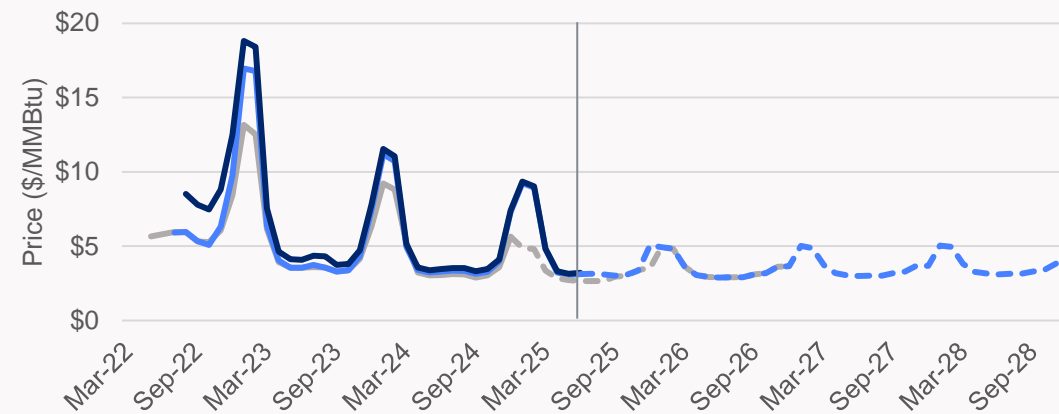
ERCOT South Hub On-Peak Forward Curve



Henry Hub Forward Curve



TETCO M3 Forward Curve



— 4/8 Forward^{1,2} — 6/28 Forward² — 7/26 Forward

1. Apr-22 prices reflect Balmo curves as of the respective forward date
2. Dashed lines reflect the fundamental pricing view underlying the long-term forecasts

Business Plan Assumptions

(\$ in millions)

| Category | Assumption | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|--------------------------------------|--|-------|--------------|-------|-------|-----------------------|-------|-----------------------|-------|-------|--|--|--|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|----|-------|-------|-------|-------|-------|------|------|------|------|-------|------|-----|-----|-----|-----|-----|------|------|------|------|-------|-----|-------|-------|-------|-------|-------|------|------|------|------|-------|------|-------|-------|-------|-------|-------|------|------|------|------|-------|-----------------|-------|-------|-------|-------|-------|------|------|------|------|-------|
| Capacity | <div>1. Talen provided volume & pricing through 23/24, PA Consulting fundamental pricing thereafter</div> <table><tr><th>ZONE</th><th colspan="5">Volume - MWs</th><th colspan="5">Pricing - \$ / MW Day</th></tr><tr><th></th><th>23/24</th><th>24/25</th><th>25/26</th><th>26/27</th><th>27/28</th><th>23/24</th><th>24/25</th><th>25/26</th><th>26/27</th><th>27/28</th></tr><tr><td>PL</td><td>5,298</td><td>5,298</td><td>5,298</td><td>5,298</td><td>5,446</td><td>\$46</td><td>\$71</td><td>\$95</td><td>\$94</td><td>\$115</td></tr><tr><td>PSEG</td><td>142</td><td>142</td><td>142</td><td>142</td><td>142</td><td>\$49</td><td>\$80</td><td>\$95</td><td>\$94</td><td>\$115</td></tr><tr><td>BGE</td><td>1,997</td><td>1,997</td><td>1,997</td><td>1,997</td><td>1,997</td><td>\$67</td><td>\$71</td><td>\$95</td><td>\$94</td><td>\$115</td></tr><tr><td>LMBE</td><td>2,049</td><td>2,049</td><td>2,049</td><td>2,049</td><td>2,049</td><td>\$48</td><td>\$71</td><td>\$95</td><td>\$94</td><td>\$115</td></tr><tr><td>Total / Wtd Avg</td><td>9,487</td><td>9,487</td><td>9,487</td><td>9,487</td><td>9,635</td><td>\$51</td><td>\$71</td><td>\$95</td><td>\$94</td><td>\$115</td></tr></table> | ZONE | Volume - MWs | | | | | Pricing - \$ / MW Day | | | | | | 23/24 | 24/25 | 25/26 | 26/27 | 27/28 | 23/24 | 24/25 | 25/26 | 26/27 | 27/28 | PL | 5,298 | 5,298 | 5,298 | 5,298 | 5,446 | \$46 | \$71 | \$95 | \$94 | \$115 | PSEG | 142 | 142 | 142 | 142 | 142 | \$49 | \$80 | \$95 | \$94 | \$115 | BGE | 1,997 | 1,997 | 1,997 | 1,997 | 1,997 | \$67 | \$71 | \$95 | \$94 | \$115 | LMBE | 2,049 | 2,049 | 2,049 | 2,049 | 2,049 | \$48 | \$71 | \$95 | \$94 | \$115 | Total / Wtd Avg | 9,487 | 9,487 | 9,487 | 9,487 | 9,635 | \$51 | \$71 | \$95 | \$94 | \$115 |
| ZONE | Volume - MWs | | | | | Pricing - \$ / MW Day | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | 23/24 | 24/25 | 25/26 | 26/27 | 27/28 | 23/24 | 24/25 | 25/26 | 26/27 | 27/28 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| PL | 5,298 | 5,298 | 5,298 | 5,298 | 5,446 | \$46 | \$71 | \$95 | \$94 | \$115 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| PSEG | 142 | 142 | 142 | 142 | 142 | \$49 | \$80 | \$95 | \$94 | \$115 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| BGE | 1,997 | 1,997 | 1,997 | 1,997 | 1,997 | \$67 | \$71 | \$95 | \$94 | \$115 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| LMBE | 2,049 | 2,049 | 2,049 | 2,049 | 2,049 | \$48 | \$71 | \$95 | \$94 | \$115 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Total / Wtd Avg | 9,487 | 9,487 | 9,487 | 9,487 | 9,635 | \$51 | \$71 | \$95 | \$94 | \$115 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Energy Margins | Market prices as of 6/28/2022 through June 2025, PA Consulting fundamental prices thereafter | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| RGGI | RGGI is implemented in Pennsylvania on July 1, 2022; Assumed pricing of ~\$14/ton through June ‘25; ~\$10/ton thereafter Contracted purchases of ~\$37mm of RGGI credits in February 2023 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Coal Conversion | Includes ~\$200mm of conversion spend across 3 facilities through 2025 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Cumulus Coin & Data | <div>1. TES funding of ~\$110mm; Data center completion of DC1 (48MW) & Coin completion of Phase 1 (200MW)</div> <div>2. TES preferred equity forecasted to convert to common equity in Q3 2027</div> <div>3. PPA to provide up to 148MW delivered from Susquehanna</div> <div> a) 100MW @ \$28.81/MWh (Nautilus JV)</div> <div> b) 48MW @ \$40.00/MWh</div> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Renewables / Battery Storage Funding | <div>1. Renewables – Contributions (net of dividends received) of ~\$25mm (1.7GW Pipeline)</div> <div>2. Battery Storage – Contributions (net of dividends received) of ~\$20mm (1GW pipeline)</div> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Restructuring Assumptions | <div>1. Assumed emergence date of March 31, 2023</div> <div>2. Professional fees contemplate current debtor, creditor and committee professionals</div> <div>3. RSA periodic premium cash payment election assumed to be 33%; cash payment of period premium beginning June 2022</div> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Bankruptcy Emergence | All existing secured debt assumed to be settled via cash on hand and the proceeds of the rights offering | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

Potential Upside

(\$ in millions)

| Category | Description / Assumption |
|-----------------------------|---|
| Incremental Extrinsic Value | <ol style="list-style-type: none"> 1. Generally, extrinsic value is the potential value a portfolio could see as a result of increased market volatility while intrinsic value can be thought of as what the market implies for value today 2. Current limitations under the debtor-in-possession financing restrict TES's ability to realize extrinsic value 3. Post-emergence, TES seeking increased flexibility from is post-exit financing to enable the capture of extrinsic value |
| Nuclear PTC | <ol style="list-style-type: none"> 1. Nuclear Production Tax Credit ("PTC") is dependent on future legislation and there is significant uncertainty on if or when this legislation will be enacted 2. Latest available PTC language stated nuclear PTC could provide a benefit for zero-carbon nuclear generating assets starting at \$25/MWh, though the final PTC structure (if implemented) remains to be determined 3. Proposed benefit assumed to decrease linearly between \$25/MWh and \$44/MWh and is fully phased out at prices above \$44/MWh 4. TES expects limited benefit until 2026 and approximately \$140mm annual benefit 2026+ 5. Assumes a final PTC structure under which TES can fully monetize the potential PTC benefit in year following the accrual |

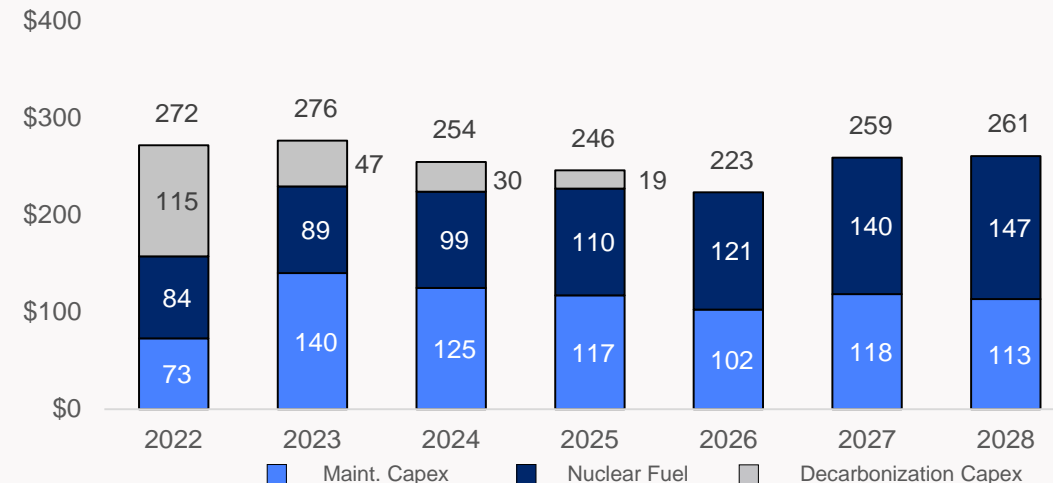
Forecast Overview - 6/28 Business Plan

(\$ in millions)

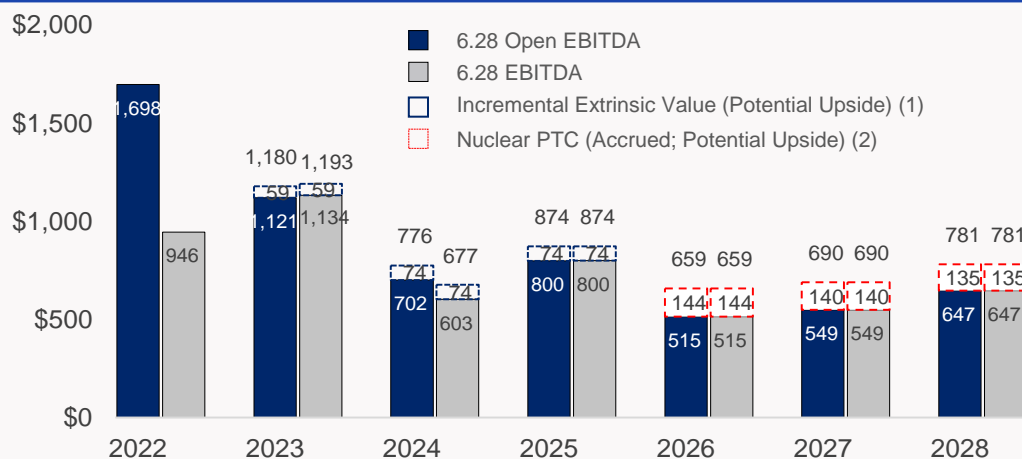
TES Gross Margin



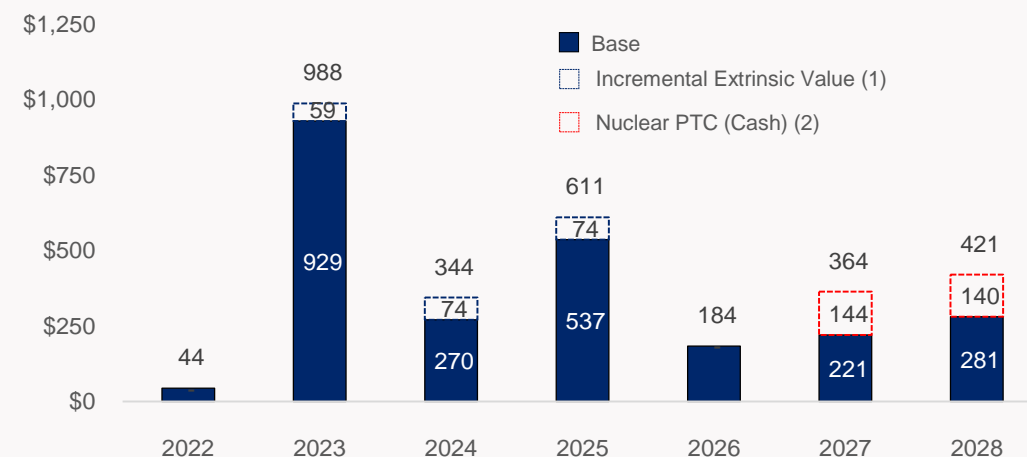
TES Capital Expenditures



TES Adj. EBITDA & Open EBITDA



TES Unlevered Free Cash Flow (3)



Unlevered free cash flow represents Adjusted Free Cash Flow excluding interest and professional fees, plus the impact of net working capital, repayment of capacity trade obligations, cash flow from inventory financing, and other cash items (excluding debt service)

Implied Rights Offering & Capital Structure | 6/28 Business Plan

Assumes 3/31/23 emergence

| Required Rights Offering | |
|--|------------------|
| Pre-Emergence Cash | \$1,430 |
| Release of LC & Surety Cash Collateral | - |
| (+) Release of CAF Collateral ¹ | 89 |
| Cash from Normalized Vendor Terms | - |
| (-) Illustrative Transaction Costs | (100) |
| New Exit Financing Facilities | 1,578 |
| PF Available Cash | \$2,998 |
| (-) DIP Claims Repaid in Cash | (\$1,000) |
| (-) Net LMBE-MC Debt Paid in Cash ² | (266) |
| Unsecured Claim Cash Pool | [TBD] |
| 1L Claims ^{3,4} | (3,109) |
| Claim to be Satisfied at Emergence | (4,375) |
| Cash Balance Pre-Rights Offering | (\$1,378) |
| Minimum Cash Requirement | (\$150) |
| Required Rights Offering | \$1,528 |

| Pro Forma Cap Table | |
|---|----------------|
| \$500mm 1L [First-Out] RCF Facility | \$ - |
| New Exit Financing Facilities | 1,578 |
| Reinstated PEDFA | 131 |
| Total Debt | \$1,709 |
| (-) Cash | (\$150) |
| Net Debt | \$1,559 |
| Memo: | |
| \$500mm 1L LC Facility ⁵ | \$486 |
| Restricted Cash | \$83 |
| Hedging Collateral ⁶ | 110 |
| Surety Bond Collateral Postings | 104 |
| Restricted and Supplemental Collateral | \$297 |

Source: 6/28 Business Plan

1. Release of cash collateral includes: \$~89mm of cash collateralized LCs

2. Estimated LMBE term loan balance of \$287mm less \$21mm of estimated LMBE cash based on 6/28 pricing

3. Estimated 1L claims includes accrued interest for all tranches through the petition date, make whole claims for the Commodity Accordion calculated using contracted LIBOR as of the petition date (no default interest), one month of accrued but unpaid interest as of the emergence date. Claims amounts are estimates and subject to material revision

4. Consistent with the DIP budget, claims balance assumes 1L ISDA hedges are settled in ordinary course

5. Assumes all existing \$458mm of LCs (including \$135mm of LCs supporting Series B & C PEDFA bonds) are rolled into the post-emergence facility plus \$10mm of LCs incurred under the DIP RCF plus \$18mm of anticipated credit support required before emergence

6. Includes \$10mm for PJM, \$85mm for hedge collateral, and \$15mm for other counterparties

Consolidated Hedge Position Summary

ATC Hedge Positions as of 6/28 ^(1,2)

| | Q3 '22 | Q4 '22 | Q1 '23 | Q2 '23 | Q3 '23 | Q4 '23 |
|-----------------------|--------|--------|--------|--------|--------|--------|
| <u>PJM</u> | | | | | | |
| Hedged % (ATC) | 81% | 58% | 50% | 33% | 26% | 20% |
| UCAP Hedged % (ATC) | 48% | 32% | 33% | 12% | 10% | 7% |
| Gas % Hedged | 54% | 72% | 227% | 189% | 66% | 334% |
| <u>ERCOT</u> | | | | | | |
| Hedged % (ATC) | 58% | 117% | 40% | 54% | 36% | 87% |
| UCAP Hedged % (ATC) | 49% | 47% | 28% | 25% | 23% | 21% |
| Gas % Hedged | 65% | 106% | 51% | 78% | 58% | 111% |
| <u>Montana</u> | | | | | | |
| Hedged % (ATC) | 52% | 43% | 0% | 0% | 0% | 0% |
| UCAP Hedged % (ATC) | 52% | 42% | 0% | 0% | 0% | 0% |

Notes:

(1) Does not necessarily reflect all option positions; includes LMBE-MC hedges

(2) The Company hedges its expected power generation and natural gas consumption consistent with its risk policy. As market conditions change (and therefore expected generation and natural gas consumption change), the percentage hedged may also fluctuate, including by exceeding 100% of the then-expected generation / consumption.

- In July 2022, Talen Energy Supply, LLC (collectively, with its direct and indirect controlled subsidiaries, the “Company”) entered into confidentiality agreements with certain members of the ad hoc group of the Company’s senior unsecured noteholders (the “Ad Hoc Group” and, together with the Company, the “Parties”)
- In July 2022, the Company received an unsolicited indication of interest from a well-capitalized potential bidder
- Accordingly, the Parties negotiated and have included a “go-shop” period as a component of the amended restructuring support agreement entered into on August 4, 2022

First Amendment to Restructuring Support Agreement and Restructuring Term Sheet



FIRST AMENDMENT TO RESTRUCTURING SUPPORT AGREEMENT

This **FIRST AMENDMENT TO RESTRUCTURING SUPPORT AGREEMENT** (this “Amendment”), dated as of August 4, 2022, to that certain Restructuring Support Agreement, dated as of May 9, 2022, by and among the Company and the Consenting Parties (each as defined therein) (as may be amended, restated, supplemented, or otherwise modified from time to time, the “Restructuring Support Agreement”) is entered into by and among the following parties (each, a “Party” and, collectively, the “Parties”):¹

- (a) the Company; and
- (b) the undersigned Consenting Parties, collectively comprising the Requisite Consenting Parties and the Requisite Backstop Commitment Parties.

RECITALS

WHEREAS, on May 9, 2022, the Company and the Initial Consenting Parties entered into the Restructuring Support Agreement;

WHEREAS, Section 9(a) of the Restructuring Support Agreement provides that the Restructuring Support Agreement may be modified, amended, or supplemented, or a condition or requirement of the Restructuring Support Agreement (or any exhibit, annex, or schedule thereto) may be waived, in a writing signed by (a) each Company Party, and (b) the Requisite Consenting Parties;

WHEREAS, pursuant to Section 9(a), the Parties desire to amend the Restructuring Support Agreement in accordance with the terms as set forth herein;

NOW, THEREFORE, in consideration of the covenants and agreements contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, each Party, intending to be legally bound hereby, agrees as follows:

AGREEMENT

1. Amendments to the Restructuring Support Agreement

- (a) Restructuring Term Sheet

The Restructuring Term Sheet, attached as Exhibit B to the Restructuring Support Agreement, shall be replaced with the amended Restructuring Term Sheet attached hereto as Exhibit A (the “**Amended Restructuring Term Sheet**”), which shall take full force and effect upon the effectiveness of this Amendment. A redline of the Revised Restructuring Term Sheet against the Restructuring Term Sheet is attached hereto as Exhibit B.

¹ Capitalized terms used but not otherwise defined herein have the meanings ascribed to such terms in the Restructuring Support Agreement.

(b) Definitions

Section 1(e) of the Restructuring Support Agreement shall be amended as follows:

(e) **“Backstop Commitment Letter”** means that certain backstop commitment letter to be entered into in accordance with the Milestones, in the form attached hereto as **Exhibit C** (except for any changes mutually agreed on between the Company and the Required Backstop Parties) **(as amended, modified, or reinstated)**.

Section 1 of the Restructuring Support Agreement shall be amended to add the following new subsections (ttt) and (uuu):

(ttt) **“Company Parties”** means TES and the direct and indirect wholly owned subsidiaries listed on **Exhibit A** to this Agreement.

(uuu) **“Eligible Alternative Restructuring”** means a chapter 11 plan, other than the Plan, (x) providing for the: (i)(A) satisfaction in full, including any accrued but unpaid interest (including postpetition interest at the contract rate, as increased due to the Company’s default), of all Claims arising under the DIP Documents (as defined in the *Final Order (A) Authorizing the Debtors to Obtain Post-Petition Financing, (B) Authorizing the Debtors to Use Cash Collateral, (C) Granting Liens and Providing Claims with Superpriority Administrative Expense Status, (D) Granting Adequate Protection to the Prepetition First Lien Secured Parties, (E) Modifying the Automatic Stay, and (F) Granting Related Relief* [Docket No. 588] (the **“Final DIP Order”**)), (B) satisfaction in full, including any accrued but unpaid interest (including postpetition interest at the contract rate, as increased due to the Company’s default), of all Claims arising under the Prepetition First Lien Debt Documents (as defined in the Final DIP Order), and (C) satisfaction in full of all Claims arising under the Unsecured Notes Indentures; (ii) payment of any fees due and payable in accordance with the Backstop Approval Order; and (iii) treatment of all other Claims against the Company on terms that are no less favorable than as provided in the Restructuring Term Sheet; or (y) that has been consented to by the Requisite Consenting Parties on or prior to the Voting Deadline.

(c) Agreements of the Consenting Parties

Section 3.01(f) shall be amended as follows:

(f) timely vote (or cause to be voted) its Claims or Interests against any Alternative Restructuring **other than an Eligible Alternative Restructuring**;

The Restructuring Support Agreement shall be amended to add the following new Section 4.03:

Section 4.03 Go-Shop. Notwithstanding Section 4.02(c), the Parties acknowledge that, during the 92-day period following entry of the Backstop Approval Order, the Company shall be authorized to, directly or indirectly: (i) solicit, initiate, facilitate, encourage, develop, and negotiate one or more Payout Event Proposals, including by furnishing, or causing to be furnished, information concerning the Company in connection with the solicitation, development, and/or negotiation of such proposals or potential proposals

following entry into one or more customary non-disclosure agreements and (ii) enter into, continue or otherwise participate in any discussions or negotiations with respect to any Alternative Restructuring Proposal or otherwise cooperate with or assist or participate in or facilitate any such discussions or negotiations or any effort or attempt to make any Alternative Restructuring Proposal (the “Go-Shop”). The Go-Shop shall be conducted in accordance with bidding and auction procedures that shall be in form and substance reasonably acceptable to the Requisite Consenting Parties. The Consenting Parties and the Unsecured Creditor Group Advisors shall have reasonable information and consultation rights related to bidding (subject to confidentiality restrictions) and qualifying bids.

(d) Consenting Party Termination Events

Section 5.02(b) of the Restructuring Support Agreement shall be amended as follows:

(b) termination of the DIP Financing, **unless the Debtors shall have refinanced or repaid such DIP Financing within ten (10) Business Days of the occurrence of such termination;**

Section 5.02(c) of the Restructuring Support Agreement shall be amended as follows:

(c) the Company withdraws or modifies the Plan or Disclosure Statement or files any motion or pleading with the Bankruptcy Court that is in any material respect inconsistent with this Agreement or the Plan and such withdrawal, modification, motion, or pleading has not been revoked before the earlier of (i) three (3) Business Days after the Company receives written notice from the Requisite Consenting Parties that such withdrawal, modification, motion, or pleading is materially inconsistent with this Agreement or the Plan and (ii) entry of an order of the Bankruptcy Court approving such withdrawal, modification, motion, or pleading **(provided that the Requisite Consenting Parties shall have given notice to the Debtors and the Official Committee of Unsecured Creditors promptly following the filing, if any, leading to such order);**

Section 5.02(h) of the Restructuring Support Agreement shall be amended as follows:

(h) the Bankruptcy Court enters an order denying confirmation of the Plan or any material provision thereof, including any provisions in the Plan relating to releases by the Company Parties of the Consenting Parties, ~~or any material provisions relating to third party releases of the Consenting Parties~~ and such order remains in effect for five (5) Business Days following the entry thereof;

Section 5.02(n) of the Restructuring Support Agreement shall be amended as follows:

(n) the occurrence of the DIP Financing maturity date or the termination of the DIP Order, **unless the Debtors shall have refinanced or repaid the DIP Financing within ten (10) Business Days of the occurrence of the maturity thereof or termination of the DIP Order, as applicable.**

Section 5.02 of the Restructuring Support Agreement shall be amended to add the following Section 5.02(o):

(o) the Company notifies the Consenting Parties of the Company's intent to pursue an Alternative Restructuring that is not an Eligible Alternative Restructuring.

(e) Company Party Termination Events

Section 5.03(i) of the Restructuring Support Agreement shall be amended as follows:

(i) the material breach by one or more of the Consenting Parties of any of the representations, warranties, covenants, or other obligations of the **Consenting Parties** ~~Company~~ set forth in this Agreement, which breach has not been cured (if curable) within ten (10) Business Days of written notice from the Company;

(f) Passage of Time

The Restructuring Support Assignment shall be amended to add the following Section 25:

15. Passage of time.

With respect to any Milestone or other reference of time herein, if the last day of such period falls on a Saturday, Sunday, or a "legal holiday," as defined in Rule 9006(a) of the Federal Rules of Bankruptcy Procedure, such Milestone or other reference of time shall be extended to the next such day that is not a Saturday, Sunday, or a "legal holiday," as defined in Rule 9006(a) of the Federal Rules of Bankruptcy Procedure; *provided, for the avoidance of doubt*, that any Milestone with respect to a hearing date shall be subject to the Bankruptcy Court's availability.

2. Disclosure

Notwithstanding anything to the contrary (including the terms of any nondisclosure or other confidentiality agreement between the Company and a Consenting Party), following the effectiveness of this Amendment and no later than August 5, 2022, the Company will publicly disclose the (a) existence of this Amendment and the terms hereof and (b) the Company's updated business plan. If the Company fails to make the foregoing disclosures in compliance with the terms specified herein, any undersigned Consenting Party may publicly disclose the foregoing, including this Amendment and all of its exhibits and schedules (subject to redactions called for by Section 8 of the Restructuring Support Agreement, if any), and the Company hereby waives any claims against the undersigned Consenting Parties arising as a result of such disclosure by a Consenting Party in compliance with this Amendment and the Restructuring Support Agreement.

3. Ratification

Except as specifically provided for in this Amendment, no waivers, releases, changes, amendments, or other modifications have been made on or prior to the date hereof or are being made to the terms of the Restructuring Support Agreement or the rights and obligations of the

parties thereunder, all of which such terms are hereby ratified and confirmed and remain in full force and effect.

4. Effectiveness

This Amendment shall become effective and binding on the parties to the Restructuring Support Agreement on the date counterpart signatures to this Amendment shall have been executed by (a) the Company and (b) Parties comprising the Requisite Consenting Parties (the “Amendment Effective Date”).

5. Execution of Amendment

This Amendment may be executed and delivered in any number of counterparts and by way of electronic signature and delivery, each of which, when executed and delivered, shall be deemed an original, and all of which together shall constitute the same agreement. Except as expressly provided in this Amendment, each Person executing this Amendment on behalf of a Party has been duly authorized and empowered to execute and deliver this Amendment on behalf of said Party.

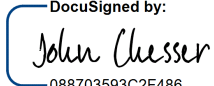
6. Governing Law; Submission to Jurisdiction; Selection of Forum

THIS AMENDMENT IS TO BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK APPLICABLE TO CONTRACTS MADE AND TO BE PERFORMED IN SUCH STATE, WITHOUT GIVING EFFECT TO THE CONFLICT OF LAWS PRINCIPLES THEREOF. Each Party hereto agrees that it shall bring any action or proceeding in respect of any claim arising out of or related to this Amendment, to the extent possible, in the Bankruptcy Court, and solely in connection with claims arising under this Amendment: (a) irrevocably submits to the exclusive jurisdiction of the Bankruptcy Court; (b) waives any objection to laying venue in any such action or proceeding in the Bankruptcy Court; and (c) waives any objection that the Bankruptcy Court is an inconvenient forum or does not have jurisdiction over any Party hereto.

IN WITNESS WHEREOF, the Parties have caused this Amendment to be executed and delivered by their respective duly authorized officers or other agents, solely in their respective capacity as officers or other agents of the undersigned and not in any other capacity, as of the Amendment Effective Date.

**Company Signature Page to
the First Amendment to Restructuring Support Agreement**

**AUTHORIZED SIGNATORY OF
TALEN ENERGY SUPPLY, LLC
and each of its direct and indirect wholly owned subsidiaries
listed on Exhibit A to the Restructuring Support Agreement**


By:  DocuSigned by:
088703593C2F486
Name: John Chesser
Title: Authorized Signatory

[Signature Page to First Amendment to Restructuring Support Agreement]

**Consenting Party Signature Page to the
First Amendment to the Restructuring Support Agreement**

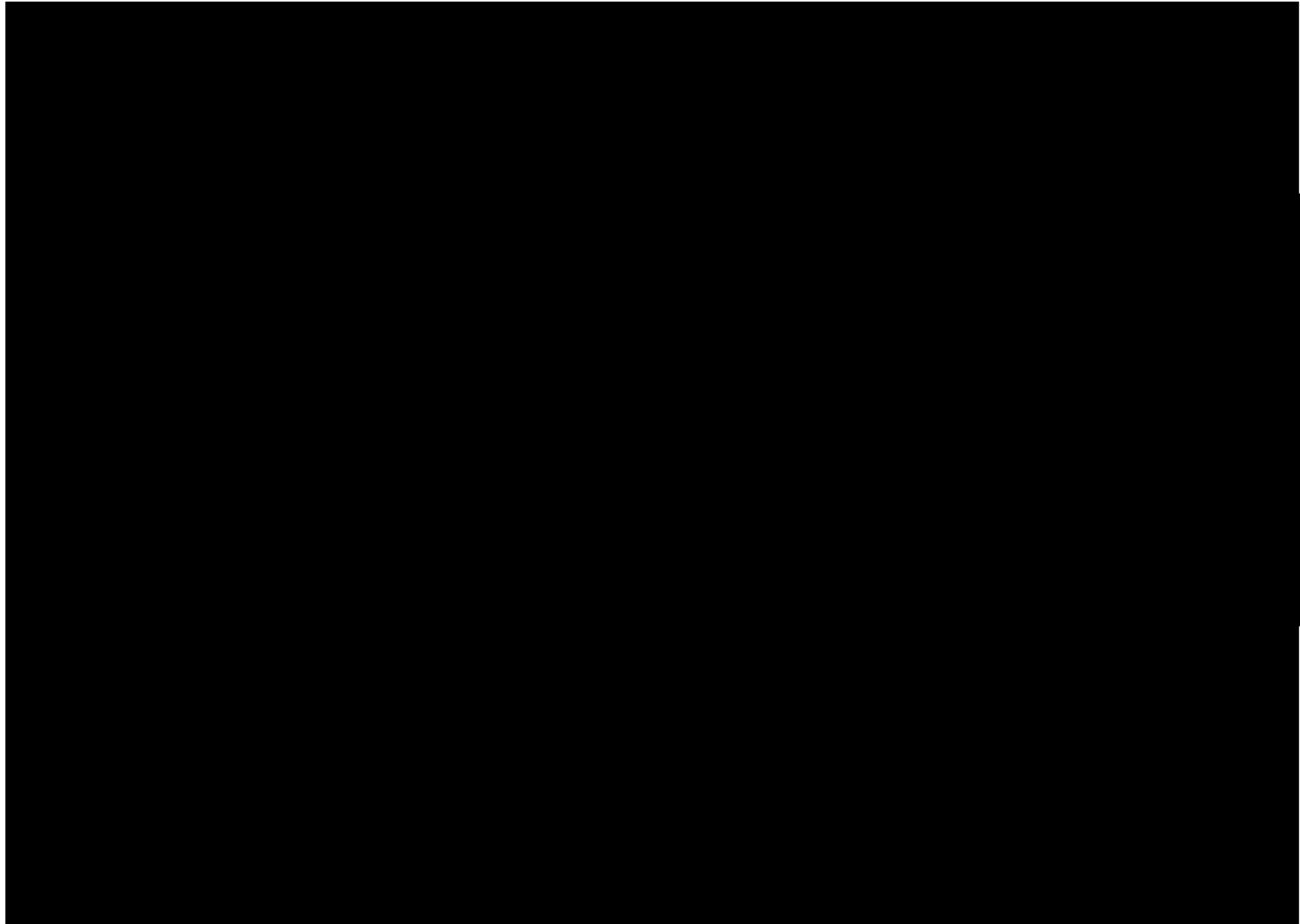
RUBRIC CAPITAL MANAGEMENT LP

As Manager or Sub-Manager on behalf of its funds and accounts

By:  _____

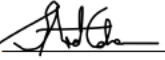
Name: Michael Nachmani

Title: Authorized Signatory



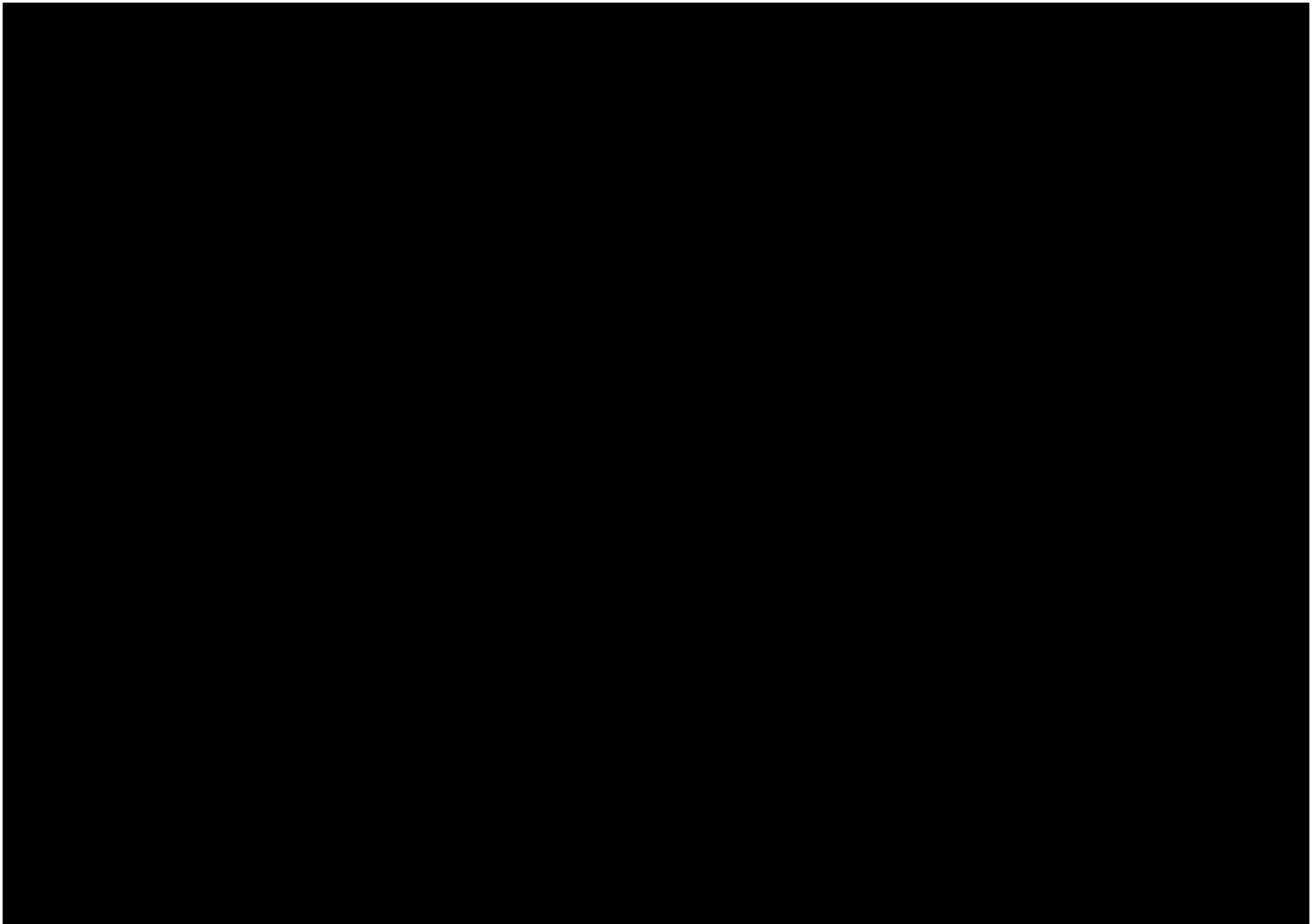
**Consenting Party Signature Page to the
First Amendment to the Restructuring Support Agreement**

[CONSENTING PARTY] Nuveen Asset Management, LLC, as investment adviser
on behalf of certain funds/accounts

By: 

Name: Stuart J. Cohen


Title: MD & Head of Legal

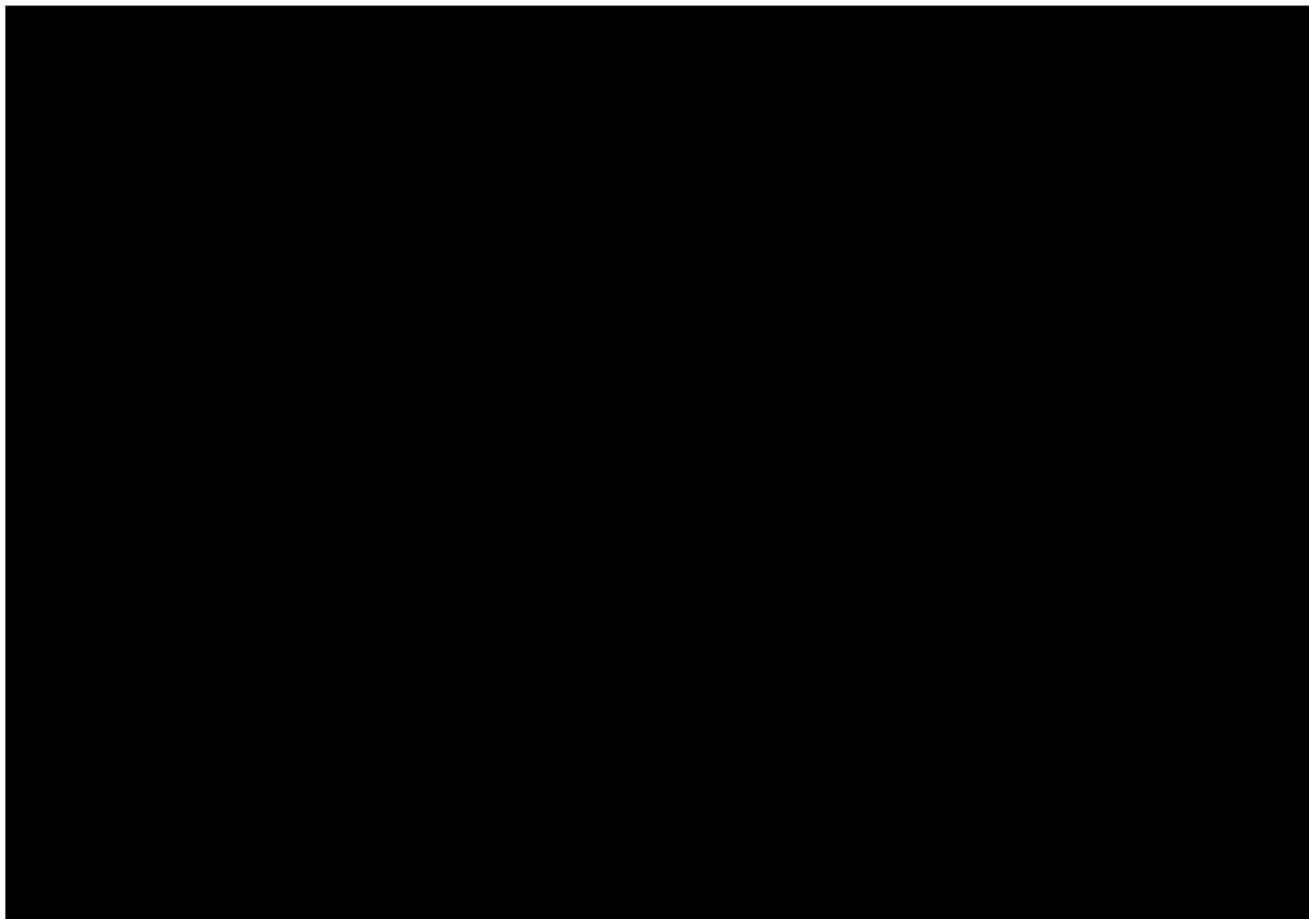


**Consenting Party Signature Page to the
First Amendment to the Restructuring Support Agreement**

CITADEL CREDIT MASTER FUND LLC

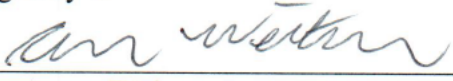
By its Manager, Citadel Advisors LLC

By:  DocuSigned by:
Name: Christopher L. Ramsay
Title: Authorized Signatory



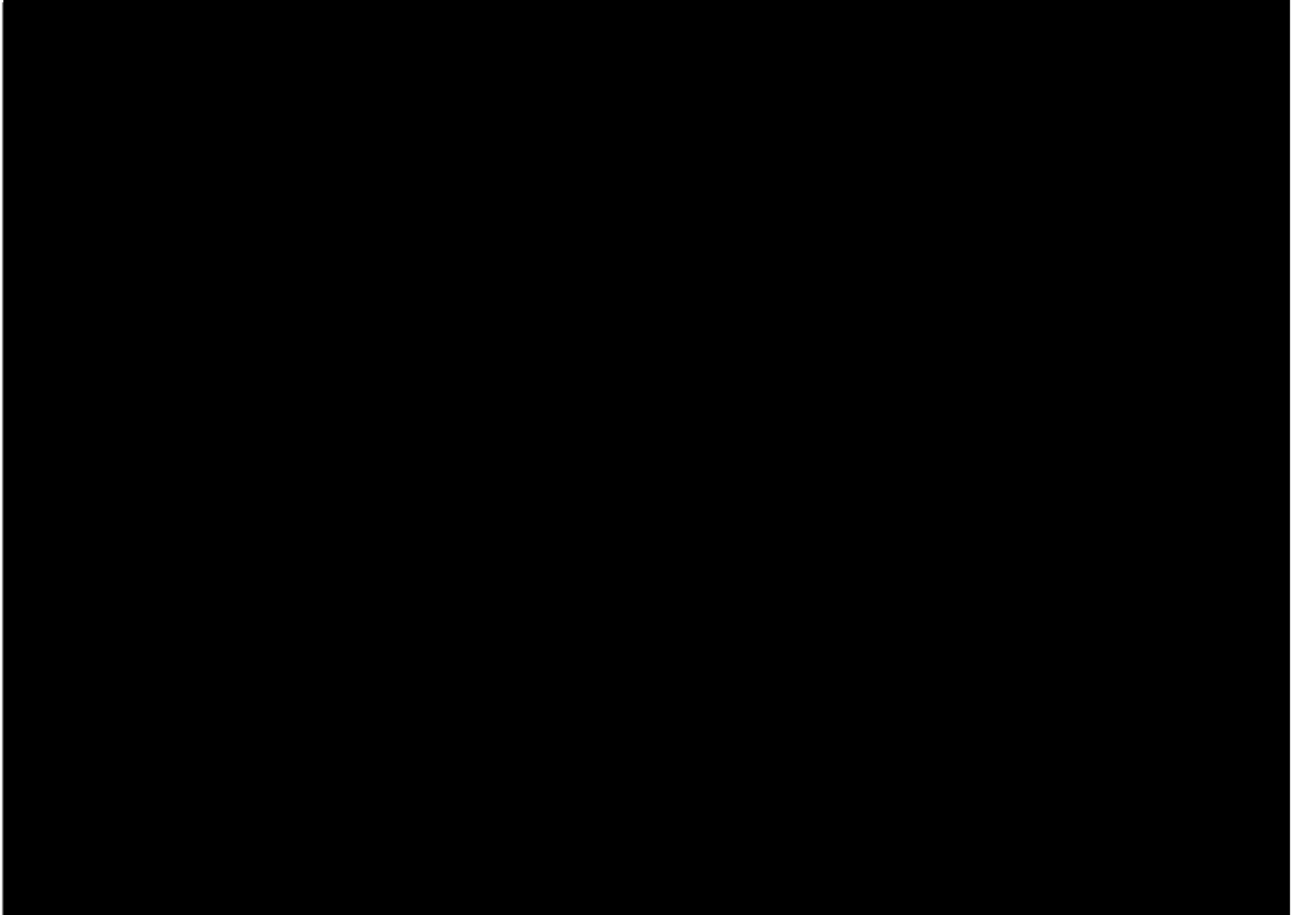
**Consenting Party Signature Page to the
First Amendment to the Restructuring Support Agreement**

CASTLEKNIGHT MANAGEMENT LP, on behalf of the funds and accounts managed or sub-managed by it

By: 

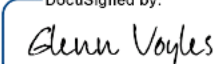
Name: Aaron Weitman

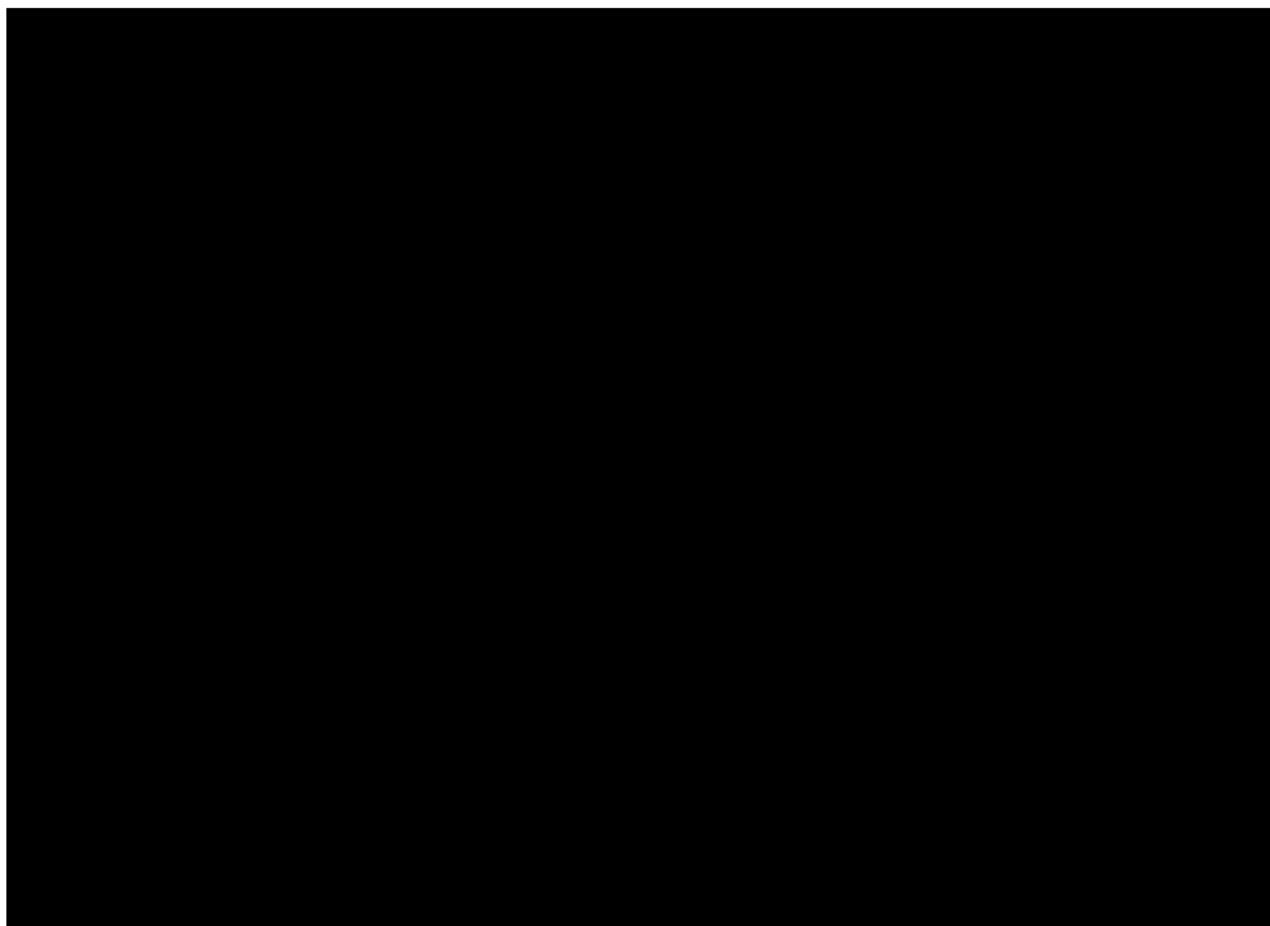
Title: Managing Partner



**Consenting Party Signature Page to the
First Amendment to the Restructuring Support Agreement**

**FRANKLIN ADVISERS, INC., AS INVESTMENT MANAGER ON BEHALF OF
CERTAIN FUNDS AND ACCOUNTS**

DocuSigned by:

By: 30EB370F3C48428
Name: Glenn Voyles
Title: SVP

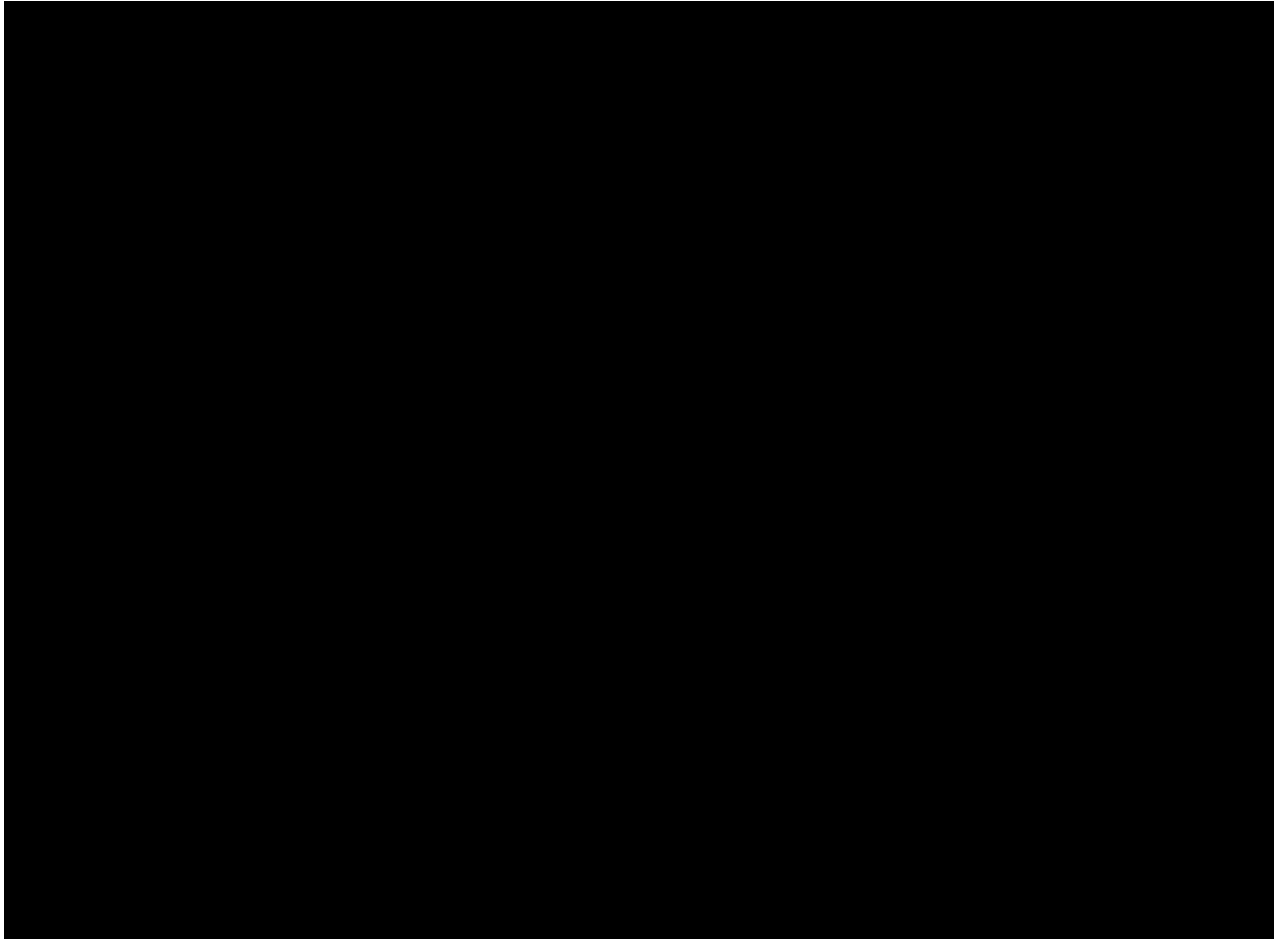


**Consenting Party Signature Page to the
First Amendment to the Restructuring Support Agreement**

**TWO SEAS CAPITAL LP
ON BEHALF OF THE FUNDS IT MANAGES**

By:  _____
Name: Sina Toussi

Title: Managing member of Two Seas Capital GP LLC,
its general partner



**Consenting Party Signature Page to the
First Amendment to the Restructuring Support Agreement**

CARRONADE CAPITAL MANAGEMENT, LP

Ashleigh Goit

Digitally signed by Ashleigh

Goit

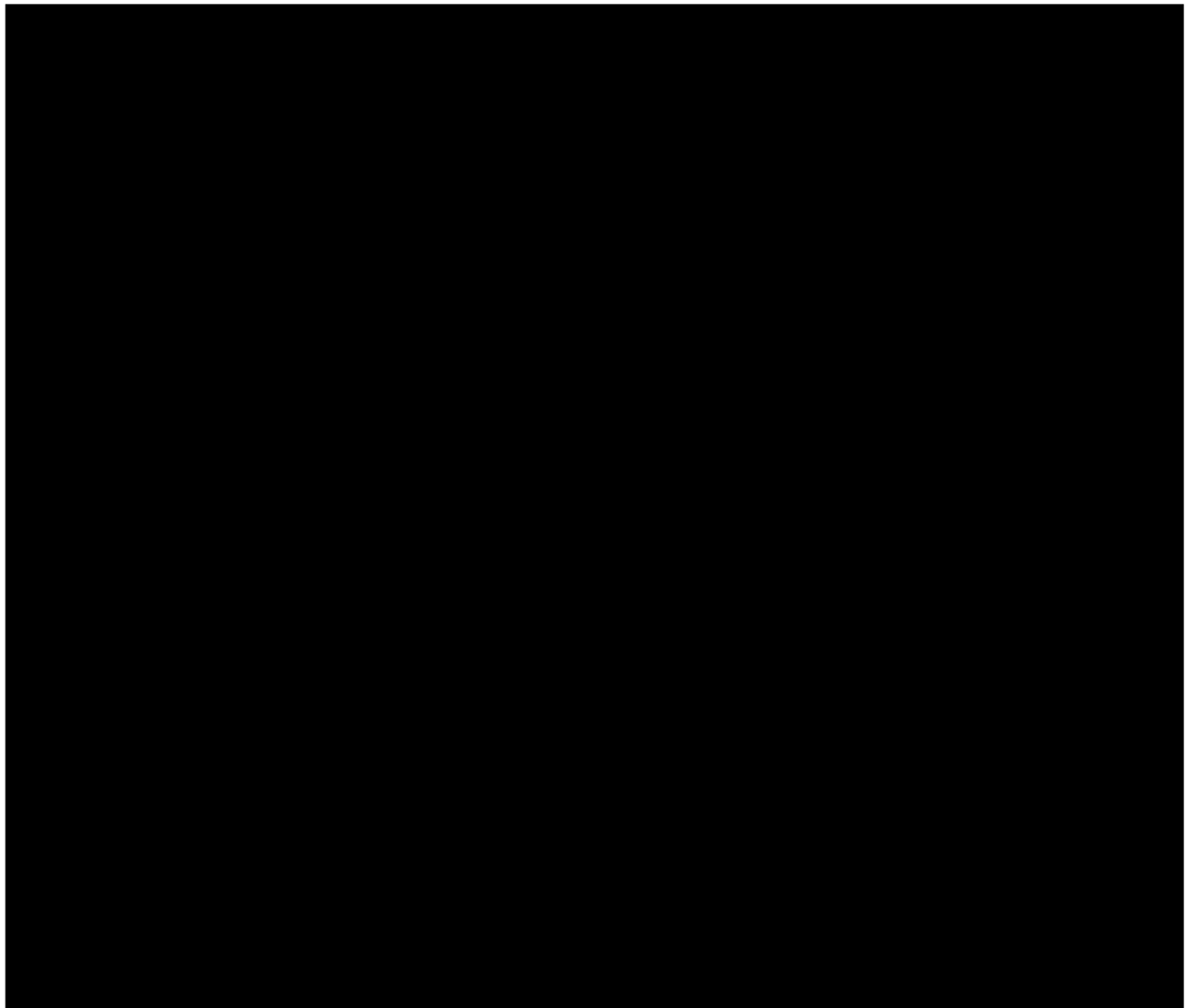
Date: 2022.08.04 17:12:09

-04'00'

By: _____

Name: Ashleigh Goit

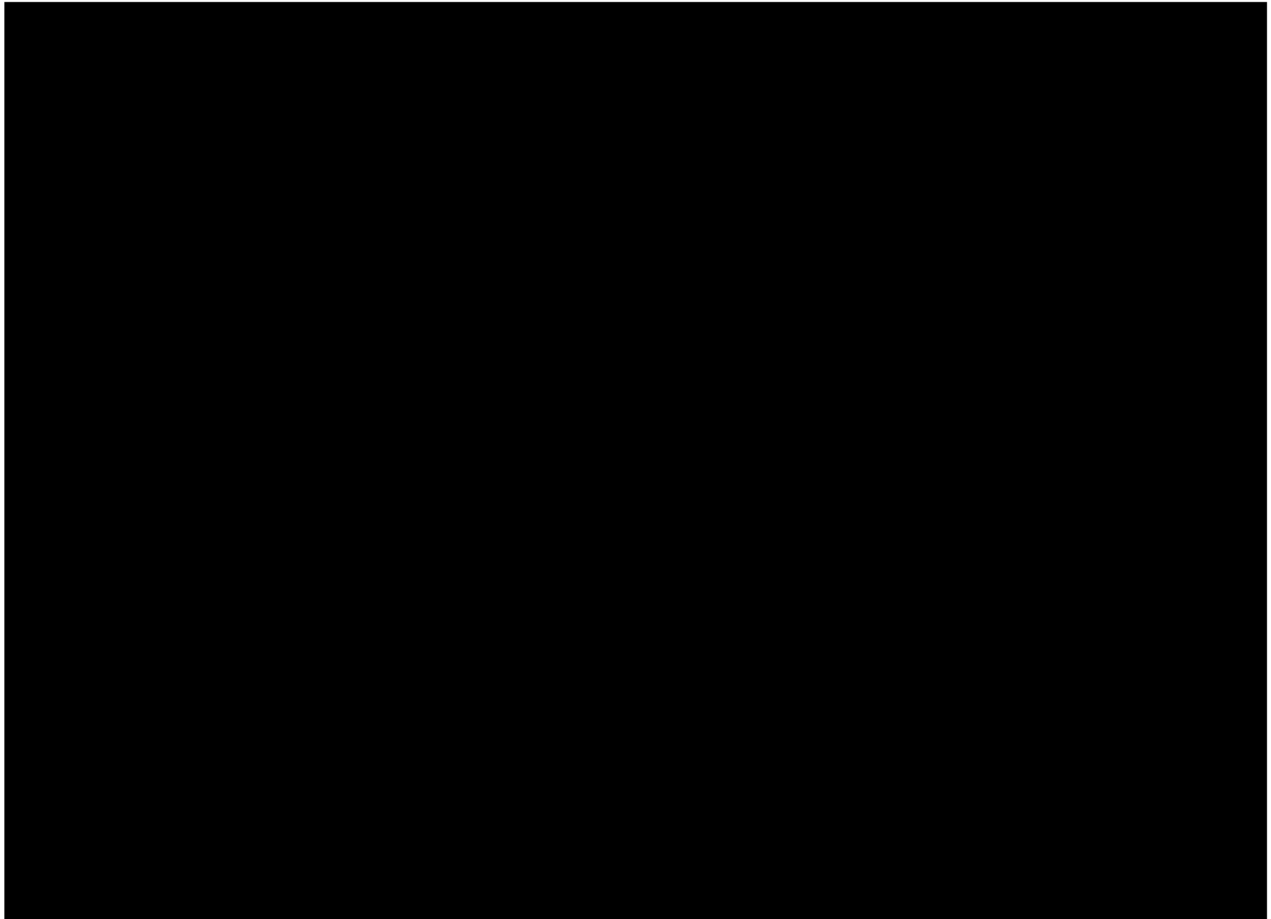
Title: CAO, Counsel & CCO



**Consenting Party Signature Page to the
First Amendment to the Restructuring Support Agreement**

PHILOSOPHY CAPITAL MANAGEMENT LLC

By: 
Name: Jacob Rubin
Title: Managing Member



**Consenting Party Signature Page to the
First Amendment to the Restructuring Support Agreement**

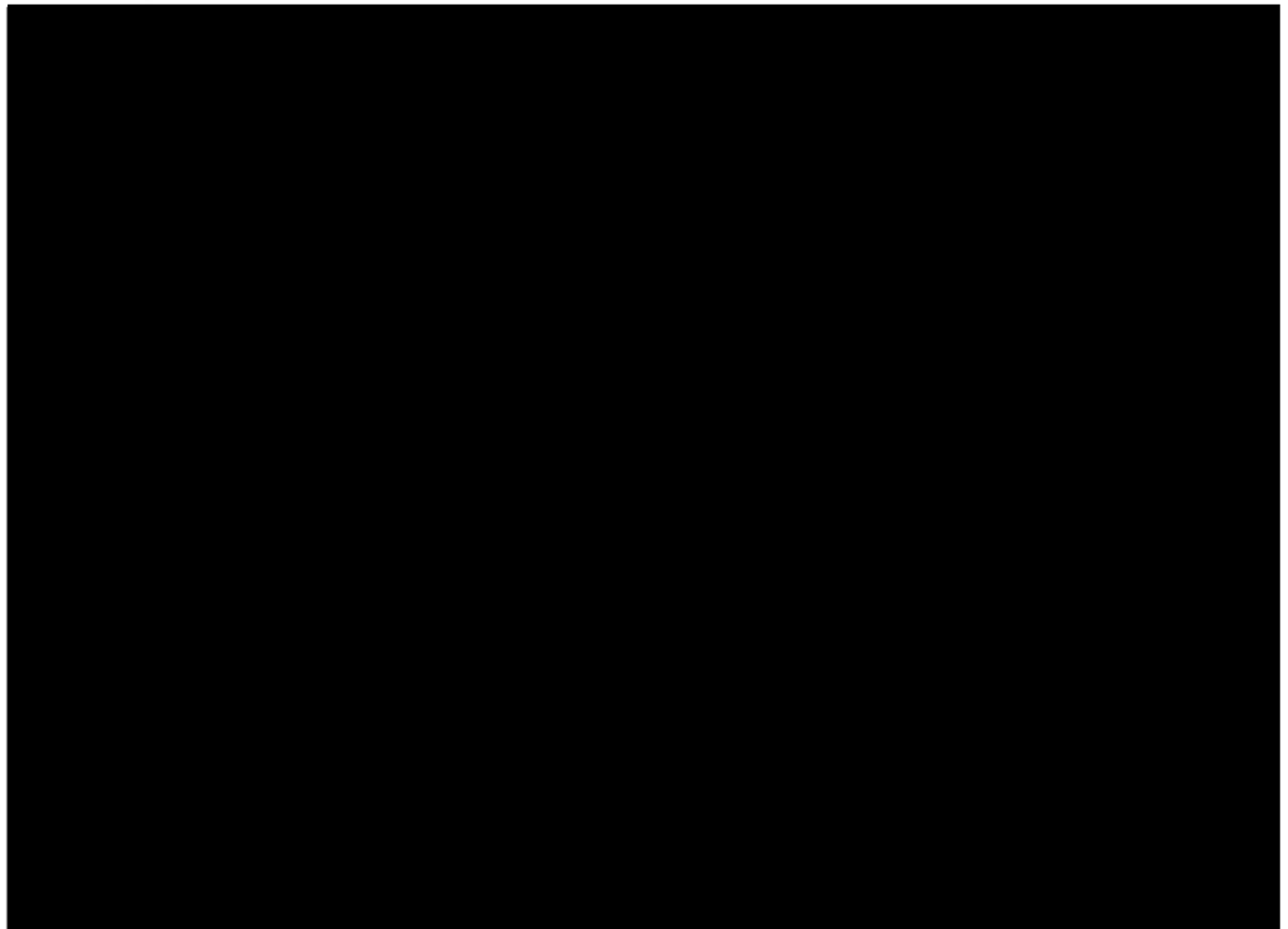
LIVELLO CAPITAL SPECIAL OPPORTUNITIES MASTER FUND LP

By:

Joseph Salegna

Name: Joseph Salegna

Title: Chief Financial Officer



**Consenting Party Signature Page to the
First Amendment to the Restructuring Support Agreement**

ALPHAMINER MASTER FUND LIMITED

By: _____

Joseph Salegna

Name: Joseph Salegna

Title: Chief Financial Officer, Livello Capital Management

Consenting Party Signature Page to the
First Amendment to the Restructuring Support Agreement

JEFFERIES LEVERAGED CREDIT PRODUCTS, LLC

By: William P. McLaughlin
Name: William P. McLaughlin
Title: SVP

Exhibit A

Amended Restructuring Term Sheet

Amended Restructuring Term Sheet (8/4/2022)

EXECUTION VERSION

Transaction Structure¹

Transaction

- **Up to \$1.9 billion equity rights offering:** \$1.55 billion equity rights offering (the “**Rights Offering**”) backstopped by certain members of the Ad Hoc Group of Unsecured Noteholders (the “**Ad Hoc Group**”). On the Adjustment Determination Date (as defined and described below), the Rights Offering amount may be decreased to a minimum of \$600 million or increased up to \$1.9 billion.
- “**Adjustment Determination Date**” shall be a date following entry of the Confirmation Order and prior to the Plan Effective Date, selected by the Debtors in consultation with the Required Backstop Parties; provided that the Parties shall work in good faith to select, if practicable and subject to the requirements or limitations of the NRC, a date that is approximately 90 days prior to the projected Plan Effective Date.
- On the Adjustment Determination Date, there will be a test of projected Net Debt and Minimum Liquidity (each as defined below) as of the projected Plan Effective Date (the “**RO Adjustment Determination**”). Based on the RO Adjustment Determination, the Rights Offering amount will be automatically increased (up to a maximum of \$1.9 billion) or automatically decreased (down to a minimum of \$600 million). The Backstop Parties may (but are not required to) agree at any time to backstop any upsized Rights Offering amount on the same terms as the initial \$1.55 billion backstop commitment.
 - By no earlier than 120 days in advance of the projected Plan Effective Date, the Debtors shall seek prospective ratings from the Ratings Agencies (as defined below), based on the updated business plan to be incorporated into the Disclosure Statement. If the Ratings Agencies (as defined below) determine that the projected corporate rating of the Reorganized Debtors is no less than BB (or equivalent rating), then there shall be no upside of the Rights Offering above \$1.55 billion on the Adjustment Determination Date. The “**Ratings Agencies**” shall be two out of the following three nationally recognized ratings agencies as agreed upon by the Debtors and the Requisite Initial Backstop Parties: S&P, Moody’s and Fitch.
- Net Debt (as defined below) at emergence shall be consistent with a schedule as filed on June 13, 2022 [Docket No. 524] (the “**Net Debt Schedule**”), with Net Debt being \$1.5 billion (subject to Permitted Indebtedness Upsize) assuming a Plan Effective Date in June 2023; at least a \$1.0bn Priority Exit RCF for additional liquidity / LC capacity
- Allowed secured claims paid in full in cash with proceeds from Exit Debt / Rights Offering, given option to roll into new exit debt, or otherwise unimpaired
- Unsecured Notes to receive (a) 100% of new common equity, less equity distributed on account of the unsecured claims equity recovery pool, and subject to dilution from the Rights Offering (including the Backstop Commitment Agreement) and Employee Incentive Program; and (b) participation in the Rights Offering.

Implementation

- Predicated on chapter 11 filing no later than May 9, 2022.
- Transaction implemented through a chapter 11 bankruptcy process pursuant to RSA between Company and the Ad Hoc Group.
- Transaction to be structured (including issuer of new stock) to minimize potential tax liability and maximize tax attributes of the Reorganized Debtors.

Exit debt capital structure

- \$1.0 billion or more Priority Exit Revolving Credit Facility, including \$500m LC sublimit (if LC sublimit not available under Exit RCF, to enter into standalone facility).
- Net Debt at emergence (including PEDFA reinstatement) to comply with the Net Debt Schedule, with Net Debt being \$1.5 billion (subject to Permitted Indebtedness Upsize) assuming a Plan Effective Date in June 2023. The Net Debt Schedule shall reflect the Net Debt target on the Plan Effective Date, which shall fluctuate over time based on the projections in the Company’s DIP Budget (as adjusted for exit costs and capital structure), and the Net Debt Schedule shall be agreed between the Backstop Parties and the Company and attached to the Backstop Commitment Letters.
- “**Net Debt**” defined as Gross Funded Debt (as defined below) net of any unrestricted cash.
- “**Gross Funded Debt**” to include all funded indebtedness including up to \$131 million of reinstated PEDFA bonds and any net LMBE-MC indebtedness (if not refinanced / repaid), and shall be \$1.631 billion (based on \$155 million of unrestricted cash) (subject to Permitted Indebtedness Upsize) assuming a Plan Effective Date of June 30, 2023, which shall be adjusted pursuant to the Net Debt Schedule.
- “**Minimum Liquidity**” shall be \$650 million, consisting of unrestricted cash and revolver availability.
- “**Minimum LC Capacity**”: \$500 million of LC capacity, which can also be satisfied with revolver availability and/or unrestricted cash incremental to the Minimum Liquidity requirement.

Notes

1. Terms used herein but otherwise not defined shall have the meanings provided in the Restructuring Support Agreement, as amended by the First Amendment to Restructuring Support Agreement, or the Amended and Restated Commitment Letter, as applicable.

Amended Restructuring Term Sheet (8/4/2022) (cont'd)

Transaction Structure

| | |
|------------------------------------|---|
| Rights Offering | <ul style="list-style-type: none"> • Rights Offering to be available to all unsecured noteholders (subject to eligibility under applicable securities laws) backstopped by the Initial Backstop Parties and any other Backstop Parties. On the Adjustment Determination Date, the RO Adjustment Determination shall occur. If, after any Permitted Indebtedness Upsize, the Ratings Agencies determine that the projected corporate rating of the Reorganized Debtors is no less than BB (or equivalent rating), then there shall be no upsize of the Rights Offering above \$1.55 billion on the Adjustment Determination Date. • Premium equal to 20% of each Backstop Party's portion of the aggregate \$1.55 billion backstop commitment (the "Backstop Premium"), to be paid in equity if the chapter 11 plan is consummated, and a periodic premium paid monthly equal to 10% per annum of each Backstop Party's portion of the backstop commitment (the "Periodic Premium", together with the Backstop Premium, the "Put Premium"). The Periodic Premium shall be credited against the Backstop Premium, and shall be payable in cash or new equity (in each Backstop Party's discretion) <ul style="list-style-type: none"> • No greater than 1/3 of the aggregate Periodic Premium can be paid in cash on a monthly basis. The Periodic Premium shall accrue from signing but in no event will any cash payment be made prior to court approval of the Backstop Agreement. • Alternative Transaction Premium: to be earned upon a termination event as set forth in the Backstop Commitment Letter and paid in accordance with the Backstop Commitment Letter, equal to 50% of the Backstop Premium payable in cash, after crediting for any Periodic Premium that has been paid in cash, subject to the exclusions in the Backstop Commitment Letter. • Market terms for backstop commitment to include, but not be limited to, a 25% discount to the "RO Set-up Equity Value", which assumes a \$4.5 billion total enterprise value and a 30% direct investment for Backstop Parties on account of the backstop commitment; for the avoidance of doubt the entire rights offering shall be offered at a 25% discount to the RO Set-up Equity Value. <ul style="list-style-type: none"> • To the extent the Rights Offering and Backstop Premium represent in excess of 100% of RO Set-up Equity Value, the Backstop Premium shall be issued in full on a priority basis, with the remaining equity (up to 100% of RO Set-up Equity Value) to be allocated to the Rights Offering. • Rights Offering to be conducted in accordance with applicable securities laws; expectation is that (a) Rights Offering stock will be exempted pursuant to section 1145 or, if section 1145 is not available, 4(a)(2) and/or Reg D and (b) Backstop Parties are eligible to stock issued on account of backstop under 4(a)(2) and/or Reg D. • In the event that the Talen Global Settlement is not achieved by the Adjustment Determination Date, further amount for certain incremental expenses resulting from deconsolidation of TES and TEC (est. \$115mm) ("Additional Expense Amount") to be funded via (i) additional committed backstop from the Ad Hoc Group and increase to upper bound of the Rights Offering range, or (ii) to the extent Ad Hoc Group declines to backstop full Additional Expense Amount, other capital sources in the Debtors' discretion; provided that nothing herein shall be construed as a waiver of any rights, including, without limitation, for contribution, or defenses. |
| Employee Incentive Program ("EIP") | <ul style="list-style-type: none"> • Employees of the Reorganized Debtors to have reserved for them 12% of the new common equity as follows: <ul style="list-style-type: none"> • 8.0% reserved for the Chief Executive Officer (the "CEO") of Reorganized TES, the CEO's direct reports, and certain other employees of Reorganized TES • 2.0% reserved for plant level employees of Reorganized TES, including plant union employees • 2.0% reserved for employees who join Reorganized TES after the Plan Effective Date, recruiting of key talent-to-value roles and succession planning |
| Corporate Governance | <ul style="list-style-type: none"> • To be determined by the Requisite Initial Backstop Parties; new Board members to be selected by the Requisite Initial Backstop Parties; Initial Backstop Parties to consult with the Company regarding number of board seats; CEO to be a board member. |
| Releases and Exculpations | <ul style="list-style-type: none"> • Customary debtor and third party releases for directors, officers and holders of Interests and affiliates, including Riverstone ("Equity Affiliates"); provided, however, that the Consenting Parties' consent to debtor and third party releases for holders of Interests and Equity Affiliates shall be only upon and subject to the terms of any Talen Global Settlement (as defined below), and the Consenting Parties retain the right to object to the Debtors' release of holders of Interests and Equity Affiliates if not resolved under the Talen Global Settlement |

Amended Restructuring Term Sheet (8/4/2022) (cont'd) EXECUTION VERSION

| Transaction Structure | |
|--------------------------------------|--|
| Permitted Indebtedness Upsize | <ul style="list-style-type: none"> Permitted Net Debt at emergence shall be increased by \$200 million to satisfy funding requirements at emergence on a pro rata basis with the ERO Commitment Upsize ("Permitted Indebtedness Upsize"), which may, for the avoidance of doubt and without limitation, be in the form of fuel financing, inventory financing, capacity forward payments, capacity trades, secured trading facilities and other similar financing arrangements as determined in the Company's discretion and reasonably acceptable to the Requisite Consenting Parties. |
| ERO Commitment Upsize | <ul style="list-style-type: none"> Additional commitments under the Backstop Commitment Letter totaling \$250 million shall be obtained prior to August 9, 2022 at 5: 00 p.m. ET to approve the Backstop Commitment Letter. Proceeds shall be used to satisfy funding requirements at emergence on a pro rata basis with the Permitted Indebtedness Upsize. |
| Rights Offering / Sale Toggle | <ul style="list-style-type: none"> Chapter 11 plan to reflect option for Debtors to pursue (a) consummation of a Restructuring pursuant to the Rights Offering backstopped by the Backstop Parties or (b) consummation of a sale (a "Plan Sale") of their business to a purchaser pursuant to a "go-shop" period following entry of the Backstop Approval Order. The Debtors shall finally determine whether to pursue the Rights Offering or a Plan Sale at or before the Plan Voting / Objection Deadline. Notwithstanding anything to the contrary, Consenting Parties shall retain ability to object to Debtors' decision to pursue any Plan Sale the proceeds of which would be insufficient to render Allowed Unsecured Notes Claims unimpaired (including accrued interest through emergence in accordance with applicable law) and satisfy the Alternative Transaction Premium in full, in cash. |
| Go-Shop / Auction Period | <ul style="list-style-type: none"> The Debtors shall commence sale process outreach following entry of the Backstop Approval Order, and the go-shop shall be conducted in accordance with the Milestones and the Restructuring Support Agreement, as amended by the First Amendment to Restructuring Support Agreement. Ad Hoc Group and its professionals to have reasonable information and consultation rights in relation to sale process, including with respect to qualifying bids, subject to confidentiality restrictions. Bidding procedures/auction procedures to be in form and substance reasonably acceptable to the Requisite Consenting Parties. |
| Business Plan | <ul style="list-style-type: none"> The Debtors shall have finalized a revised Business Plan that is acceptable to the Requisite Consenting Parties as confirmed in writing by such parties on August 4, 2022 (the "<u>Approved Business Plan</u>"). |
| Confirmation Schedule | <ul style="list-style-type: none"> The Debtors shall seek to have the following dates approved, subject to Court availability: <ul style="list-style-type: none"> Deadline to file Plan & Disclosure Statement: September 2, 2022 Deadline to object to Disclosure Statement: October 3, 2022 Deadline to file reply in support of Disclosure Statement: October 11, 2022 Disclosure Statement Hearing: October 13, 2022 Deadline to file Plan Supplement: November 16, 2022 Plan Voting / Objection Deadline: November 28, 2022 Confirmation Reply Deadline: December 5, 2022 Confirmation Hearing: December 8, 2022 |
| Go-Shop Timeline | <ul style="list-style-type: none"> The go-shop / auction period shall be conducted in accordance with the following schedule, subject to Court availability: <ul style="list-style-type: none"> Launch Outreach: Following entry of Backstop Approval Order Deadline to receive IOIs: 30 days following entry of Backstop Approval Order Launch second round: 35 days following entry of Backstop Approval Order Receive binding offers and APA draft (to be negotiated): 77 days following entry of Backstop Approval Order Auction (if necessary): 91 days following entry of Backstop Approval Order Select winning bidder with signed APA (if applicable): 92 days following entry of Backstop Approval Order |

Amended Restructuring Term Sheet (8/4/2022) (cont'd)

| Treatment of Claims | |
|--|--|
| DIP Facility / Super Priority Claims | <ul style="list-style-type: none"> Repaid in full in cash at emergence. |
| RCF / CAF / 1L TL / 1L Notes / Other 1L Obligations¹ | <ul style="list-style-type: none"> Allowed secured claims to be paid in full in cash or otherwise unimpaired, claims subject to diligence and negotiation. Allowed secured claims to be subject to the consent of the Requisite Consenting Creditors. |
| LMBE-MC Credit Facilities | <ul style="list-style-type: none"> LMBE-MC is a non-debtor during chapter 11 process, with existing credit facilities either (1) remaining in place or (2) refinanced at emergence at the option of the Requisite Consenting Creditors. |
| Unsecured Notes | <ul style="list-style-type: none"> Pro rata share of 100% of new common equity, less new common equity in unsecured claims equity recovery pool, subject to dilution from the Rights Offering (including the Backstop Commitment Agreement) and Employee Incentive Program. Pro rata share of the Rights Offering. |
| Existing Equity | <ul style="list-style-type: none"> Canceled (subject to tax structuring considerations) |
| GUC / Trade | <ul style="list-style-type: none"> To receive pro rata share of either (x) unsecured claims cash recovery pool, (y) unsecured claims equity recovery pool on a claim by debtor basis subject to dilution from the Rights Offering (including the Backstop Commitment Agreement) and Employee Incentive Program, or (z) convenience class treatment for eligible general unsecured claims. |
| Employee Obligations | <ul style="list-style-type: none"> Assumption of collective bargaining agreements. Assumption of management employment agreements. Pension obligations unimpaired. |
| Cumulus Considerations | <ul style="list-style-type: none"> All Cumulus considerations reserved subject to diligence and negotiations; including potential direct investment in Cumulus, offered to unsecured holders in a TBD allocation with structure and form TBD and with terms acceptable to the Company and the Requisite Consenting Creditors. Continued funding of investments during the case consistent with the Company's Approved Business Plan. Ad Hoc Group to negotiate in good faith regarding a resolution, to the satisfaction of the Company and Requisite Consenting Creditors, of all matters, disputes, arrangements regarding intercompany and antecedent transactions between the Company, Cumulus, TEC, and Riverstone (any such resolution, a "Talen Global Settlement"). No additional TES investment in Cumulus Coin until mutual agreement between TES and the Ad Hoc Group. No additional TES investment in Cumulus Data until mutual agreement between TES and the Ad Hoc Group (such Ad Hoc Group consent not to be unreasonably withheld, conditioned or delayed); provided that the Company shall provide one business day's advance notice (if practicable) to the Ad Hoc Group of any proposed additional funding of Cumulus Data (which shall, for the avoidance of doubt, not be inconsistent with the Approved Business Plan), to which the Ad Hoc Group shall respond promptly. Nothing in the foregoing shall prevent TES from taking such action it deems in its reasonable business judgment necessary to preserve the value of its investment in Cumulus Data; provided that TES shall provide the Ad Hoc Group with prompt notice of such decision, and any investments or transfers shall not be inconsistent with the Approved Business Plan or, with respect to any credit support, the DIP Order. |

Notes

1. Fuel Financing to be repaid upon entry of the Interim DIP Order

Amended Restructuring Term Sheet (8/4/2022) (cont'd)

| Milestones | |
|--|--|
| Other Claims | <ul style="list-style-type: none"> ● Rejection of retail contracts at commencement of case. ● Asset retirement obligations unimpaired. ● PEDFA B & C Bonds unimpaired at emergence with the consent of the Requisite Consenting Creditors, but during the pendency of the chapter 11 cases subject to the DIP Order and in the discretion of the Company. ● Treatment of environmental liabilities in the ordinary course consistent with past practice or as mutually agreed. |
| Milestones (Subject to Court's Availability) | <ol style="list-style-type: none"> 1. [Reserved] 2. [Reserved] 3. [Reserved] 4. [Reserved] 5. <u>The Company shall have filed the (i) Plan and (ii) Motion to Approve the Disclosure Statement</u>: no later than September 2, 2022. 6. [Reserved] 7. <u>The Bankruptcy Court shall have entered the order approving the Disclosure Statement</u>: no later than October 14, 2022. 8. <u>The hearing to approve the Confirmation Order shall have commenced</u>: no later than December 8, 2022. 9. <u>The Confirmation Order shall have been entered</u>: no later than December 16, 2022. 10. <u>The Rights Offering shall have been launched</u>: no later than 15 days after the Adjustment Determination Date. 11. <u>Rights Offering Funding Date</u>: no later than 7 days before the projected Plan Effective Date. 12. <u>The Plan Effective Date shall have occurred</u>: no later than May 9, 2023; <i>provided</i> that this milestone may be extended by up to 6 months solely to obtain regulatory approvals; <i>provided, further</i>, that in the event of a Plan Sale, the Plan Effective Date milestone shall be a date reasonably acceptable to the Debtors and the Requisite Consenting Parties. 13. <u>The Bankruptcy Court shall have entered the Backstop Approval Order</u>: no later than August 16, 2022. |

Exhibit B

Restructuring Term Sheet Redline

Amended Restructuring Term Sheet (8/4/2022)

Transaction Structure¹

Transaction

- Up to ~~\$1.65bn~~ 1.9 billion equity rights offering: ~~\$1.3bn~~ 1.55 billion equity rights offering (the “**Rights Offering**”) backstopped by certain members of the Ad Hoc Group of Unsecured Noteholders (the “**Ad Hoc Group**”). On the Adjustment Determination Date (as defined and described below), the Rights Offering amount (~~the “Initial Backstop Amount”~~) may be decreased to a minimum of \$600 million or increased up to ~~\$1.65bn~~ 1.9 billion.
- “**Adjustment Determination Date**” shall be a date following entry of the Confirmation Order⁽²⁾ and prior to the Plan Effective Date, selected by the Debtors in consultation with the Required Backstop Parties; provided that the Parties shall work in good faith to select, if practicable and subject to the requirements or limitations of the NRC, a date that is approximately 90 days prior to the projected Plan Effective Date.
- On the Adjustment Determination Date, there will be a test of projected Net Debt and Minimum Liquidity (each as defined below) as of the projected Plan Effective Date (the “**RO Adjustment Determination**”). Based on the RO Adjustment Determination, the Rights Offering amount will be automatically increased (up to a maximum of ~~\$1.65~~ 1.9 billion) or automatically decreased (down to a minimum of \$600 million). The Backstop Parties may (but are not required to) agree at any time to backstop any upsized Rights Offering amount on the same terms as the initial ~~\$1.3~~ 1.55 billion backstop commitment.
 - By no earlier than 120 days in advance of the projected Plan Effective Date, the Debtors shall seek prospective ratings from the Ratings Agencies (as defined below), based on the updated business plan to be incorporated into the Disclosure Statement. If the Ratings Agencies (as defined below) determine that the projected corporate rating of the Reorganized Debtors is no less than BB (or equivalent rating), then there shall be no upsize of the Rights Offering above ~~\$1.3~~ 1.55 billion on the Adjustment Determination Date. The “**Ratings Agencies**” shall be two out of the following three nationally recognized ratings agencies as agreed upon by the Debtors and the Requisite Initial Backstop Parties: S&P, Moody’s and Fitch.
- Net Debt (as defined below) at emergence shall be consistent with a schedule as filed on June 13, 2022 [Docket No. 524] (the “**Net Debt Schedule**”), with Net Debt being \$1.5 billion (subject to Permitted Indebtedness Upsize) assuming a Plan Effective Date in June 2023; at least a \$1.0bn Priority Exit RCF for additional liquidity / LC capacity
- Allowed secured claims paid in full in cash with proceeds from Exit Debt / Rights Offering, given option to roll into new exit debt, or otherwise unimpaired
- Unsecured Notes to receive (a) 100% of new common equity, less equity distributed on account of the unsecured claims equity recovery pool, and subject to dilution from the Rights Offering (including the Backstop Commitment Agreement) and Employee Incentive Program; and (b) participation in the Rights Offering.

Implementation

- Predicated on chapter 11 filing no later than May 9, 2022.
- Transaction implemented through a chapter 11 bankruptcy process pursuant to RSA between Company and the Ad Hoc Group.
- Transaction to be structured (including issuer of new stock) to minimize potential tax liability and maximize tax attributes of the Reorganized Debtors.

Exit debt capital structure

- ~~\$1.0bn~~ 1.9 billion or more Priority Exit Revolving Credit Facility, including \$500m LC sublimit (if LC sublimit not available under Exit RCF, to enter into standalone facility).
- Net Debt at emergence (including PEDFA reinstatement) to comply with the Net Debt Schedule, with Net Debt being \$1.5 billion (subject to Permitted Indebtedness Upsize) assuming a Plan Effective Date in June 2023. The Net Debt Schedule shall reflect the Net Debt target on the Plan Effective Date, which shall fluctuate over time based on the projections in the Company’s DIP Budget (as adjusted for exit costs and capital structure), and the Net Debt Schedule shall be agreed between the Backstop Parties and the Company and attached to the Backstop Commitment Letters.
- “**Net Debt**” defined as Gross Funded Debt (as defined below) net of any unrestricted cash.
- “**Gross Funded Debt**” to include all funded indebtedness including up to \$131 million of reinstated PEDFA bonds and any net LMBE-MC indebtedness (if not refinanced / repaid), and shall be \$1.631 billion (based on \$155 million of unrestricted cash) (subject to Permitted Indebtedness Upsize) assuming a Plan Effective Date of June 30, 2023, which shall be adjusted pursuant to the Net Debt Schedule.
- “**Minimum Liquidity**” shall be \$650 million, consisting of unrestricted cash and revolver availability.
- “**Minimum LC Capacity**”: \$500 million of LC capacity, which can also be satisfied with revolver availability and/or unrestricted cash incremental to the Minimum Liquidity requirement.

Notes

1. Terms used herein but otherwise not defined shall have the meanings provided in the Restructuring Support Agreement, as amended by the First Amendment to Restructuring Support Agreement, or Backstop the Amended and Restated Commitment Letter, as applicable.
2. ~~Current Company estimate is 120-150 days following entry of the Confirmation Order.~~

Amended Restructuring Term Sheet (8/4/2022) (cont'd)

Transaction Structure

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| Rights Offering | <ul style="list-style-type: none"> • Rights Offering to be available to all unsecured noteholders (subject to eligibility under applicable securities laws) backstopped by the Initial Backstop Parties and any other Backstop Parties. On the Adjustment Determination Date, the RO Adjustment Determination shall occur. If, <u>after any Permitted Indebtedness Upsize</u>, the Ratings Agencies determine that the projected corporate rating of the Reorganized Debtors is no less than BB (or equivalent rating), then there shall be no upsize of the Rights Offering above \$1.3<u>1.55</u> billion on the Adjustment Determination Date. • Premium equal to 20% of each Backstop Party's portion of the <u>aggregate \$1.55 billion</u> backstop commitment (the "Backstop Premium"), to be paid in equity if the chapter 11 plan is consummated, and a periodic premium paid monthly equal to 10% per annum of each Backstop Party's portion of the backstop commitment (the "Periodic Premium", together with the Backstop Premium, the "Put Premium"). The Periodic Premium shall be credited against the Backstop Premium, and shall be payable in cash or new equity (in each Backstop Party's discretion) <ul style="list-style-type: none"> • No greater than 1/3 of the aggregate Periodic Premium can be paid in cash on a monthly basis. The Periodic Premium shall accrue from signing but in no event will any cash payment be made prior to court approval of the Backstop Agreement. • Alternative Transaction Premium: to be earned upon a customary termination event <u>as set forth in the Backstop Commitment Letter</u> and paid following the Plan Effective Date in accordance with the Backstop Commitment Letter, equal to 50% of the Backstop Premium payable in cash, after crediting for any Periodic Premium that has been paid in cash, subject to the exclusions in the Backstop Commitment Letter. • Market terms for backstop commitment to include, but not be limited to, a 25% discount to plan the "RO Set-up Equity Value assuming", <u>which assumes</u> a \$4.5 billion total enterprise value and a 30% direct investment for Backstop Parties on account of the backstop commitment; <u>for the avoidance of doubt the entire rights offering shall be offered at a 25% discount to the RO Set-up Equity Value.</u> <ul style="list-style-type: none"> • <u>To the extent the Rights Offering and Backstop Premium represent in excess of 100% of RO Set-up Equity Value, the Backstop Premium shall be issued in full on a priority basis, with the remaining equity (up to 100% of RO Set-up Equity Value) to be allocated to the Rights Offering.</u> • Rights Offering to be conducted in accordance with applicable securities laws; expectation is that (a) Rights Offering stock will be exempted pursuant to section 1145 or, if section 1145 is not available, 4(a)(2) and/or Reg D and (b) Backstop Parties are eligible to stock issued on account of backstop under 4(a)(2) and/or Reg D. • <u>In the event that the Talen Global Settlement is not achieved by the Adjustment Determination Date, further amount for certain incremental expenses resulting from deconsolidation of TES and TEC (est. \$115mm) ("Additional Expense Amount") to be funded via (i) additional committed backstop from the Ad Hoc Group and increase to upper bound of the Rights Offering range, or (ii) to the extent Ad Hoc Group declines to backstop full Additional Expense Amount, other capital sources in the Debtors' discretion; provided that nothing herein shall be construed as a waiver of any rights, including, without limitation, for contribution, or defenses.</u> |
| Employee Incentive Program ("EIP") | <ul style="list-style-type: none"> • Employees of the Reorganized Debtors to have reserved for them 12% of the new common equity as follows: <ul style="list-style-type: none"> • 8.0% reserved for the Chief Executive Officer (the "CEO") of Reorganized TES, the CEO's direct reports, and certain other employees of Reorganized TES • 2.0% reserved for plant level employees of Reorganized TES, including plant union employees • 2.0% reserved for employees who join Reorganized TES after the Plan Effective Date, recruiting of key talent-to-value roles and succession planning |
| Corporate Governance | <ul style="list-style-type: none"> • To be determined by the Requisite Initial Backstop Parties; new Board members to be selected by the Requisite Initial Backstop Parties; Initial Backstop Parties to consult with the Company regarding number of board seats; CEO to be a board member. |
| Releases and Exculpations | <ul style="list-style-type: none"> • Customary debtor and third party releases for directors, officers and holders of Interests and affiliates, including Riverstone ("Equity Affiliates"); provided, however, that the Consenting Parties' consent to debtor and third party releases for holders of Interests and Equity Affiliates shall be only upon and subject to the terms of any Talen Global Settlement (as defined below), and the Consenting Parties retain the right to object to the Debtors' release of holders of Interests and Equity Affiliates if not resolved under the Talen Global Settlement |

Transaction Structure

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| <u>Permitted Indebtedness Upsize</u> | <ul style="list-style-type: none"> Permitted Net Debt at emergence shall be increased by \$200 million to satisfy funding requirements at emergence on a pro rata basis with the ERO Commitment Upsize ("<u>Permitted Indebtedness Upsize</u>"), which may, for the avoidance of doubt and without limitation, be in the form of fuel financing, inventory financing, capacity forward payments, capacity trades, secured trading facilities and other similar financing arrangements as determined in the Company's discretion and reasonably acceptable to the Requisite Consenting Parties. |
| <u>ERO Commitment Upsize</u> | <ul style="list-style-type: none"> Additional commitments under the Backstop Commitment Letter totaling \$250 million shall be obtained prior to August 9, 2022 at 5: 00 p.m. ET to approve the Backstop Commitment Letter. Proceeds shall be used to satisfy funding requirements at emergence on a pro rata basis with the Permitted Indebtedness Upsize. |
| <u>Rights Offering / Sale Toggle</u> | <ul style="list-style-type: none"> Chapter 11 plan to reflect option for Debtors to pursue (a) consummation of a Restructuring pursuant to the Rights Offering backstopped by the Backstop Parties or (b) consummation of a sale (a "<u>Plan Sale</u>") of their business to a purchaser pursuant to a "go-shop" period following entry of the Backstop Approval Order. The Debtors shall finally determine whether to pursue the Rights Offering or a Plan Sale at or before the Plan Voting / Objection Deadline. Notwithstanding anything to the contrary, Consenting Parties shall retain ability to object to Debtors' decision to pursue any Plan Sale the proceeds of which would be insufficient to render Allowed Unsecured Notes Claims unimpaired (including accrued interest through emergence in accordance with applicable law) and satisfy the Alternative Transaction Premium in full, in cash. |
| <u>Go-Shop / Auction Period</u> | <ul style="list-style-type: none"> The Debtors shall commence sale process outreach following entry of the Backstop Approval Order, and the go-shop shall be conducted in accordance with the Milestones and the Restructuring Support Agreement, as amended by the First Amendment to Restructuring Support Agreement. Ad Hoc Group and its professionals to have reasonable information and consultation rights in relation to sale process, including with respect to qualifying bids, subject to confidentiality restrictions. Bidding procedures/auction procedures to be in form and substance reasonably acceptable to the Requisite Consenting Parties. |
| <u>Business Plan</u> | <ul style="list-style-type: none"> The Debtors shall have finalized a revised Business Plan that is acceptable to the Requisite Consenting Parties as confirmed in writing by such parties on August 4, 2022 (the "Approved Business Plan"). |
| <u>Confirmation Schedule</u> | <ul style="list-style-type: none"> The Debtors shall seek to have the following dates approved, subject to Court availability: <ul style="list-style-type: none"> <u>Deadline to file Plan & Disclosure Statement:</u> September 2, 2022 <u>Deadline to object to Disclosure Statement:</u> October 3, 2022 <u>Deadline to file reply in support of Disclosure Statement:</u> October 11, 2022 <u>Disclosure Statement Hearing:</u> October 13, 2022 <u>Deadline to file Plan Supplement:</u> November 16, 2022 <u>Plan Voting / Objection Deadline:</u> November 28, 2022 <u>Confirmation Reply Deadline:</u> December 5, 2022 <u>Confirmation Hearing:</u> December 8, 2022 |
| <u>Go-Shop Timeline</u> | <ul style="list-style-type: none"> The go-shop / auction period shall be conducted in accordance with the following schedule, subject to Court availability: <ul style="list-style-type: none"> <u>Launch Outreach:</u> Following entry of Backstop Approval Order <u>Deadline to receive IOIs:</u> 30 days following entry of Backstop Approval Order <u>Launch second round:</u> 35 days following entry of Backstop Approval Order <u>Receive binding offers and APA draft (to be negotiated):</u> 77 days following entry of Backstop Approval Order <u>Auction (if necessary):</u> 91 days following entry of Backstop Approval Order <u>Select winning bidder with signed APA (if applicable):</u> 92 days following entry of Backstop Approval Order |

Amended Restructuring Term Sheet (8/4/2022) (cont'd)

| Treatment of Claims | |
|--|---|
| DIP Facility / Super Priority Claims | <ul style="list-style-type: none"> Repaid in full in cash at emergence. |
| RCF / CAF / 1L TL / 1L Notes / Other 1L Obligations ¹ | <ul style="list-style-type: none"> Allowed secured claims to be paid in full in cash or otherwise unimpaired, claims subject to diligence and negotiation. Allowed secured claims to be subject to the consent of the Requisite Consenting Creditors. |
| LMBE-MC Credit Facilities | <ul style="list-style-type: none"> LMBE-MC is a non-debtor during chapter 11 process, with existing credit facilities either (1) remaining in place or (2) refinanced at emergence at the option of the Requisite Consenting Creditors. |
| Unsecured Notes | <ul style="list-style-type: none"> Pro rata share of 100% of new common equity, less new common equity in unsecured claims equity recovery pool, subject to dilution from the Rights Offering (including the Backstop Commitment Agreement) and Employee Incentive Program. Pro rata share of the Rights Offering. |
| Existing Equity | <ul style="list-style-type: none"> Canceled (subject to tax structuring considerations) |
| GUC / Trade | <ul style="list-style-type: none"> To receive pro rata share of either (x) unsecured claims cash recovery pool or (y) unsecured claims equity recovery pool on a claim by debtor basis subject to dilution from the Rights Offering (including the Backstop Commitment Agreement) and Employee Incentive Program, <u>or (z) convenience class treatment for eligible general unsecured claims.</u> |
| Employee Obligations | <ul style="list-style-type: none"> Assumption of collective bargaining agreements subject to the consent of the Requisite Consenting Creditors. Assumption of management employment agreements subject to the consent of the Requisite Consenting Creditors. Pension obligations unimpaired subject to the consent of the Requisite Consenting Creditors. |
| Cumulus Considerations | <ul style="list-style-type: none"> All Cumulus considerations reserved subject to diligence and negotiations; including potential direct investment in Cumulus, offered to unsecured holders in a TBD allocation with structure and form TBD and with terms acceptable to the Company and the Requisite Consenting Creditors. Continued funding of investments during the case consistent with the latest DIP Budget <u>Company's Approved Business Plan.</u> Ad Hoc Group to negotiate in good faith regarding a resolution, to the satisfaction of the Company and Requisite Consenting Creditors, of all matters, disputes, arrangements regarding intercompany and antecedent transactions between the Company, Cumulus, TEC, and Riverstone (any such resolution, a "Talen Global Settlement"). <u>No additional TES investment in Cumulus Coin until mutual agreement between TES and the Ad Hoc Group.</u> <u>No additional TES investment in Cumulus Data until mutual agreement between TES and the Ad Hoc Group (such Ad Hoc Group consent not to be unreasonably withheld, conditioned or delayed); provided that the Company shall provide one business day's advance notice (if practicable) to the Ad Hoc Group of any proposed additional funding of Cumulus Data (which shall, for the avoidance of doubt, not be inconsistent with the Approved Business Plan), to which the Ad Hoc Group shall respond promptly. Nothing in the foregoing shall prevent TES from taking such action it deems in its reasonable business judgment necessary to preserve the value of its investment in Cumulus Data; provided that TES shall provide the Ad Hoc Group with prompt notice of such decision, and any investments or transfers shall not be inconsistent with the Approved Business Plan or, with respect to any credit support, the DIP Order.</u> |
| Other Claims | <ul style="list-style-type: none"> Rejection of retail contracts at commencement of case Asset retirement obligations unimpaired, subject to the consent of the Requisite Consenting Creditors PEDFA B & C Bonds unimpaired at emergence with the consent of the Requisite Consenting Creditors, but during the pendency of the chapter 11 entry of the debtor, the DIP Order and in the discretion of the Company Treatment of environmental liabilities subject to the consent of the Requisite Consenting Creditors |

Notes

1. Fuel Financing to be repaid upon entry of the Initial DIP Order.

Amended Restructuring Term Sheet (8/4/2022) (cont'd)

| Milestones | |
|---|---|
| Other Claims | <ul style="list-style-type: none"> Rejection of retail contracts at commencement of case. Asset retirement obligations unimpaired. PEDFA B & C Bonds unimpaired at emergence with the consent of the Requisite Consenting Creditors, but during the pendency of the chapter 11 cases subject to the DIP Order and in the discretion of the Company. Treatment of environmental liabilities in the ordinary course consistent with past practice or as mutually agreed. |
| Milestones (Subject to Court's Availability) | <ol style="list-style-type: none"> [Reserved] [Reserved] [Reserved] [Reserved] <p>No later than 11:59 p.m. CT on May 9, 2022 (the "Outside Petition Date"), the Company shall commence filing of the chapter 11 cases in the Bankruptcy Court (the date on which such filing occurs, the "Petition Date").</p> <p>4. The Bankruptcy Court shall have entered the DIP Order on an interim basis; no later than 3 Business Days after the Petition Date</p> <ol style="list-style-type: none"> The Company and the Backstop Parties shall have entered into the Backstop Commitment Letters and have agreed upon an amended fee letter for the Ad Hoc Group's financial advisor; no later than 21 days after the Petition Date The Consenting Creditors shall hold 66.66% in principal amount of total unsecured notes; no later than 21 days after the Petition Date The Bankruptcy Court shall have entered the DIP Order on a final basis; no later than 45 days after the Petition Date or such later date as agreed to by the requisite consenting lenders under the DIP Order The Company shall have filed the (i) Plan, and (ii) Motion to Approve the Disclosure Statement, and (iii) Motion to Assume the Backstop Commitment Letters; no later than 90 days after the Petition Date <u>September 2, 2022</u>. The Talen Global Settlement shall be agreed to the satisfaction of the Company and the Requisite Consenting Creditors; no later than 90 days after the Petition Date [Reserved] The Bankruptcy Court shall have entered (i) the order approving the Disclosure Statement, and (ii) the Backstop Approval Order; no later than 130 days after the Petition Date <u>October 14, 2022</u>. The hearing to approve the Confirmation Order shall have commenced; no later than 170 days after the Petition Date <u>December 8, 2022</u>. The Confirmation Order shall have been entered; no later than 184 days after the Petition Date <u>December 16, 2022</u>. The Rights Offering shall have been launched; no later than 15 days after the Adjustment Determination Date. Rights Offering Funding Date; no later than 7 days before the projected Plan Effective Date. The Plan Effective Date shall have occurred; no later than 12 months after the Petition Date <u>May 9, 2023</u>; provided that this milestone may be extended by up to 6 months solely to obtain regulatory approvals; <u>provided, further, that in the event of a Plan Sale, the Plan Effective Date milestone shall be a date reasonably acceptable to the Debtors and the Requisite Consenting Parties.</u> The Bankruptcy Court shall have entered the Backstop Approval Order; no later than August 16, 2022. |

Amended and Restated Backstop Commitment Letter



August 4, 2022

CONFIDENTIAL

Talen Energy Supply, LLC
1780 Hughes Landing Boulevard, Suite 800
The Woodlands, Texas 77380
Attention: Len LoBiondo, Executive Vice President, Restructuring
John Chesser, CFO
Andrew Wright, General Counsel

Amended and Restated Commitment Letter

Gentlemen:

Reference is made to that certain Restructuring Support Agreement, dated as of May 9, 2022 (including any exhibits and schedules thereto, the “Original Restructuring Support Agreement”), by and among Talen Energy Supply, LLC (now and as it may be reorganized under a joint chapter 11 plan of reorganization (the “Plan”), “TES” and collectively with certain direct and indirect subsidiaries of TES set forth on Exhibit A to the Restructuring Support Agreement, the “Debtors”) and certain holders of notes issued pursuant to the Unsecured Notes Indentures (as defined in the Restructuring Support Agreement), as amended by that certain First Amendment to Restructuring Support Agreement, dated August 4, 2022 (the “Restructuring Support Agreement Amendment” and together with the Original Restructuring Support Agreement, as may be further amended, restated, amended and restated, supplemented, or otherwise modified from time to time, the “Restructuring Support Agreement”). Capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the Restructuring Support Agreement.

Reference is also made to that certain Commitment Letter, dated May 31, 2022 (the “Commitment Letter”), by and between the Debtors and the Backstop Parties (as defined below). For good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Debtors and the Requisite Backstop Commitment Parties hereby agree that the Commitment Letter shall be amended and restated in its entirety as set forth below as of the date hereof (the Commitment Letter, as amended and restated, the “Amended and Restated Commitment Letter”).

On May 9, 2022 (the “Petition Date”), the Debtors commenced voluntary cases (the “Chapter 11 Cases”) under title 11 of the United States Code, 11 U.S.C. §§ 101-1532 (as now in effect or hereinafter amended, and the rules and regulations promulgated thereunder, the “Bankruptcy Code”), in the United States Bankruptcy Court for the Southern District of Texas (together with any court with jurisdiction over such cases, the “Bankruptcy Court”). The Debtors have requested that certain holders of Unsecured Notes that are Consenting Parties and signatories hereto (individually, a “Backstop Party” and, collectively, the “Backstop Parties”) “backstop” the Rights Offering contemplated by the Restructuring Support Agreement. The Restructuring Support Agreement, including the term sheet attached as Exhibit A to the Restructuring Support Agreement Amendment (the

“Term Sheet”) and incorporated as if fully set forth therein, sets forth the terms and conditions upon which the Backstop Parties are willing to “backstop” the Rights Offering.

This Amended and Restated Commitment Letter shall be effective upon the execution and delivery by TES and each Backstop Party of the signature pages attached hereto.

1. Commitments.

(a) In connection with the Restructuring Transactions and pursuant to the Plan, among other things, the Company will conduct a rights offering (the “Rights Offering”), by distributing to each holder of Unsecured Notes (subject to eligibility requirements under applicable securities laws) rights to purchase (“Subscription Rights”) new equity to be issued pursuant to the Plan (the “New Equity”) and available to be purchased in connection with the Rights Offering, and in an amount as set forth in the Term Sheet. For the avoidance of doubt, Subscription Rights to purchase 30% of the New Equity shall be allocated to the Backstop Parties on a *pro rata* basis on account of, and as part of the consideration for, the Commitments (as defined below).

(b) Subject to the terms and conditions set forth herein and in the Term Sheet, each Backstop Party set forth in Schedule I hereto hereby severally, and not jointly, commits to purchase, on the Plan Effective Date, a portion of the aggregate amount of New Equity that has not been subscribed for and purchased (if any) in the Rights Offering equal to the percentage of such aggregate amount set forth opposite the name of such Backstop Party on Schedule I (as to each Backstop Party at the applicable date of determination, its “Backstop Commitment Percentage”) (each such commitment, a “Commitment” and collectively, the “Commitments”). The Rights Offering Procedures shall provide that the each Backstop Party shall receive no less than seven (7) business days’ notice of its respective amount of New Equity to be purchased pursuant to this paragraph 1(b) and no less than twenty (20) days’ notice of the anticipated funding date.

(c) Subject to the Terms and Conditions of the Term Sheet, if the Talen Global Settlement is not achieved by the Adjustment Determination Date (as defined in the Term Sheet), each Backstop Party set forth in Schedule I hereto may, in addition to such amounts set forth in Section 1(b) hereof, elect to commit to purchase, on the Plan Effective Date, a portion of the aggregate amount of New Equity (which aggregate amount for purposes of this Section 1(c) shall be the amount of the Additional Expense Amount, that has not been subscribed for and purchased (if any) in the Rights Offering equal to the percentage of such aggregate amount set forth opposite the name of such Backstop Party on Schedule I; *provided, for the avoidance of doubt*, that to the extent any such Backstop Party does not commit to purchase such amount of New Equity pursuant to this Section 1(c), following a reasonable opportunity for any of the other Backstop Parties to commit to purchase such amount of New Equity in whole or in part, the Debtors shall be permitted to fund any unfunded Additional Expense Amount with other capital sources in the Debtors’ sole discretion.

(d) The Rights Offering will be made, and the New Equity issued thereunder will be issued and sold in reliance upon, the exemption from registration under the Securities Act of 1933 (the “Securities Act”) provided in section 1145 of the Bankruptcy Code or, if not available, an exemption from registration provided by section 4(a)(2) and Regulation D of the Securities Act or another available exemption from registration under the Securities Act; *provided*, that, all New Equity issued to the Backstop Parties on account of the Backstop Commitments will be made in reliance on the exemption from registration provided by section 4(a)(2) and Regulation D of the Securities Act or another available exemption from registration under the Securities Act, and, in each case, the Disclosure Statement, Confirmation Order and Plan shall include a statement to such effect; *provided, further*, that any New Equity issued pursuant to the Put Premium shall be issued and sold in reliance upon, the exemption from registration under the Securities Act provided in section 1145 of the Bankruptcy Code or, if not available, an exemption from registration provided by section 4(a)(2) and Regulation D of the Securities Act or another available exemption from registration under the Securities Act. For the avoidance of doubt, in no event shall any Backstop Party be required to purchase New Equity in excess of the amount equal to its Backstop Commitment Percentage (subject to the satisfaction of its obligations under Section 1(d) hereof). The Backstop Parties, and by countersigning this Amended and Restated Commitment Letter, the Debtors, hereby, severally and not jointly, agree to cooperate and negotiate in good faith the terms and conditions of the New Equity issued to the Backstop Parties and the documents and agreements governing the procedures and arrangements for the Rights Offering, including, without limitation, the Rights Offering Procedures, which shall be in form and substance reasonably acceptable to the Requisite Backstop Commitment Parties.

(e) Subject to the terms and conditions set forth herein and the Rights Offering Procedures, each Backstop Party agrees, severally and not jointly, to (i) fully exercise all rights issued to it and its affiliates to purchase New Equity pursuant to the Rights Offering at the applicable per share price, (ii) duly purchase all New Equity issuable to it and its affiliates pursuant to such exercise (the “Subscription Amount”) at the applicable per share price, and (iii) complete, duly execute and submit a subscription exercise form and any other documentation required pursuant to the Rights Offering Procedures and the Plan.

2. Termination.

This Amended and Restated Commitment Letter shall terminate (A) automatically, without further action or notice by any person or entity, if the Restructuring Support Agreement is terminated pursuant to the terms thereof, (B) upon written notice from (x) the Requisite Backstop Commitment Parties to TES or (y) TES to the Backstop Parties, (i) if the Bankruptcy Court fails to enter the Backstop Approval Order, which order shall be in form and substance acceptable to the Requisite Backstop Commitment Parties, by August 16, 2022, or (ii) (a) if any of the Backstop Approval Order, the order approving the Disclosure Statement, or the Confirmation Order is terminated, reversed, stayed, dismissed, vacated or reconsidered, or any such order is modified or amended after entry without the prior written consent of the Requisite Backstop Commitment Parties, (b) (x) by the Requisite Commitment Parties, if any Debtor has committed a material breach of this Amended and Restated Commitment Letter affecting the Commitments, which breach

remains uncured and outstanding for a period of ten (10) business days after notice by the Requisite Backstop Commitment Parties or (y) by TES, if any Backstop Party has committed a material breach of this Amended and Restated Commitment Letter, which breach remains uncured and outstanding for a period of ten (10) business days after notice by the Debtors, or (c) if any law or order shall have become effective or been enacted, adopted or issued by any governmental authority that prohibits the implementation of the Plan or the transactions contemplated by this Amended and Restated Commitment Letter or the Restructuring Support Agreement, (C) upon written notice from TES to the Backstop Parties if the Plan Effective Date does not occur by the date that is twelve months after the Petition Date (the "Termination Date"), or (D) solely as to a Backstop Party, by such Backstop Party to TES and the other Backstop Parties if the Plan Effective Date does not occur by the Termination Date; *provided* that the Debtors or the Requisite Backstop Commitment Parties may extend the Termination Date by six (6) months to the extent that the only unsatisfied condition precedent to the occurrence of the Plan Effective Date is obtaining required regulatory approvals. Additionally, this Amended and Restated Commitment Letter may be terminated and the transactions contemplated hereby may be abandoned at any time by mutual written consent of the Debtors and the Requisite Backstop Commitment Parties or by the Debtors at their election. Upon any termination pursuant to the terms herein, this Amended and Restated Commitment Letter shall forthwith become void and there shall be no further obligations or liabilities on the part of the Debtors or the Backstop Parties; *provided* that the Debtors' obligations to pay the Put Premium (as defined below) and their reimbursement obligations pursuant to the Restructuring Support Agreement and Section 3 hereof and the indemnification obligations pursuant to Section 4 hereof shall survive the termination of this Amended and Restated Commitment Letter indefinitely and shall remain in full force and effect.

3. Put Premium.

Whether or not the transactions contemplated hereunder are consummated or this Amended and Restated Commitment Letter is terminated, the Debtors shall (a) pay to each Backstop Party the premium in the amount set forth in, and calculated in accordance with, the Term Sheet (under the heading "Rights Offering") (the "Put Premium," or if the Amended and Restated Commitment Letter is terminated, the "Alternative Transaction Premium") (which shall be paid in accordance with the Term Sheet), and (b) shall reimburse certain reasonable and documented fees and expenses of the Backstop Parties and Consenting Parties set forth under "Transaction Expenses" in the Restructuring Support Agreement. However, in the event there is a termination of the Amended and Restated Commitment Letter, the Alternative Transaction Premium shall not be due or payable if one or more of the following specified exceptions occur (each, a "Specified Event" and collectively, the "Specified Events"):

- a. a Backstop Party individually has committed a material breach of the Amended and Restated Commitment Letter (such party, the "Breaching Party"), which breach (the "Individual Breach") remains uncured and outstanding for a period of ten (10) business days after notice by the Debtors, solely as to such breaching Backstop Party; *provided* that the Alternative Transaction Premium shall not be due or payable to any Backstop Party, including the Breaching Party, where such

Individual Breach results, following an opportunity for the other Backstop Parties to cure such Individual Breach (i) in the case of a Funding Default, in accordance with Section 13 hereof and (ii) in the case of a breach that is not a Funding Default, after the expiration of ten (10) business days after the date of notice by the Debtors, in an inability to consummate the transactions contemplated hereunder;

- b. Backstop Parties holding 25% or more of the Commitments collectively have committed a material breach of this Amended and Restated Commitment Letter, which breach remains uncured and outstanding for a period of ten (10) business days after notice by the Debtors;
- c. the Restructuring Support Agreement is terminated
 - i. by the Debtors (A) as a result of the occurrence of any of the events described in subsections 5.03(a), (d) (following the occurrence of a Specified Event, subject to any provisos thereto), (h), (i), or (k) thereof (to the extent such termination under subsection 5.03(k) occurs as a result of the identity, business, ownership, or conduct or any other fact or circumstance relating to any Consenting Party), or (B) due to a failure to meet any of the Milestones that was the result of a material breach of this Amended and Restated Commitment Letter or the Restructuring Support Agreement by any Backstop Party or, if applicable, to the extent such failure to meet a Milestone occurs as a result of a governmental authority, including any regulatory authority or court of competent jurisdiction, issuing a ruling, judgment, or order enjoining the consummation or rendering illegal the Restructuring, or otherwise indicating that the consummation of the Restructuring shall not be approved, in each case as a result of the identity, business, ownership, or conduct or any other fact or circumstance relating to any Consenting Party, and such ruling, judgment, or order has not been reversed or vacated by the later of (x) the date on which the hearing to approve the Confirmation Order is scheduled to commence in the order approving the Disclosure Statement or (y) ten (10) Business Days after the Debtors provide written notice to the Backstop Parties (the foregoing (x) and (y), as applicable, the “Governmental Authority Cure Deadline”), it being understood that nothing in this Amended and Restated Commitment Letter shall require the Debtors to appeal any decision made by any governmental authority,
 - ii. pursuant to section 5.04 thereof, or
 - iii. by the Requisite Consenting Parties due to a failure to meet any of the Milestones;

provided, however, that, notwithstanding the foregoing, the Alternative Transaction Premium shall be due and payable if the Restructuring Support Agreement is terminated by any party due to a failure to meet Milestone 12 (occurrence of the Plan Effective Date), that was not the result of (x) a material breach of this Amended and Restated Commitment Letter or the Restructuring Support Agreement by any Backstop Party or (y) a governmental authority, including any regulatory authority or court of

competent jurisdiction, issuing a ruling, judgment, or order enjoining the consummation or rendering illegal the Restructuring, or otherwise indicating that the consummation of the Restructuring shall not be approved, in each case as a result of the identity, business, ownership, or conduct or any other fact or circumstance relating to any Consenting Party, and such ruling, judgment, or order has not been reversed or vacated by the Governmental Authority Cure Deadline; *provided further*, that half of the Alternative Transaction Premium shall be due and payable if the Restructuring Support Agreement is terminated by the Debtors due to a failure to meet Milestone 7 (entry of the order approving the Disclosure Statement and the Backstop Approval Order), or if the Restructuring Support Agreement is terminated by the Requisite Consenting Parties due to a failure to meet Milestone 9 (entry of the Confirmation Order) and, in each case, such termination is not due to a material breach of this Amended and Restated Commitment Letter or the Restructuring Support Agreement by any Backstop Party; *provided that* the Debtors may extend Milestone 9 by up to a total of 45 days by written notice to the Backstop Parties;

- d. this Amended and Restated Commitment Letter is terminated pursuant to (i) section 2(C) hereof if such termination occurs as a result of (A) the identity, business, ownership, or conduct or any other fact or circumstance relating to any Backstop Party or (B) a material breach of this Amended and Restated Commitment Letter or the Restructuring Support Agreement by any Backstop Party, or (ii) section 2(B)(ii)(c) hereof if such termination occurs as a result of a governmental authority, including any regulatory authority or court of competent jurisdiction, issuing a ruling, judgment, or order enjoining the consummation or rendering illegal the Restructuring, or otherwise indicating that the consummation of the Restructuring shall not be approved, in each case as a result of the identity, business, ownership, or conduct or any other fact or circumstance relating to any Consenting Party, and such ruling, judgment, or order has not been reversed or vacated by the Governmental Authority Cure Deadline;
- e. the Restructuring Support Agreement is terminated by the Requisite Consenting Parties pursuant to section 5.02(g) thereof (to the extent such termination occurs as a result of a governmental authority, including any regulatory authority or court of competent jurisdiction, issuing a ruling, judgment, or order enjoining the consummation or rendering illegal the Restructuring, or otherwise indicating that the consummation of the Restructuring shall not be approved, in each case as a result of the identity, business, ownership, or conduct or any other fact or circumstance relating to any Consenting Party, and such ruling, judgment, or order has not been reversed or vacated by the Governmental Authority Cure Deadline);
or
- f. this Amended and Restated Commitment Letter is terminated by (x) the mutual written consent of the Debtors and the Requisite Backstop Commitment Parties, except as otherwise agreed by the Debtors and the Requisite Backstop Commitment Parties pursuant to such mutual written consent (subject to approval by the Bankruptcy Court) or (y) the Requisite Backstop Commitment Parties pursuant to section 2(E) hereof.

Subject to approval of this Amended and Restated Commitment Letter and the terms hereof by the Bankruptcy Court, if the Alternative Transaction Premium becomes payable as a result of the termination of this Amended and Restated Commitment Letter (other than following the occurrence of a Specified Event or as set forth otherwise in this paragraph), the Alternative Transaction Premium shall constitute an allowed administrative expense of the Debtors under sections 503(b) and 507 of the Bankruptcy Code without further notice to or action by the Bankruptcy Court or any party. If the Alternative Transaction Premium becomes payable due to the Debtors exercising a Fiduciary Out or pursuing an Alternative Transaction, the Alternative Transaction Premium shall be paid, as applicable, (a) promptly following such termination, if, following payment of any Alternative Transaction Premium, the Debtors' latest Cash Flow Forecast (as defined in the DIP Credit Agreement) projects that the Debtors' Liquidity (as defined in the DIP Credit Agreement) will at all times during the forecasted period exceed the sum of (x) the Minimum Liquidity Level (as defined in the Final DIP Order) and (y) any eligible Discretionary Interest Payments (as defined in the Final DIP Order) and then only if all such eligible Discretionary Interest Payments have been paid; (b) promptly following such termination, if an updated DIP Budget has been delivered pursuant to section 2.16(f) of the DIP Credit Agreement following confirmation of an Approved Plan, as permitted by such updated DIP Budget while remaining in compliance with all applicable covenants of the DIP Credit Agreement; or (c) promptly upon consummation of an Alternative Restructuring; *provided* that in all cases the Put Premium or the Alternative Transaction Premium, as applicable, shall be paid upon consummation of the Plan or an Alternative Restructuring, as applicable, to the extent it has not previously been paid. Upon entry of the Backstop Approval Order, such premiums and reimbursements will be fully earned, and, once paid, to the extent permitted by applicable law, shall not be refundable under any circumstances; *provided* that nothing herein limits the Debtors' rights with respect to the Put Premium paid to any Backstop Party in the event of a breach by such Backstop Party of its obligations under this Amended and Restated Commitment Letter and the Restructuring Support Agreement. The provision for the payment of such premiums and reimbursements is an integral part of the transactions contemplated by this Amended and Restated Commitment Letter and, without this provision, the Backstop Parties would not have entered into this Amended and Restated Commitment Letter, and any unpaid premiums or reimbursements are intended to constitute an allowed administrative expense of the Debtors under sections 503(b) and 507 of the Bankruptcy Code. If this Amended and Restated Commitment Letter is terminated, nothing contained herein shall limit or restrict the Backstop Parties from seeking allowance and payment of any such unpaid premiums or reimbursements as administrative expenses of the Debtors' estates under the Bankruptcy Code, including under sections 503(b) and 507 thereof. The terms set forth in this Section 3 shall survive termination of this Amended and Restated Commitment Letter and shall remain in full force and effect regardless of whether the transactions contemplated hereby are consummated.

4. Indemnification.

(a) If following the date of this Amended and Restated Commitment Letter any action, suit or proceeding (related to or arising from this Amended and Restated Commitment Letter, the Restructuring Support Agreement or the transactions contemplated hereby or thereby), claim, challenge, litigation or investigation relating to

any of the foregoing shall be commenced against, or any claim or demand (related to or arising from this Amended and Restated Commitment Letter, the Restructuring Support Agreement or the transactions contemplated hereby or thereby) shall be asserted against any of the Backstop Parties, then the Debtors, together with their respective successors and assigns (each, an “Indemnifying Party”), on a joint and several basis, shall indemnify, defend and hold harmless each Backstop Party and each of such Backstop Party’s affiliates and each of their respective officers, directors, managers, partners, stockholders, members, employees, advisors, agents and other representatives and any affiliate of the foregoing, and each of their respective successors and assigns (each, in their capacities as such, an “Indemnified Party”) from and against, and shall promptly reimburse each Indemnified Party for, all losses, damages, liabilities and reasonable and documented costs and expenses, including, without limitation, reasonable and documented out-of-pocket attorneys’ fees and expenses and, solely in the case of a conflict of interest, one additional counsel in each applicable jurisdiction to each group of affected Indemnified Parties similarly situated, taken as a whole); arising or resulting from or in connection with any such action, suit or proceeding by a third-party (collectively, “Indemnified Liabilities”); *provided* that Indemnified Liabilities shall exclude any losses, damages, liabilities, costs or expenses found by a final, non-appealable judgment of a court of competent jurisdiction to arise from an Indemnified Party’s gross negligence, bad faith, fraud or a material breach of the obligations of such Indemnified Party under this Amended and Restated Commitment Letter or the Restructuring Support Agreement. In addition, the Indemnified Liabilities shall exclude any claim by one Backstop Party against another Backstop Party.

(b) Each Indemnified Party entitled to indemnification hereunder shall (i) give prompt written notice to the Indemnifying Party of any claim with respect to which it intends to seek indemnification or contribution pursuant to this Amended and Restated Commitment Letter and (ii) permit such Indemnifying Party to assume the defense of such claim with counsel selected by the Indemnified Party and reasonably satisfactory to the Indemnifying Party, *provided* that the failure to so notify any Indemnifying Party will not relieve any Indemnifying Party from any liability that any Indemnifying Party may have hereunder except to the extent such Indemnifying Party has been materially prejudiced by such failure; *provided, further*, that any Indemnified Party entitled to indemnification hereunder shall have the right to employ separate counsel and to participate in the defense of such claim, but the fees and expenses of such counsel shall be at the expense of such Indemnified Party unless (x) the Indemnifying Party has agreed in writing to pay such fees and expenses, (y) the Indemnifying Party shall have failed to assume the defense of such claim within a reasonable time following delivery of the written notice of the Indemnified Party with respect to such claim or failed to employ counsel reasonably satisfactory to such Indemnified Party or (z) in the reasonable judgment of such Indemnified Party, based upon advice of its counsel, a conflict of interest may exist between such Indemnified Party and the Indemnifying Party with respect to such claim (in which case, if the Indemnified Party notifies the Indemnifying Party in writing that it elects to employ separate counsel at the expense of the Indemnifying Party, the Indemnifying Party shall not have the right to assume the defense of such claim on behalf of such Indemnified Party). In connection with any settlement negotiated by an Indemnifying Party, no Indemnifying Party shall, and no Indemnified Party shall be required by an Indemnifying Party to, (i) enter into any settlement which does not include as an unconditional term thereof the giving by the

claimant or plaintiff to the Indemnified Party of a full and unconditional release from all liability in respect to such claim or litigation, (ii) enter into any settlement that attributes or admits liability or fault to the Indemnified Party, or (iii) consent to the entry of any judgment that does not include as a term thereof a full dismissal of the litigation or proceeding with prejudice. In addition, without the consent of the Indemnified Party, no Indemnifying Party shall be permitted to consent to entry of any judgment or enter into any settlement which provides for any action or restriction on the part of the Indemnified Party other than the payment of money damages which are to be paid in full by the Indemnifying Party. If an Indemnifying Party fails or elects not to assume the defense of a claim or is not entitled to assume or continue the defense of such claim pursuant to the foregoing, the Indemnified Party shall have the right (without prejudice to its right of indemnification hereunder), in its discretion, to contest, defend and litigate such claim and may settle such claim, either before or after the initiation of litigation, at such time and upon such terms as the Indemnified Party deems fair and reasonable; *provided, however*, that at least ten days prior to any settlement, written notice of its intention to settle is given to the Indemnifying Party. If requested by the Indemnifying Party, the Indemnified Party agrees (at the expense of the Indemnifying Party) to reasonably cooperate with the Indemnifying Party and its counsel in contesting any claim that the Indemnifying Party elects to contest; *provided* that such cooperation shall not include the provision of any information to the extent that the provision thereof would violate any attorney-client privilege, law, rule or regulation, or any obligation of confidentiality binding on such Indemnified Party. If such indemnification is for any reason not available or is insufficient to hold an Indemnified Party harmless, each Indemnifying Party agrees to contribute to the Indemnified Liabilities to which the Indemnified Party may be subject in such proportion as is appropriate to reflect the relative benefits received (or anticipated to be received) by each Indemnifying Party and each Indemnified Party with respect to the Commitments or, if such allocation is judicially determined to be unavailable, in such proportion as is appropriate to reflect other equitable considerations such as the relative fault of each Indemnifying Party on the one hand and of each Indemnified Party on the other hand; *provided, however*, that, to the extent permitted by applicable law, an Indemnified Party shall not be responsible for amounts which in the aggregate are in excess of the amount of all premiums and reimbursements actually received by the Indemnified Party from the Indemnifying Party in connection with the Commitments. Relative benefits to an Indemnifying Party, on the one hand, and an Indemnified Party, on the other hand, with respect to the Commitments shall be deemed to be in the same proportion as (i) the total value paid or received or proposed to be paid or received by the Indemnifying Party pursuant to the issuance and sale of the New Equity contemplated by this Amended and Restated Commitment Letter bears to (ii) all premiums and reimbursements actually received by the Indemnified Parties in connection with the Commitments. The terms set forth in this Section 4 shall survive termination of this Amended and Restated Commitment Letter and shall remain in full force and effect regardless of whether the transactions contemplated hereby are consummated.

5. Information.

The Debtors hereby represent and warrant that any forecasts or projections that have been or will be made available to the Backstop Parties by or on behalf of the Debtors or any of their respective representatives have been or will be prepared in good faith based

upon assumptions that are believed by the Debtors to be reasonable at the time any such forecasts or projections are delivered to the Backstop Parties; it being understood that any such forecasts and projections are not to be viewed as facts, are subject to significant uncertainties and contingencies, many of which are beyond the Debtors' control, that no assurance can be given that any particular forecasts or projections will be realized, that actual results may differ significantly from the projected results and that such differences may be material.

6. Conditions to the Obligations of the Backstop Parties.

The obligation of the Backstop Parties to consummate the funding obligations under this Amended and Restated Commitment Letter shall be subject to the satisfaction of each of the following conditions precedent:

- a. Exit Liquidity. The liquidity of the Reorganized Company as of the Plan Effective Date shall be no less than Minimum Liquidity and satisfy Minimum LC Capacity as set forth in the Term Sheet.
- b. Net Debt. The net debt of the Reorganized Company as of the Plan Effective Date shall be as set forth on the schedule attached hereto as Schedule II.
- c. Exit Financing. The Exit Facility Documents, including a revolving credit facility and letter of credit facility (if not incorporated within the revolving credit facility), shall be acceptable to the Requisite Backstop Commitment Parties, it being understood and agreed for purposes of this Section 6(c) that Exit Facility Documents reflecting market terms shall be deemed acceptable to the Requisite Backstop Commitment Parties.
- d. Agreements. Each of the Restructuring Support Agreement and this Amended and Restated Commitment Letter shall remain in full force and effect and shall not have been terminated prior to the Plan Effective Date and the Debtors shall not have committed a material breach of their obligations thereunder, which material breach remains uncured and outstanding.
- e. Backstop Approval Order. The Bankruptcy Court shall have entered the Backstop Approval Order in form and substance satisfactory to the Requisite Backstop Commitment Parties.
- f. Confirmation Order. The Bankruptcy Court shall have entered the Confirmation Order in form and substance satisfactory to the Requisite Backstop Commitment Parties, it being understood and agreed for purposes of this Section 6(f) that a Confirmation Order that is consistent in all material respects with the Restructuring Support Agreement and the Restructuring Term Sheet shall be deemed acceptable to the Requisite Backstop Commitment Parties.
- g. No Termination. The Backstop Approval Order, or the Confirmation Order shall not have been terminated, reversed, stayed, dismissed, vacated or reconsidered,

and no such order shall have been modified or amended in a manner adverse to the Backstop Parties after entry without the prior written consent of the Requisite Backstop Commitment Parties.

- h. Rights Offering. The Rights Offering shall have been conducted in all material respects in accordance with the Rights Offering Documents, and the Rights Offering shall have expired in accordance with the terms of the Rights Offering Procedures.
- i. Covenants. Each of the Debtors shall have performed and complied, in all material respects, with all of its respective covenants and agreements contained in this Amended and Restated Commitment Letter that contemplate, by their terms, performance or compliance prior to the Plan Effective Date.
- j. No Material Adverse Effect. Since the date of this Amended and Restated Commitment Letter, there shall not have been a Material Adverse Effect. “Material Adverse Effect” shall mean any event, change, effect, circumstance, occurrence, development, condition, result, state of facts or change of facts (“Event”) occurring after the date hereof that, individually or together with all other Events, has had or would reasonably be expected to have a material and adverse effect on (i) the Company’s ability to implement the Restructuring Transactions or (ii) the business, assets, liabilities, finances, properties, results of operations or condition (financial or otherwise) of the Debtors, taken as a whole; except, for purposes of clause (ii), to the extent that such Event results from, arises out of, or is attributable to, the following (either alone or in combination): (a) any change in global, national, or regional political conditions (including, without limitation, civil unrest, riots, hostilities, acts of war, sabotage, terrorism (including, without limitation, any cyberattack) or military actions or any escalation or material worsening of any such actions), (b) any change in global, national or regional financial or economic conditions affecting the industries, regions or markets in which the Debtors operate, including, without limitation, any change in the United States or applicable foreign economies or securities, commodities or financial markets (including, without limitation, any changes or developments in prices for oil, natural gas, or other commodities or power prices), (c) any changes in the market price or trading volume of the claims or debt or equity securities of the Company or any other Debtor, (d) any act of God or other calamity or force majeure event (whether or not declared as such), including, without limitation, any strike, labor dispute, civil disturbance, embargo, natural disaster, fire, flood, hurricane, tornado or other weather event, epidemic, pandemic, disease outbreak (including, without limitation, COVID-19, SARS-CoV-2 virus or any mutation or variation thereof), (e) any changes after the date hereof in applicable law or GAAP or the interpretation or enforcement thereof, (f) the filing or pendency of the Chapter 11 Cases, or (g) any matters disclosed in any first day pleadings or declarations to the extent made available to the Backstop Parties prior to the date hereof; provided, that exceptions set forth in clauses (a), (b), (c), (d), and (e) of this definition shall not apply to the extent that such Event is disproportionately adverse to the Debtors, taken as a

whole, as compared to other companies operating in the industries or participating in the markets in which the Debtors operate or participate, as applicable.

- k. Put Premium. The Debtors shall have paid the applicable Put Premium and shall have paid, or substantially concurrently with the occurrence of the Plan Effective Date will pay, all fees and expenses of the Backstop Parties required to be paid pursuant to Section 3 of this Amended and Restated Commitment Letter and the Restructuring Support Agreement.
 - l. Antitrust Approvals. All waiting periods imposed by any antitrust authority in connection with the transactions contemplated by this Amended and Restated Commitment Letter shall have terminated or expired and all authorizations, approvals, consents or clearances under the applicable antitrust laws in connection with the transactions contemplated by this Amended and Restated Commitment Letter shall have been obtained.
 - m. Other Governmental Approvals. All other governmental and regulatory approvals or authorizations necessary for the occurrence of the Plan Effective Date shall have been obtained and any required governmental and regulatory filings shall have been made, to the extent the failure to obtain such approvals or authorizations or to make such governmental and regulatory filings would reasonably be expected to result in a Material Adverse Effect on the Debtors (taken as a whole), and no law or order shall have become effective or been enacted, adopted or issued by any governmental authority that prohibits the implementation of the Plan or the transactions contemplated by this Amended and Restated Commitment Letter or the Restructuring Support Agreement.
7. Transfer and Assignment; Third Party Beneficiaries.

No Debtor may assign its rights, interests or obligations hereunder without the prior written consent of the Requisite Backstop Commitment Parties and any purported assignment by the Debtors in violation of this Section 7 shall be void *ab initio*. The Backstop Parties may assign their respective Commitments hereunder to (a) any of their respective affiliates (i) with the prior written consent of the Debtors (not to be unreasonably withheld, conditioned, or delayed, with it being understood and agreed that it would be unreasonable to withhold consent if the transferee's financial wherewithal is equal or superior to that of the transferor and sufficient to satisfy the applicable obligations hereunder), so long as such affiliate (A) is an "accredited investor" within the meaning of Rule 501(a) of the Securities Act and a "qualified institutional buyer" within the meaning of Rule 144A of the Securities Act and (B) shall have delivered a duly executed joinder to (x) the Restructuring Support Agreement and (y) this Amended and Restated Commitment Letter (in form and substance reasonably acceptable to TES), or (ii) without the prior written consent of the Debtors (provided that the transferor continues to have the financial wherewithal sufficient to satisfy the applicable obligations hereunder and continues to be liable for all of the obligations of it and the transferee under this Amended and Restated Commitment Letter (including, without limitation, to fund the full amount of its initial Commitment in the event that a transferee of such Commitment (including any subsequent

transferee) fails to satisfy its obligation with respect to all or any portion of such transferred Commitment), so long as such affiliate (A) is an “accredited investor” within the meaning of Rule 501(a) of the Securities Act and a “qualified institutional buyer” within the meaning of Rule 144A of the Securities Act and (B) shall have delivered a duly executed joinder to (x) the Restructuring Support Agreement and (y) this Amended and Restated Commitment Letter (in form and substance reasonably acceptable to TES), (b) any other Backstop Party, or (c) any other party with the prior written consent of the Debtors and the Requisite Backstop Commitment Parties so long as (i) such party is an “accredited investor” within the meaning of Rule 501(a) of the Securities Act and a “qualified institutional buyer” within the meaning of Rule 144A of the Securities Act and (ii) such party shall have delivered a duly executed joinder to (x) the Restructuring Support Agreement and (y) this Amended and Restated Commitment Letter (in form and substance reasonably acceptable to TES).

Except as provided in Section 4 hereof with respect to the Indemnified Parties, this Amended and Restated Commitment Letter is not intended to and does not confer upon any person other than the parties hereto any rights or remedies under this Amended and Restated Commitment Letter.

8. Governing Law; Jurisdiction.

This Amended and Restated Commitment Letter shall be governed and construed in accordance with the laws of the State of New York. The parties hereto consent and agree that any action to enforce this Amended and Restated Commitment Letter or any dispute, whether such dispute arises in law or equity, arising out of or relating to this Amended and Restated Commitment Letter and the agreements, instruments and documents contemplated hereby and thereby shall be brought exclusively in the Bankruptcy Court. Each of the parties hereto (a) irrevocably submits to the exclusive jurisdiction of the Bankruptcy Court; (b) waives any objection to laying venue in any such action or proceeding in the Bankruptcy Court; and (c) waives any objection that the Bankruptcy Court is an inconvenient forum or does not have jurisdiction over any party hereto or constitutional authority to finally adjudicate the matter. Without limiting the rights of any party hereto, each party acknowledges and agrees that the Debtors are entitled to seek damages from any Backstop Party that breaches its obligations under this Amended and Restated Commitment Letter; *provided* that each party hereto hereby waives, to the maximum extent not prohibited by law, any right it may have to claim or recover in any legal action or proceeding any special, exemplary, punitive or consequential damages. EACH PARTY HERETO IRREVOCABLY WAIVES ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATING TO THIS AMENDED AND RESTATED COMMITMENT LETTER OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY.

9. Amendments.

This Amended and Restated Commitment Letter and the Restructuring Support Agreement represent the final agreement and the entire understanding among the parties hereto with respect to the subject matter hereof and may not be contradicted by evidence

of prior or contemporaneous agreements and understandings of the parties hereto. There are no unwritten oral agreements or understandings between the parties hereto relating to the subject matter hereof. This Amended and Restated Commitment Letter may only be modified, amended, or supplemented by an agreement signed by the Debtors and the Requisite Backstop Commitment Parties; *provided*, that (a) the prior written consent of each Backstop Party adversely affected thereby shall be required for any amendment that would (i) modify such Backstop Party's Backstop Commitment Percentage, (ii) have an adverse and disproportionate effect on such Backstop Party, (iii) alter the pricing or duration terms set forth in the Term Sheet and/or this Amended and Restated Commitment Letter, or (iv) modify such Backstop Party's Backstop Commitment Percentage; (b) each Backstop Party's prior written consent shall be required for any amendment that would increase its or the aggregate Commitment amount; and (c) each Backstop Party's prior written consent shall be required to amend the definition of "Requisite Backstop Commitment Parties" or to amend this Section 9. Notwithstanding the foregoing, **Schedule I** shall be revised as necessary without requiring a written instrument signed by the Debtors and the Requisite Backstop Commitment Parties to reflect changes in the composition of the Backstop Parties and Backstop Commitment Percentages as a result of transfers permitted hereby.

10. Counterparts.

This Amended and Restated Commitment Letter may be executed in any number of counterparts, all of which will be considered one and the same agreement and will become effective when counterparts have been signed by each of the parties and delivered to each other party (including via facsimile, portable document format (.pdf) or other electronic transmission), it being understood that each party need not sign the same counterpart.

11. No Fiduciary Duties.

Notwithstanding anything to the contrary herein, the entry into this Amended and Restated Commitment Letter and the transactions contemplated hereby shall not create any fiduciary duties between and among the Backstop Parties or other duties or responsibilities to each other, the Debtors or any Debtor's creditors or other stakeholders.

12. Antitrust Approval.

(a) Each of the Debtors and the Backstop Parties agrees to use commercially reasonable efforts to take, or cause to be taken, all actions and to do, or cause to be done, all things necessary to consummate and make effective the transactions contemplated by this Amended and Restated Commitment Letter, the Plan and the other Definitive Documents, including (i) if applicable, filing, or causing to be filed, the Notification and Report Form pursuant to the Hart-Scott-Rodino Antitrust Improvements Act of 1976 (the "HSR Act") with respect to the transactions contemplated by this Amended and Restated Commitment Letter with the Antitrust Division of the United States Department of Justice and the United States Federal Trade Commission and any filings (or, if required by any other Antitrust Authority, any drafts thereof) under any other antitrust laws that are

necessary to consummate and make effective the transactions contemplated by this Amended and Restated Commitment Letter as soon as reasonably practicable and no later than fifteen (15) business days following the date of entry of the Backstop Approval Order and (ii) promptly furnishing documents or information reasonably requested by any Antitrust Authority and supplying to any governmental entity as promptly as practicable any additional information or documents that may be requested by such governmental entity or pursuant to any law (statutory or common), statute, regulation, rule, code or ordinance enacted, adopted, issued or promulgated by any governmental entity and taking, or cause to be taken, all other actions and doing, or causing to be done, all other things necessary, proper or advisable to consummate and make effective the transactions contemplated by this Amended and Restated Commitment Letter. “Antitrust Authorities” means the United States Federal Trade Commission, the Antitrust Division of the United States Department of Justice, the attorneys general of the several states of the United States and any other governmental entity having jurisdiction pursuant to the antitrust laws, and “Antitrust Authority” means any one of them.

(b) The Company and each Backstop Party subject to an obligation pursuant to applicable antitrust laws to notify any transaction contemplated by this Amended and Restated Commitment Letter, the Plan or the other Definitive Documents that has notified the Company in writing of such obligation (each such Backstop Party, a “Filing Party”) agree to reasonably cooperate with each other as to the appropriate time of filing such notification and its content. The Company and each Filing Party shall, to the extent permitted by applicable Law: (i) promptly notify each other of, and if in writing, furnish each other with copies of (or, in the case of material oral communications, advise each other orally of) any communications from or with an Antitrust Authority; (ii) not participate in any meeting with an Antitrust Authority unless it consults with each other Filing Party and the Company, as applicable, in advance and, to the extent permitted by the Antitrust Authority and applicable Law, give each other Filing Party and the Company, as applicable, a reasonable opportunity to attend and participate thereat; (iii) furnish each other Filing Party and the Company, as applicable, with copies of all correspondence and communications between such Filing Party or the Company and the Antitrust Authority; (iv) furnish each other Filing Party with such necessary information and reasonable assistance as may be reasonably necessary or desirable in connection with the preparation of necessary filings or submission of information to the Antitrust Authority; and (v) not withdraw its filing, if any, under the HSR Act without the prior written consent of the Requisite Backstop Commitment Parties and the Company.

(c) Should a Filing Party be subject to an obligation under antitrust laws to jointly notify with one or more other Filing Parties (each, a “Joint Filing Party”) any transaction contemplated by this Amended and Restated Commitment Letter, the Plan or the other Definitive Documents, such Joint Filing Party shall promptly notify each other Joint Filing Party of, and if in writing, furnish each other Joint Filing Party with copies of (or, in the case of material oral communications, advise each other Joint Filing Party orally of) any communications from or with an Antitrust Authority.

(d) The Company and each Filing Party shall use their commercially reasonable efforts to obtain all authorizations, approvals, consents, or clearances under any applicable

antitrust laws or to cause the termination or expiration of all applicable waiting periods under any antitrust laws in connection with the transactions contemplated by this Amended and Restated Commitment Letter at the earliest possible date after the date of filing. The communications contemplated by this Section 12 may be made by the Company or a Filing Party on an outside counsel-only basis or subject to other agreed upon confidentiality safeguards. The obligations in this Section 12 shall not apply to filings, correspondence, communications or meetings with Antitrust Authorities unrelated to the transactions contemplated by this Amended and Restated Commitment Letter, the Plan or the other Definitive Documents.

13. Funding Default.

(a) Upon the occurrence of the failure by any Backstop Party to timely pay the applicable purchase price in respect of its Commitment (the “Funding Amount” and such failure, a “Funding Default”), the Backstop Parties (other than any Backstop Party that causes a Funding Default (“a “Defaulting Backstop Party”)) shall have the right, but not the obligation, within five (5) Business Days after receipt of written notice from the Company to all Backstop Parties of such Funding Default, which notice shall be given promptly following the occurrence of such Funding Default (such five (5) Business Day period, the “Replacement Period”), to elect, by written notice to the Company, to purchase all or any portion of the New Equity attributable to such Defaulting Backstop Party’s Commitment (such purchase, a “Replacement Purchase”) on the terms and subject to the conditions set forth in this Amended and Restated Commitment Letter and in such amounts as may be agreed upon by all of the non-defaulting Backstop Parties that elect to purchase all or any portion of the New Equity attributable to such Defaulting Backstop Party, or, if no such agreement is reached by the date upon which the Replacement Period expires, based upon each such electing Backstop Party’s Backstop Commitment Percentage of the aggregate amount of New Equity that has not been purchased as a result of such Funding Default (such Backstop Parties, the “Replacing Backstop Parties”). The purchase price paid by any Replacing Backstop Party in connection with a Replacement Purchase shall be equal to the applicable purchase price in respect of such Defaulting Backstop Party’s Commitment.

(b) If a Backstop Party is a Defaulting Backstop Party, or is otherwise in breach of its obligations hereunder, it shall not be entitled to any of the Put Premium hereunder.

(c) Nothing in this Amended and Restated Commitment Letter shall require any Backstop Party to fund more than its Backstop Commitment; *provided* that if a Backstop Party makes an election to cover a Defaulting Backstop Party, such election shall be binding, and failure to fund any such cover amount in accordance with this Section 13 shall constitute a Funding Default; *provided* that, for the avoidance of doubt, this Section 13(c) shall not be deemed to limit any Backstop Party’s obligations under Section 1(d).

(d) Notwithstanding anything to the contrary set forth in Section 2 but subject to Section 8, no provision of this Agreement shall relieve any Defaulting Backstop Party from liability hereunder, or limit the availability of the remedies available to the non-defaulting parties hereto, in connection with any such Backstop Party’s Funding Default.

(e) Promptly, and in any case no later than two (2) business days following a Funding Default, each Defaulting Backstop Party shall return to TES (a) any portion of the Put Premium previously paid to it and (b) any fees and expenses for which it has received reimbursement pursuant to the Restructuring Support Agreement.

14. Notice.

Notwithstanding anything to the contrary herein, provision to Kirkland & Ellis of any notice that may be due or required to any Backstop Party, as set forth herein, shall constitute notice to such Backstop Party. Such notice to any Backstop Party hereunder will be deemed given if in writing and delivered, if contemporaneously sent by electronic mail, courier or by registered or certified mail (return receipt requested) to the following addresses and electronic mail addresses:

Kirkland & Ellis LLP
601 Lexington Avenue
New York, New York 10022
Facsimile: (212) 446-4900
Attention: Steven N. Serajeddini, P.C. (steven.serajeddini@kirkland.com)

And

Kirkland & Ellis LLP
300 North LaSalle Street
Chicago, IL 60654
Facsimile: (312) 862-2200
Attention: Patrick J. Nash, Jr., P.C. (patrick.nash@kirkland.com)
Christopher S. Koenig (chris.koenig@kirkland.com)
Alexander D. McCammon (alexander.mccammon@kirkland.com)

Any notice given by delivery, mail, or courier will be effective when received. Any notice given by electronic mail will be effective upon confirmation of transmission.

15. Passage of Time.

With respect to any Milestone or other reference of time herein, if the last day of such period falls on a Saturday, Sunday, or a “legal holiday,” as defined in Rule 9006(a) of the Federal Rules of Bankruptcy Procedure, such Milestone or other reference of time shall be extended to the next such day that is not a Saturday, Sunday, or a “legal holiday,” as defined in Rule 9006(a) of the Federal Rules of Bankruptcy Procedure; *provided, for the avoidance of doubt*, that any Milestone with respect to a hearing date shall be subject to the Bankruptcy Court’s availability.

[Signature Pages Follow]

SCHEDULE I

Backstop Percentages

Schedule II

Net Debt Schedule

| Illustrative Emergence Date | Targeted Net Debt Balance |
|-----------------------------|---------------------------|
| 6/30/22 | \$2,476 |
| 7/31/22 | 2,401 |
| 8/31/22 | 2,322 |
| 9/30/22 | 2,269 |
| 10/31/22 | 2,200 |
| 11/30/22 | 2,169 |
| 12/31/22 | 2,099 |
| 1/31/23 | 1,830 |
| 2/28/23 | 1,465 |
| 3/31/23 | 1,377 |
| 4/30/23 | 1,378 |
| 5/31/23 | 1,441 |
| 6/30/23 | 1,481 |
| 7/31/23 | 1,460 |
| 8/31/23 | 1,396 |
| 9/30/23 | 1,402 |
| 10/31/23 | 1,392 |