

Talen Energy Corp
Form 8-K
December 29, 2015

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): December 23, 2015

| Commission File Number | Registrant; State of Incorporation; Address and Telephone Number | IRS Employer Identification No. |
|------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------|
| 1-37388 | Talen Energy Corporation (Exact name of Registrant as specified in its charter) Delaware (State or other jurisdiction of incorporation) 835 Hamilton Street, Suite 150 Allentown, PA 18101-1179 (888) 211-6011 | 47-1197305 |
| 1-32944 | Talen Energy Supply, LLC (Exact name of Registrant as specified in its charter) Delaware (State or other jurisdiction of incorporation) 835 Hamilton Street, Suite 150 Allentown, PA 18101-1179 (888) 211-6011 | 23-3074920 |

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrants under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Section 5 - Corporate Governance and Management

Item 5.02 Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

On December 23, 2015, Talen Energy Corporation (the “Company”) entered into change in control severance protection agreements (each a “CIC Agreement”) with Jeremy R. McGuire (Senior Vice President, Chief Financial Officer and Chief Accounting Officer), Clarence J. Hopf, Jr. (Senior Vice President and Chief Commercial Officer) and Timothy S. Rausch (Senior Vice President and Chief Nuclear Officer). The CIC Agreements provide benefits to such officers upon an involuntary termination of employment without “cause” or a termination by the officer for “good reason” (each as defined in the CIC Agreement and each a “qualifying termination”) in connection with a “change in control” (as defined in the Talen Energy 2015 Stock Incentive Plan) of the Company.

Each CIC Agreement continues in effect until December 31, 2016, and each is automatically extended annually for an additional one-year period unless either party provides six months’ advance notice of non-renewal. If a change in control occurs during the term of a CIC Agreement, the CIC Agreement will expire no earlier than 24 months after the month in which the change in control occurs. In the event that an officer ceases to serve in his current position prior to a potential change in control, his CIC Agreement will terminate on such date.

Each CIC Agreement provides that, if an officer is terminated due to a qualifying termination, he will receive (to the extent not previously paid), a lump sum amount equal to the sum of (i) his full base salary through the termination date, (ii) the value of any annual bonus or cash incentive plan payment he would have received for service in the final calendar year of employment, as if 100% of target goals were achieved, but prorated based on the number of full calendar months of service completed and (iii) the value of any restricted stock units that he would have been awarded for service in the final calendar year of employment, as if 100% of target goals (including time-based vesting requirements) were achieved, but prorated based on the number of full calendar months of service completed.

Each CIC Agreement also provides that an officer generally will be entitled to the following severance benefits in the event of a qualifying termination in connection with a change in control:

a lump-sum payment equal to two times the sum of (1) his base salary in effect immediately prior to the date of termination or, if higher, immediately prior to the first occurrence of an event or circumstance constituting “good reason,” and (2) the average of annual bonuses earned by him in respect of the last three fiscal years ending immediately prior to the fiscal year in which the termination occurs or, if higher, the fiscal year immediately prior to the fiscal year in which an event or circumstance constituting “good reason” first occurs (provided, that, in the event the officer has not earned bonuses for at least three fiscal years, then such average bonus calculation may be based on either the prior one or two years’ annual bonuses or his annual target bonus, as the case may be);

a lump-sum payment equal to the aggregate amount of COBRA premiums otherwise payable for the 24-month period following termination (assuming COBRA would have been available for the 24 months at the rate in effect at date of termination);

unpaid incentive compensation that has been allocated or awarded for a previous performance period;

vesting of all contingent cash-based incentive compensation awards for all then uncompleted periods, calculated on a prorated basis of months of completed service, assuming achievement at the actual level of performance as of the date of change in control;

outplacement services until December 31 of the second calendar year after termination or, if earlier, until the first acceptance by the officer of an offer of employment, but limited to fees of \$50,000; and

post-retirement health care and life insurance benefits if eligibility would have occurred within the 24-month period following termination or, if more favorable to the officer, within 24 months of the date on which the event or circumstance constituting “good reason” first occurs.

The foregoing summary of the CIC Agreements does not purport to be complete and is subject to and qualified in its entirety by reference to the full text of the CIC Agreements, a form of which is filed herewith at Exhibit 10.1 and incorporated by reference herein.

Section 9 - Financial Statements and Exhibits

Item 9.01 Financial Statements and Exhibits.

- (d) Exhibits
 - 10.1 Form of Talen Energy Corporation Change in Control Severance Protection Agreement
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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, each of the Registrants has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

TALEN ENERGY CORPORATION

By: /s/ Russell R. Clelland
Russell R. Clelland
Vice President and Treasurer

TALEN ENERGY SUPPLY, LLC

By: /s/ Russell R. Clelland
Russell R. Clelland
Vice President and Treasurer

Dated: December 29, 2015