DYNEGY INC.
Form PRE 14A
March 12, 2010

SCHEDULE 14A

PROXY STATEMENT PURSUANT TO SECTION 14(a) OF THE
SECURITIES EXCHANGE ACT OF 1934

Filed by the Registrant x
Filed by a Party other than the Registrant ¨

Check the appropriate box:

x Preliminary Proxy Statement

¨ Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))

¨ Definitive Proxy Statement

¨ Definitive Additional Materials

¨ Soliciting Material Pursuant to Rule 14a-12

Dynegy Inc.
(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

x No fee required.

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(1) Title of each class of securities to which transaction applies:

(2) Aggregate number of securities to which transaction applies:

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

(4) Proposed maximum aggregate value of transaction:

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¨ Fee paid previously with preliminary materials.

¨ Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

April [X], 2010

To our stockholders:

It is my pleasure to invite you to attend the 2010 Annual Meeting of stockholders of Dynegy Inc., which will be held on Friday, May 21, 2010 at 10:00 a.m., local time, at Dynegy's headquarters, Wells Fargo Plaza, 1000 Louisiana Street, Houston, Texas 77002. .

At the Annual Meeting, in addition to acting on the matters described in the proxy statement, we plan to review our 2009 accomplishments and discuss our strategy for creating long-term stockholder value. There will also be an opportunity to discuss other matters of interest to you as a stockholder.

We intend to once again take advantage of the Securities and Exchange Commission rules that allow issuers to furnish proxy materials to their stockholders over the internet. We believe that these rules allow us to provide our stockholders with the information they desire, while lowering costs of delivery and reducing the environmental impact of our Annual Meeting.

As Dynegy stockholders, your vote is important. Whether or not you will attend the Annual Meeting in person, it is important that your shares be represented. Please vote as soon as possible.

Because of limited seating, only stockholders, their proxy holders and our guests may attend the Annual Meeting. If you plan to attend the Annual Meeting, you must be a stockholder of record as of March 23, 2010 or, if you have beneficial ownership of shares of our common stock held by a bank, brokerage firm or other nominee, you must bring a brokerage statement or other proper evidence of your beneficial ownership of common stock as of March 23, 2010 in order to be admitted to the Annual Meeting.

I look forward to seeing you in Houston on Friday, May 21, 2010.

Sincerely,

Bruce A. Williamson
Chairman of the Board, President and Chief Executive Officer

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS
TO BE HELD FRIDAY, MAY 21, 2010

To our stockholders:

NOTICE IS HEREBY GIVEN, that the 2010 Annual Meeting of Stockholders of Dynegy Inc., a Delaware corporation, will be held on Friday, May 21, 2010 at 10:00 a.m., local time, at Dynegy's headquarters, Wells Fargo Plaza, 1000 Louisiana Street, Houston, Texas 77002 for the following purposes:

1. To elect seven directors to serve until the 2011 Annual Meeting of Stockholders;

2. To act upon a proposal to approve an amendment and restatement of Dynegy's Amended and Restated Certificate of Incorporation to effect a reverse stock split of Dynegy's outstanding common stock at a reverse split ratio of 1-for-5 and to proportionately decrease the number of authorized shares of Dynegy's capital stock;

3. To act upon a proposal to approve an amendment and restatement of Dynegy's Amended and Restated Certificate of Incorporation to refer to our Class A common stock as "Common Stock" and remove all references to Class B common stock;

4. To act upon a proposal to approve the Dynegy Inc. 2010 Long Term Incentive Plan;

5. To act upon a proposal to approve the amended and restated Dynegy Inc. Incentive Compensation Plan;

6. To act upon a proposal to ratify the appointment of Ernst & Young LLP as Dynegy's independent registered public accountants for the fiscal year ending December 31, 2010; and

7. To act upon a stockholder proposal regarding greenhouse gas emissions, if properly presented at the Annual Meeting.

Additionally, if needed, the stockholders may act upon any other matters that may properly come before the meeting (including a proposal to adjourn the meeting to solicit additional proxies) or any reconvened meeting after an adjournment or postponement of the meeting.

The close of business on March 23, 2010 has been fixed as the record date for the determination of stockholders entitled to receive notice of and to vote at the Annual Meeting and any reconvened meeting after an adjournment or postponement of the meeting.

You are cordially invited to attend the meeting. WHETHER OR NOT YOU PLAN TO ATTEND THE MEETING, PLEASE VOTE AS SOON AS POSSIBLE.

By Order of the Board of Directors,

Kimberly M. O'Brien
Corporate Secretary

April [X], 2010

DYNEGY INC.
1000 Louisiana Street, Suite 5800
Houston, Texas 77002

(713) 507-6400

PROXY STATEMENT

GENERAL INFORMATION

Why am I receiving these materials?

The Board of Directors of Dynegy Inc., or the Board, has made these materials available to you over the internet or, has delivered printed versions of these materials to you by mail, in connection with the Board's solicitation of proxies for use at the 2010 Annual Meeting of Stockholders, or the Annual Meeting. The Annual Meeting is scheduled to be held on Friday, May 21, 2010 at 10:00 a.m., local time, at Dynegy's headquarters, Wells Fargo Plaza, 1000 Louisiana Street, Houston, Texas 77002. This solicitation is for proxies for use at the Annual Meeting or at any reconvened meeting after an adjournment or postponement of the Annual Meeting.

What is included in these materials?

These materials include our proxy statement for the Annual Meeting and our 2009 Annual Report to Stockholders, or Annual Report, which includes our audited consolidated financial statements. If you received printed versions of these materials, a proxy card for the Annual Meeting is also included.

What items will be voted on at the Annual Meeting?

There are seven items that will be voted on at the Annual Meeting:

1. The election of seven directors to serve until the 2011 Annual Meeting of Stockholders;

2. A proposal to approve an amendment and restatement of Dynegy's Amended and Restated Certificate of Incorporation to effect a reverse stock split of Dynegy's outstanding common stock at a reverse split ratio of 1-for-5 and to proportionately decrease the number of authorized shares of Dynegy's capital stock;

3. A proposal to approve an amendment and restatement of Dynegy's Amended and Restated Certificate of Incorporation to refer to our Class A common stock as "Common Stock" and remove all references to Class B common stock;

4. A proposal to approve the Dynegy Inc. 2010 Long Term Incentive Plan;

5. A proposal to approve the amended and restated Dynegy Inc. Incentive Compensation Plan;

6.

A proposal to ratify the appointment of Ernst & Young LLP as Dynegy's independent registered public accountants for the fiscal year ending December 31, 2010; and

7. A stockholder proposal regarding greenhouse gas emissions, if properly presented at the Annual Meeting.

Additionally, if needed, the stockholders may act upon any other matters that may properly come before the meeting (including a proposal to adjourn the meeting to solicit additional proxies) or any reconvened meeting after an adjournment or postponement of the meeting.

What are the Board's voting recommendations?

The persons named as proxies were designated by the Board. Any proxy given pursuant to this solicitation and received prior to the Annual Meeting will be voted as specified in the proxy card. If you return a properly executed proxy card but do not mark any voting selections, then your proxy will be voted as follows in accordance with the recommendations of the Board:

- Proposal 1 - FOR the election of the seven director nominees to the Board;
- Proposal 2 - FOR the amendment and restatement of Dynegy's Amended and Restated Certificate of Incorporation to effect a reverse stock split of Dynegy's outstanding common stock at a reverse split ratio of 1-for-5 and to proportionately decrease the number of authorized shares of Dynegy's capital stock;
- Proposal 3 - FOR the amendment and restatement of Dynegy's Amended and Restated Certificate of Incorporation to refer to our Class A common stock as "Common Stock" and remove all references to Class B common stock;
- Proposal 4 - FOR approval of the Dynegy Inc. 2010 Long Term Incentive Plan;
- Proposal 5 - FOR approval of the amended and restated Dynegy Inc. Incentive Compensation Plan;
- Proposal 6 - FOR ratification of the appointment of Ernst & Young LLP as our independent registered public accountants;
- Proposal 7 - AGAINST the stockholder proposal regarding greenhouse gas emissions; and
- In accordance with the judgment of the persons named as proxies on such other matters as may properly come before the Annual Meeting or any adjournment or postponement of the Annual Meeting.

Why did I receive a one-page notice in the mail regarding the internet availability of proxy materials instead of a full set of proxy materials?

Pursuant to the rules adopted by the Securities and Exchange Commission, or SEC, we are providing electronic access to our proxy materials over the internet. Accordingly, we sent a Notice of Internet Availability of Proxy Materials, or Notice, to our stockholders of record and beneficial owners, which was first mailed on or about April [X], 2010. Instructions on how to access the proxy materials over the internet are included in the Notice.

Stockholders may also request via the internet to receive a printed set of the proxy materials at www.proxyvote.com, by sending an email to sendmaterial@proxyvote.com, or calling 1-800-579-1639. In addition, stockholders may request via the internet, telephone or by email to receive proxy materials in printed form on an ongoing basis.

Current and prospective investors can also access or order free copies of our Annual Report, proxy statement, Notice and other financial information through the Investor Relations section of our web site at www.dynegy.com, by calling 713-507-6400 or by writing to Investor Relations Department, Dynegy Inc., 1000 Louisiana Street, Suite 5800, Houston, Texas 77002.

How can I get electronic access to the proxy materials?

The Notice provides you with instructions regarding how to:

- View proxy materials for the Annual Meeting on the internet; and
- Instruct us to send our future proxy materials to you electronically by email.

Choosing to receive your future proxy materials by email will save us the cost of printing and mailing documents to you and will reduce the impact of our Annual Meetings on the environment. If you choose to receive future proxy materials by email, you will receive an email next year with instructions containing a link to those materials and a link to the proxy voting site. Your election to receive proxy materials by email will remain in effect until you terminate it. Internet/Telephone voting for the Annual Meeting will close at 11:59 p.m., Eastern Time, on May 20, 2010.

Why did I only receive one set of materials when there is more than one stockholder at my address?

If two or more stockholders share one address, each such stockholder may not receive a separate copy of our Annual Report, proxy statement or Notice. Stockholders who do not receive a separate copy of our Annual Report, proxy statement or Notice and want to receive a separate copy may request to receive a separate copy of, or additional copies of, our Annual Report, proxy statement or Notice via the internet, email or telephone as outlined above. Stockholders who share an address and receive multiple copies of our Annual Report, proxy statement or Notice may also request to receive a single copy following the instructions above.

What is the quorum requirement for the Annual Meeting?

With respect to each matter to be considered at the Annual Meeting, a majority of the outstanding shares of our common stock entitled to vote on each such matter, represented in person or by proxy, shall constitute a quorum for consideration of each such matter. Abstentions and broker non-votes shall be counted in determining the number of outstanding shares represented in person or by proxy for each matter.

Who may vote at and attend the Annual Meeting?

Because of limited seating, only stockholders, their proxy holders and our guests may attend the Annual Meeting. If you owned shares of our common stock at the close of business on March 23, 2010, the record date, then you may attend and vote at the Annual Meeting or any adjournment or postponement of the Annual Meeting. If you have beneficial ownership of shares of our common stock held by a bank, brokerage firm or other nominee, you must bring a brokerage statement or other proper evidence of your beneficial ownership of common stock as of March 23, 2010 in order to be admitted to the Annual Meeting.

As of the record date, there were outstanding [XXX,XXX,XXX] shares of Class A common stock. Upon consummation of our strategic transactions in late 2009, all of our outstanding shares of Class B common stock were either converted to Class A common stock or cancelled. Please see "Transactions with Related Persons, Promoters and Certain Control Persons—LS Power Transactions" for more information. Class A common stock is the only class of outstanding securities entitled to notice of and to vote at the Annual Meeting.

What is the difference between holding shares as a stockholder of record and as a beneficial owner of shares held in street name?

Stockholder of Record. If your shares are registered in your name with our transfer agent, Mellon Investor Services LLC (operating under the service name BNY Mellon Shareowner Services), you are considered the stockholder of record with respect to those shares, and the Notice was sent directly to you by us.

Beneficial Owner of Shares Held in Street Name. If your shares are held in an account at a brokerage firm, bank, broker-dealer or other similar organization, then you are the beneficial owner of shares held in "street name" and the Notice was forwarded to you by that organization. The organization holding your account is considered the stockholder of record for purposes of voting at the Annual Meeting. As a beneficial owner, you have the right to direct that organization on how to vote the shares held in your account.

If I am a stockholder of record of Dynegy's shares, how do I vote?

If you are a stockholder of record, you may vote in person at the Annual Meeting. We will provide a ballot when you arrive. If you do not wish to vote in person or if you will not be attending the Annual Meeting, you may vote by proxy. You may vote by proxy over the internet by following the instructions provided in the Notice, by telephone, or, if you received printed copies of the proxy materials, you may also vote by mail. Please vote as soon as possible.

If I am a beneficial owner of shares held in street name, how do I vote?

If you are a beneficial owner of shares held in street name and you wish to vote in person at the Annual Meeting, you must obtain a valid proxy from the organization that holds your shares. If you do not wish to vote in person or you will not be attending the Annual Meeting, you may vote by proxy. You may vote by proxy over the internet by following the instructions provided in the Notice, by telephone, or, if you received printed copies of the proxy materials, you may also vote by mail. Please vote as soon as possible.

What happens if I do not give specific voting instructions?

Stockholder of Record. If you are a stockholder of record and you:

- indicate when voting on the internet or by telephone that you wish to vote as recommended by our Board; or
- if you sign and return a proxy card without giving specific voting instructions,

then the proxy holders will vote your shares in the manner recommended by our Board on all matters presented in this proxy statement and as the proxy holders may determine in their discretion with respect to any other matters properly presented for a vote at the Annual Meeting.

Beneficial Owner of Shares Held in Street Name; "Broker Non-Votes". If you are a beneficial owner of shares held in street name and do not provide the organization that holds your shares with specific voting instructions, under the rules of the New York Stock Exchange, or NYSE, in effect at the time this proxy statement was printed, the organization that holds your shares may generally vote on routine matters but cannot vote on non-routine matters. If the organization that holds your shares does not receive instructions from you on how to vote your shares on a non-routine matter, the organization that holds your shares will inform our Inspector of Election that it does not have the authority to vote on this matter with respect to your shares. This is generally referred to as a "broker non-vote." When our Inspector of Election tabulates the votes for any particular matter, broker non-votes will be counted for purposes of determining whether a quorum is present for that matter, but will not otherwise be counted. Please note that starting this year the rules that determine how your broker can vote your shares have changed. Brokers may no longer vote your shares on the election of directors in the absence of your specific instructions as to how to vote. Please provide your broker with voting instructions as soon as possible so that your vote can be counted. We encourage you to provide voting instructions to the organization that holds your shares by carefully following the instructions provided in the Notice.

Which ballot measures are considered "routine" or "non-routine"?

Proposal 2 (Reverse Stock Split), Proposal 3 (Elimination of References to Class B common Stock in the Amended and Restated Certificate of Incorporation), and Proposal 6 (Ratification of Independent Registered Public Accountants) involve matters that we believe will be considered routine.

Proposal 1 (Election of Directors), Proposal 4 (2010 Long Term Incentive Plan), Proposal 5 (Amended and Restated Incentive Compensation Plan) and Proposal 7 (Stockholder Proposal Regarding Greenhouse Gas Emissions) involve matters that we believe will be considered non-routine.

How are abstentions and broker non-votes treated?

For the purpose of determining whether a quorum is present, abstentions and broker non-votes shall be counted in determining the number of outstanding shares represented in person or by proxy for each matter.

For each "non-routine" proposal, including whether the stockholders have elected the seven director nominees, broker non-votes are not counted. Please note that starting this year the rules that determine how your broker can vote your shares have changed. Brokers may no longer vote your shares on the election of directors in the absence of your specific instructions as to how to vote. Please provide your broker with voting instructions as soon as possible so that your vote can be counted. You cannot abstain in the election of directors – you can only vote FOR the director nominees or WITHHOLD VOTES for such nominees.

For each proposal other than the election of directors, an abstention will have the same effect as a vote AGAINST such proposal.

What is the voting requirement to approve each of the proposals?

The following table sets forth the voting requirement with respect to each of the proposals:

Proposal 1—Election of seven directors to serve until the 2011 Annual Meeting of Stockholders	Seven persons have been nominated by the Board for election to serve as directors for one-year terms. The holders of our common stock are entitled to vote on the election of the directors. The directors are elected by a plurality of the shares of common stock represented in person or by proxy and entitled to vote on the election of directors, subject to our majority voting policy discussed below. This means that the seven individuals nominated for election to the Board who receive the most FOR votes among votes properly cast in person or by proxy will be elected. Each holder of our common stock is entitled to one vote for each share held and does not have cumulative voting rights. Only FOR or WITHHELD votes are counted in determining whether a plurality has been cast in favor of a director nominee. You cannot abstain in the election of directors and broker non-votes are not counted. A WITHHELD vote will have the same effect as a vote AGAINST the election of a director nominee under our majority voting policy, which is described below. Majority voting policy: In April 2007, we adopted a majority voting policy for our director elections. This policy states that in an uncontested election like this one, any director nominee who receives a greater number of votes WITHHELD for his or her election than votes FOR such election must offer his or her resignation to the Board promptly following certification of the stockholder vote. The Corporate Governance and Nominating Committee is required to recommend to the Board whether such offered resignation should be accepted or rejected. The Board will determine whether to accept or reject the resignation offer and will promptly disclose its decision-making process and decision regarding an offered resignation in a document furnished to or filed with the SEC. Please read our Corporate Governance Guidelines posted in the "Corporate Governance" section of our web site at www.dynegy.com for more information regarding our majority voting policy.
Proposal 2—	

Act upon a proposal to approve an amendment and restatement of Dynegy's Amended and Restated Certificate of Incorporation to effect a reverse stock split of Dynegy's outstanding common stock at a reverse split ratio of 1-for-5 and to proportionately decrease the number of authorized shares of Dynegy's capital stock	The affirmative vote of a majority of the shares of common stock outstanding and entitled to vote is required to approve the proposal to approve the amendment and restatement of Dynegy's Amended and Restated Certificate of Incorporation to effect a reverse stock split of Dynegy's outstanding common stock at a reverse split ratio of 1-for-5 and to proportionately decrease the number of authorized shares of Dynegy's capital stock. Each holder of our common stock is entitled to one vote for each share held. Abstentions will have the same effect as a vote AGAINST this proposal.
Proposal 3—Act upon a proposal to approve an amendment and restatement of Dynegy's Amended and Restated Certificate of Incorporation to refer to our Class A common stock as "Common Stock" and remove all references to Class B common stock	The affirmative vote of a majority of the shares of common stock outstanding and entitled to vote is required to approve the proposal to approve the amendment and restatement of Dynegy's Amended and Restated Certificate of Incorporation to refer to our Class A common stock as "Common Stock" and remove all references to Class B common stock. Each holder of our common stock is entitled to one vote for each share held. Abstentions will have the same effect as a vote AGAINST this proposal.
Proposal 4—Act upon a proposal to approve the Dynegy Inc. 2010 Long Term Incentive Plan	The affirmative vote of a majority of the votes cast is required to approve the proposal to approve the Dynegy Inc. 2010 Long Term Incentive Plan. Each holder of our common stock is entitled to one vote for each share held. Abstentions will have the same effect as a vote AGAINST this proposal. Broker non-votes are not counted.
Proposal 5—Act upon a proposal to approve the amended and restated Dynegy Inc. Incentive Compensation Plan	The affirmative vote of a majority of the votes cast is required to approve the proposal to approve the amended and restated Dynegy Inc. Incentive Compensation Plan. Each holder of our common stock is entitled to one vote for each share held. Abstentions will have the same effect as a vote AGAINST this proposal. Broker non-votes are not counted.
Proposal 6—Ratification of the appointment of Ernst & Young LLP as Dynegy's independent registered public accountants for the fiscal year ending December 31, 2010	The affirmative vote of a majority of the shares of common stock represented in person or by proxy at the meeting and entitled to vote is required to ratify the choice of independent registered public accountants. Each holder of our common stock is entitled to one vote for each share held. Abstentions will have the same effect as a vote AGAINST this proposal.
Proposal 7—Act upon a stockholder proposal regarding greenhouse gas emissions	The affirmative vote of a majority of the shares of common stock represented in person or by proxy at the meeting and entitled to vote is required to approve the stockholder proposal. Abstentions will have the same effect as a vote AGAINST this proposal. Broker non-votes are not counted.

May I change my vote after I have voted?

You may revoke your proxy and change your vote at any time before the final vote at the Annual Meeting by:

- Executing and submitting a revised proxy (including a telephone or internet vote, which must be received by 11:59 p.m., Eastern Time, on May 20, 2010);
- Sending written notice of revocation to our Corporate Secretary at the address provided below (which must be received by 11:59 p.m., Eastern Time, on May 20, 2010); or
- Voting in person at the Annual Meeting.

In the absence of a revocation, shares represented by proxies will be voted at the Annual Meeting.

Is my vote confidential?

Proxy instructions, ballots and voting tabulations that identify individual stockholders are handled in a manner that protects your voting privacy. Your vote will not be disclosed either within Dynegy or to third parties, except:

- As necessary to meet applicable legal requirements;
- To allow for the tabulation and certification of votes; and
- To facilitate a successful proxy solicitation.

With respect to shares of our common stock held by our and our affiliates' 401(k) plans, Fiduciary Counselors Inc. has been appointed to act as the independent fiduciary responsible for ensuring that procedures are in place to safeguard the confidentiality of your proxy directions to the trustee and that those procedures are being followed.

Who is paying the cost of this proxy solicitation?

We will bear the cost of soliciting proxies. Proxies may be solicited by mail or facsimile, or by our directors, officers or employees, without extra compensation, in person or by telephone. We have retained The Altman Group, Inc. to assist in the solicitation of proxies for a fee of approximately $100,000 plus out-of-pocket expenses. We will reimburse brokerage houses and other custodians, nominees and fiduciaries for their reasonable out-of-pocket expenses for forwarding solicitation material to the beneficial owners of our common stock.

What if I have questions about the proposals?

Questions concerning the proposals to be acted upon at the Annual Meeting should be directed to our Corporate Secretary. The mailing address of this office is 1000 Louisiana Street, Suite 5800, Houston, Texas 77002, and the telephone number is (713) 507-6400. [Add in Altman Group contact information]

How can I find out if I am a stockholder of record entitled to vote?

For a period of at least ten days before the Annual Meeting, a complete list of stockholders of record entitled to vote at the Annual Meeting will be available during ordinary business hours at our principal executive office for inspection by stockholders of record for proper purposes. The list of stockholders will also be available at the Annual Meeting and may be inspected by any stockholder who is present.

REFERENCES TO DYNEGY AND COMMON STOCK

Unless otherwise indicated, references to "Dynegy," the "Company," "we," "our," and "us" in the biographical and compensati information for directors and executive officers below refers to Board membership, employment and compensation with respect to Dynegy Inc.

References to common stock in the proxy materials refer to Class A common stock, as we no longer have shares of Class B common stock outstanding. Please see "Transactions with Related Persons, Promoters and Certain Control Persons—LS Power Transactions" for more information.

Incorporation by Reference

To the extent that this proxy statement is incorporated by reference into any other filing by us under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, or the Exchange Act, the sections of this proxy statement entitled "Compensation and Human Resources Committee Report" and "Audit and Compliance Committee Report" will not be deemed incorporated unless specifically provided otherwise in such filing, to the extent permitted by the rules of the SEC. Information contained on or connected to our web site is not incorporated by reference into this proxy statement and should not be considered part of this proxy statement or any other filing that we make with the SEC.

CORPORATE GOVERNANCE

In December 2009, the Board unanimously adopted amended and restated Corporate Governance Guidelines. The Corporate Governance Guidelines, which were developed and recommended by the Corporate Governance and Nominating Committee, are posted in the "Corporate Governance" section of our web site at www.dynegy.com and are available upon request to our Corporate Secretary, together with the following documents:

- Amended and Restated Certificate of Incorporation;
- Amended and Restated Bylaws;
- Code of Business Conduct and Ethics;
- Code of Ethics for Senior Financial Professionals;
- Related Party Transactions Policy;
- Complaint and Reporting Procedures for Accounting and Auditing Matters (Whistleblower Policy);
- Policy for Communications with Directors;
- Audit and Compliance Committee Charter;
- Compensation and Human Resources Committee Charter; and
- Corporate Governance and Nominating Committee Charter.

Corporate Governance Guidelines

Our Corporate Governance Guidelines govern the qualifications and conduct of the Board. The Corporate Governance Guidelines address, among other things:

- The independence and other qualifications of our Board members, with respect to which we require that at least 75% of our Board members be independent of Dynegy and our management;
- The requirement that any director nominee in an uncontested election who receives a greater number of votes "withheld" for his or her election than votes "for" such election must offer his or her resignation to the Board;
- The regular meetings of our non-employee and independent directors and the roles and duties of the Lead Director;
- The nomination of persons for election to the Board;
- The evaluation of performance of the Board and its committees;
- Our expectation that our Board members will attend all annual stockholder meetings;
- Compensation of the Board and stock ownership guidelines for non-employee directors;
- The Chairman of the Board, or Chairman, and Chief Executive Officer positions;

- The approval of the compensation of the Chief Executive Officer; and
- The review of performance-based compensation of our senior executives following a restatement that impacts the achievement of performance targets relating to that compensation.

Code of Business Conduct and Ethics

Our Code of Business Conduct and Ethics applies to all of our directors, officers and employees. The key principles of this code include acting legally and ethically, notifying appropriate persons upon becoming aware of issues, obtaining confidential advice and dealing fairly with our stakeholders.

Code of Ethics for Senior Financial Professionals

Our Code of Ethics for Senior Financial Professionals applies to our Chief Executive Officer, Chief Financial Officer, Controller and other designated senior financial professionals. The key principles of this code include acting legally and ethically, promoting honest business conduct and providing timely and meaningful financial disclosures to our stockholders.

Complaint and Reporting Procedures for Accounting and Auditing Matters

Our Complaint and Reporting Procedures for Accounting and Auditing Matters provide for (1) the receipt, retention and treatment of complaints, reports and concerns regarding accounting, internal accounting controls or auditing matters, and (2) the confidential, anonymous submission of complaints, reports and concerns by employees regarding questionable accounting or auditing matters, in each case relating to Dynegy. Complaints may be made through a toll-free "Integrity Helpline" telephone number operated by an independent third-party and a dedicated email address. Complaints received are logged by the Ethics and Compliance Office, communicated to the chairman of our Audit and Compliance Committee and investigated, under the supervision of our Audit and Compliance Committee, by our Internal Audit department or Ethics and Compliance Office. In accordance with Section 806 of the Sarbanes-Oxley Act of 2002, or SOX, these procedures prohibit us from taking adverse action against any person submitting a good faith complaint, report or concern.

Policy for Communications with Directors

Our Policy for Communications with Directors provides a means for stockholders and other interested parties to communicate with the Board. Under this policy stockholders and other interested parties may communicate with the Board or specific members of the Board by sending a letter to Dynegy Inc., Communications with Directors, Attn: Corporate Secretary, 1000 Louisiana Street, Suite 5800, Houston, Texas 77002.

Director Attendance at Annual Meeting

As detailed in our Corporate Governance Guidelines, Board members are requested and encouraged to attend the Annual Meeting. All of the members of the Board then in office attended last year's Annual Meeting held on May 22, 2009.

Board Risk Oversight

The Board has ultimate responsibility for protecting stockholder value. Among other things, the Board is responsible for understanding the risks to which we are exposed, approving management's strategy to manage these risks, establishing policies that monitor and manage defined risks and measuring management's performance against the strategy. The Board's oversight responsibility for managing risk is detailed in our Risk Policy Statement.

The Risk Policy Statement provides a structure around risk and defines the risks that we accept in the normal course of business. The Risk Policy Statement, in some instances, requires that separate policy documentation be in place including Interest Rate Risk and Investment Policy, Disclosure Controls and Procedures Policy, Insurance Operational Risk Policy, Credit Risk Policy, Investment Policy (Employee Benefit Plans), and Commodity Risk Policy. Although not mandated by the Risk Policy Statement, our Delegation of Authority policy and the Code of Business Conduct and Ethics are complementary and critical to the risk management process. Our Executive Management Team is responsible for managing the above risks and reports on such matters to the applicable Board committees. Further, our Ethics and Compliance Office reports directly to the General Counsel and indirectly to the Chairman and Chief Executive Officer and the Audit and Compliance Committee Chairman. The Ethics and Compliance Office meets regularly with the Audit and Compliance Committee.

The Risk Policy Statement can be amended with the approval of our Audit and Compliance Committee on behalf of the Board. The Audit and Compliance Committee oversees the risks associated with the integrity of our financial statements and our compliance with legal and regulatory requirements. In addition, the Audit and Compliance Committee discusses policies with respect to risk assessment and risk management, including major financial risk exposure and the steps management has taken to monitor and control such exposures. The Audit and Compliance

Committee reviews with management, internal auditors, and external auditors the accounting policies, the system of internal controls and the quality and appropriateness of disclosure and content in the financial statements or other external financial communications. The Audit and Compliance Committee also performs oversight of the business ethics and compliance program, reviews the programs and policies designed to assure compliance with our Code of Business Conduct and Ethics and applicable laws and regulations and monitors the results of the compliance efforts. Further, as part of their risk assessment responsibility, the Audit and Compliance Committee oversees our commodity risk monitored by our commodity risk control group.

The Compensation and Human Resources Committee, or Human Resources Committee, oversees risks primarily associated with our ability to attract, motivate and retain quality talent, particularly executive talent, and disclosure of our executive compensation philosophies, strategies and activities. The Human Resources Committee conducted a risk assessment in early 2010 to reaffirm that our short-term incentive program, and lack of separate plans or incentives for individual functions, discourages excessive risk taking. This involved a review of a set of risk assessment considerations related to our short-term and long-term incentive programs. The goal of this effort was to establish a formal process for assessing and monitoring risk related to our compensation programs and for reviewing certain policies to ensure that appropriate controls exist to mitigate any identified risk. Following this review, the Human Resources Committee concluded that our incentive programs, including our common approach to the short-term incentive plan, collectively foster cooperation, discourage excessive risk taking and risk-taking behaviors, and focus award opportunities on measures that are aligned with our business strategy and the interests of our stockholders.

The Corporate Governance and Nominating Committee, or Nominating Committee, oversees risks primarily associated with our ability to attract, motivate and retain quality directors and our corporate governance programs and practices and our compliance therewith. The full Board oversees risks primarily associated with our commercial and operating performance and our environmental, health and safety performance.

Board Leadership Structure; Separation of Positions of Chairman and Chief Executive Officer; Lead Director

As discussed in our Corporate Governance Guidelines, the Board's policy with respect to the separation of the Chairman and Chief Executive Officer positions is that the interests of our stockholders are best served by a policy that enables the Board to make a determination regarding its Chairman based on our needs and the particular skill sets that are available at the time. The Board believes that our Chief Executive Officer is currently best situated to serve as Chairman because he is the director most familiar with our business and most capable of effectively identifying strategic priorities and leading the discussion and execution of strategy. Our independent directors bring experience, oversight and expertise from outside the company, while the Chief Executive Officer brings company-specific experience and expertise. The Board believes that the combined role of Chairman and Chief Executive Officer facilitates information flow between management and the Board, which is essential during current business conditions. To that end, the Board has determined that Bruce A. Williamson, our current Chairman, President and Chief Executive Officer, will remain as Chairman following the Annual Meeting, assuming he is re-elected by our stockholders to serve as a director for another year.

The Lead Director must be independent and is expected to devote a greater amount of time to Board service than the other directors. The Board intends that Patricia A. Hammick will remain Lead Director, assuming she is re-elected by our stockholders to serve as a director for another year. As Lead Director, Ms. Hammick presides over the regular sessions of our non-management directors and has the other powers and duties described in our Amended and Restated Bylaws, or Bylaws, and Corporate Governance Guidelines, including representing the interests of the non-management directors when conferring with senior management between Board meetings and in consulting with the Chairman regarding Board meeting agendas.

One of the key responsibilities of the Board is to approve strategic direction and hold management accountable for the execution of strategy once it is developed. The Board has concluded that the combined role of Chairman and Chief

Executive Officer, together with an independent Lead Director having the duties described above, is currently in the best interest of stockholders because it provides an appropriate balance between our Chairman's ability to specifically manage strategic development and our Lead Director's independent objective oversight of our management.

Stock Ownership Guidelines

We have stock ownership guidelines for directors, members of the executive management team and other officers. We believe that a significant ownership stake by directors and officers leads to a stronger alignment of interests between directors, officers and stockholders. These guidelines, which were developed with the assistance of an independent compensation consultant, support our corporate governance focus and provide further alignment of interests among our directors and executive officers and stockholders.

Directors. Each non-employee director is expected to own a meaningful amount of Dynegy common stock; specifically, our director stock ownership guidelines (effective November 2008) reflect an expectation that within three years of joining the Board, each non-employee director shall own at least the number of shares equivalent to three times their annual cash retainer. The shares counted for purposes of directors' stock ownership guidelines include shares owned outright, annual phantom stock grants awarded under our Deferred Compensation Plan for Certain Directors, as amended and restated, or Directors Deferred Compensation Plan, and other share-based equivalents that we may use from time to time.

Officers. The shares counted for purposes of our officers' common stock ownership guidelines include shares owned outright, unvested restricted shares, in-the-money vested stock options, shares held pursuant to our employee benefits plans and other share-based equivalents that we may use from time to time. The guidelines are expressed as a multiple of base salary and vary by level, as follows:

Chief Executive Officer	5 x annual base salary
Executive Vice President	3 x annual base salary
Senior Vice President	2.25 x annual base salary
Vice President	1 x annual base salary

There is a mandatory five-year compliance period, and executives are encouraged to accumulate one-fifth of their holding requirement during each year of the five-year period. The Nominating Committee will monitor each executive's progress toward the required ownership level on an annual basis. As part of the Corporate Governance and Nominating Committee's annual review, current market conditions will be taken into consideration, as appropriate. During the five-year ramp-up period, and as effective as of March 2010, each covered officer, as determined from time to time by the Board, is expected to retain any shares of stock acquired with the exercise of options or the lapse of restrictions on restricted stock, net of funds necessary to pay the exercise price of stock options and for payment of applicable taxes, sufficient to allow for accumulation of at least one-fifth of the officer's holding requirements during each year of such period. No such holding requirement shall apply to shares of stock acquired with the exercise of options or lapse of restrictions on restricted stock to the extent such shares would exceed the number of shares required under the immediately preceding sentence. At the end of the five-year period, if any executive fails to attain the required level of common stock ownership, action may be taken, in the discretion of the Nominating Committee considering all factors it deems relevant, including awarding annual incentive cash bonuses in the form of restricted shares or requiring an executive to refrain from disposing of any vested shares and shares realized from any option exercise.

Affirmative Determinations Regarding Director Independence and Other Matters

The Board previously determined that each of the following directors who served in 2009, as well as the nominees proposed to be elected at the Annual Meeting, were or are, as the case may be, "independent" as such term is defined in the NYSE Listed Company Standards:

David W. Biegler
Thomas D. Clark, Jr.
Victor E. Grijalva
Patricia A. Hammick
George L. Mazanec
Howard B. Sheppard
William L. Trubeck

The Board has also determined that each member of the Audit and Compliance Committee, the Human Resources Committee and the Nominating Committee meets the independence requirements applicable to those committees prescribed by the NYSE and the SEC. The Board has further determined that more than one of the members of the Audit and Compliance Committee, including its current Chairman, William L. Trubeck, are "audit committee financial experts" as such term is defined in Item 407(d) of the SEC's Regulation S-K.

The Nominating Committee reviewed the answers to annual questionnaires completed by the directors as well as the above-described legal standards for Board and committee member independence and the criteria applied to determine "audit committee financial expert" status. On the basis of this review, the Nominating Committee made its recommendation to the full Board and the Board made its independence and "audit committee financial expert" determinations after consideration of the Nominating Committee's recommendation and a review of the materials made available to the Nominating Committee.

Director Nomination Process and Qualification Review of Director Nominees

Process. Our director nominees are approved by the Board after considering the recommendation of the Nominating Committee. A copy of the Nominating Committee's charter is available in the "Corporate Governance" section of our web site at www.dynegy.com.

Our Amended and Restated Certificate of Incorporation provides that, so long as any share of Class B common stock is outstanding, our Board shall consist of 11 members and that after all shares of Class B common stock have been converted into shares of Class A common stock, the number of our directors shall be fixed from time to time exclusively by our Board. With the closing of the strategic transactions in November 2009, there are no shares of Class B common stock outstanding. The Board has fixed the number of our directors at seven, subject to adjustment by the Board in accordance with our Amended and Restated Certificate of Incorporation. Please see "Transactions with Related Persons, Promoters and Certain Control Persons—LS Power Transactions" for more information.

The Nominating Committee reviews annually the composition of the Board as a whole and recommends, if necessary, measures to be taken so that the Board reflects the appropriate balance of knowledge, experience, skills, expertise and diversity required for the Board as a whole and contains at least the minimum number of independent directors required by applicable laws and regulations. The Nominating Committee is responsible for ensuring that the composition of the Board accurately reflects the needs of our business and, in furtherance of this goal, proposing the nomination of directors for purposes of obtaining the appropriate members and skills. The Nominating Committee identifies nominees in various ways. The committee considers the current directors that have expressed an interest in and that continue to satisfy the criteria for serving on the Board as set forth in our Corporate Governance Guidelines. Other nominees that may be proposed by current directors or members of management or by stockholders are also considered. From time to time, the committee engages a professional firm to identify and evaluate potential director nominees.

Qualifications. All director nominees, whether proposed by a stockholder or otherwise, are evaluated in accordance with the qualifications set forth in our Corporate Governance Guidelines. These guidelines require that directors possess the highest personal and professional ethics, integrity and values and be committed to representing the long-term interests of our stockholders at large. They must also have an inquisitive and objective perspective, practical wisdom, mature judgment and sufficient personal resources such that any director compensation to be received from Dynegy would not be sufficiently meaningful to impact their judgment in reviewing matters coming before the Board. Finally, they must be able to work compatibly with the other members of the Board and otherwise have the experience and skills necessary to enable them to serve as productive members of the Board. Directors also must be willing to devote sufficient time to carrying out their fiduciary duties and other responsibilities effectively and should be committed to serve on the Board for an extended period of time. Under our Corporate Governance Guidelines, directors generally will not be nominated for election after their 72nd birthday unless the Board determines circumstances make it in the best interest of stockholders to do so. For additional information, please read our Corporate Governance Guidelines.

In connection with the director nominations for the 2010 Annual Meeting, the Nominating Committee also considered the nominees' (1) experience in the energy industry and understanding of the energy markets, (2) publicly traded company and board experience, (3) knowledge in the areas of laws and regulations related to environmental, health, safety and other key industry issues, (4) strategic planning skills, (5) knowledge of corporate governance issues coupled with an appreciation of their practical application, and (6) accounting expertise, including audit, internal controls and risk management.

Each nominee brings a strong and unique background and set of skills to the Board, giving the Board as a whole competence and experience in a wide variety of areas, including energy, strategic planning, corporate governance and board service, executive management, engineering, academia, accounting and finance, operations, manufacturing, government and international business. Set forth below are the various qualifications, attributes, skills and experience of our director nominees considered important by the Board in determining that such nominee should serve as a director. For information concerning each director nominee's principal occupation, directorships and additional biographical information, please see "Proposal 1—Election Of Directors—Information on Director Nominees."

Bruce A. Williamson. Mr. Williamson has extensive experience in executive management, risk management and finance, and business development in the energy industry, both domestic and international. He brings to the Board a strong understanding of the energy markets in general and Dynegy in particular, and he led Dynegy through a very successful financial restructuring. Mr. Williamson is Chairman of our Board and utilizes his leadership and consensus building skills to lead the Board. He also serves on the board of another publicly traded company.

David W. Biegler. Mr. Biegler has an extensive background in corporate governance and in the energy industry. He has served as a senior executive of several large corporations in the energy industry, including corporations with power operations. He has broad based knowledge in power generation and energy marketing and possesses extensive general management experience. He contributes significantly to the oversight responsibilities on matters relating to executive compensation and compensation strategy and serves as our Compensation and Human Resources Committee chair. He has experience on multiple public boards and committees and is currently serving as Chairman and Chief Executive Officer for Southcross Energy, LLC.

Thomas D. Clark, Jr. Mr. Clark holds a doctorate in business administration with a concentration in financial management, large system analysis, and corporate policy development and through his work with Strategy Associates is recognized as an authority in strategy development and management. He brings extensive marketing and business leadership skills from his career in academia as a distinguished professor in business administration and as an active and experienced consultant to senior management. He leads the Board's corporate governance review and oversight processes and serves as our Corporate Governance and Nominating Committee chair. He is currently serving on an additional public board and its committees and serves on the boards of several community organizations.

Victor E. Grijalva. Mr. Grijalva brings a strong technical background to our Board, with a masters degree in electrical engineering, and has significant experience managing several technical businesses. In addition to his extensive technical knowledge, he qualifies as an “audit committee financial expert” under SEC guidelines due to his many years of experience as an executive in charge of strategy and financial results for Schlumberger Oilfield Services and his service on the Audit Committees of other public boards. In total, he has served on the boards of four public companies and in addition to the audit committee, has participated on the compensation, financial, governance and performance committees.

Patricia A. Hammick. Ms. Hammick brings strategy and business leadership skills from her experience in energy operations, regulatory compliance and academia. She has executive management experience in many areas of the energy industry, including natural gas production, transmission, distribution, oil production and power generation and development as well as functional experience with major merger and acquisition transactions and shareholder relations. Ms. Hammick’s leadership skills are employed as the Board’s Lead Director and also in the capacity of chair of the former Independent Director Committee. She currently serves on the boards of two additional public companies where she has chaired the Governance and Nominating Committee and other independent committees.

Howard B. Sheppard. Mr. Sheppard brings extensive finance experience from his career at Chevron Corporation where he served as an Assistant Treasurer. As a result of this experience, he qualifies as an “audit committee financial expert” under SEC guidelines because of his broad understanding of accounting, tax and finance, as well as his thorough understanding of financial reporting processes and the related risk management associated with such processes. Further, he is well versed in strategic transactions and general management in the energy industry.

William L. Trubeck. Mr. Trubeck has a broad background in accounting and finance. His more than 30 years of experience in executive financial positions with large public companies and his MBA with a focus on finance and accounting qualify him as an “audit committee financial expert” under SEC guidelines. He currently serves as the chair of our Audit and Compliance Committee, and as the chair, he contributes significantly to the oversight of the integrity of our financial statements, internal controls and the performance of our risk assessment and risk management policies. He also serves as the chairman or a member of audit committees of other publicly traded companies.

Retirement. George L. Mazanec. Mr. Mazanec, who is currently serving as a director, will be retiring from the Board as of the conclusion of the Annual Meeting and is therefore not standing for re-election. We thank Mr. Mazanec for his services, contributions and leadership throughout his tenure as a director.

Diversity. The Board does not have a formal policy with respect to Board nominee diversity. In recommending proposed nominees to the full Board, the Nominating Committee is charged with building and maintaining a board that has an ideal mix of talent and experience to achieve our business objectives in the current environment. In particular, the Nominating Committee is focused on relevant subject matter expertise, depth of knowledge in key areas that are important to us, and diversity of thought, background, perspective and experience so as to facilitate robust debate and broad thinking on strategies and tactics pursued by us.

All of the director nominees set forth in this proxy statement and the accompanying proxy card are current directors standing for re-election.

Future director nominations. For purposes of the 2011 Annual Meeting, the Nominating Committee will consider any director nominations from a stockholder received by the Corporate Secretary by the close of business on February 20, 2011, but not before the close of business on January 21, 2011. See “Future Stockholder Proposals” below for more information. Any such nomination must be accompanied in writing by all information relating to such person that is required under the federal securities laws, including such person’s written consent to be named in the proxy statement as a nominee and to serve as a director if elected. The nominating stockholder must also submit its name and address, as well as that of the beneficial owner if applicable, and the class and number of shares of our common stock that are owned beneficially and of record by such stockholder and such beneficial owner. Finally, the nominating stockholder must discuss the nominee’s qualifications to serve as a director as described in our Corporate Governance Guidelines.

PROPOSAL 1
ELECTION OF DIRECTORS

Directors

Seven directors are to be elected at the Annual Meeting by the holders of common stock to each serve a one-year term. The directors are elected by a plurality of the shares of common stock represented in person or by proxy and entitled to vote on the election of common stock directors, subject to our majority voting policy discussed below. This means that the seven individuals nominated for election to the Board as directors who receive the most FOR votes among votes properly cast in person or by proxy will be elected. Only FOR or WITHHELD votes are counted in determining whether a plurality has been cast in favor of a director nominee. Under our Amended and Restated Certificate of Incorporation, stockholders do not have cumulative voting rights. If you withhold authority to vote with respect to the election of some or all of the director nominees, your shares will not be voted with respect to those nominees indicated. Under our majority voting policy, in an uncontested election, any director nominee who receives a greater number of votes WITHHELD for his or her election than votes FOR such election must offer his or her resignation to the Board promptly following certification of the stockholder vote. Broker non-votes are not counted for purposes of election of directors. You cannot abstain in the election of directors.

Unless you withhold authority to vote or instruct otherwise, a properly executed proxy will be voted FOR the election of the nominees listed below as the proxies may determine. Although the Board does not contemplate that any of the nominees will be unable to serve, if such a situation arises prior to the Annual Meeting, the persons appointed as proxies will vote for the election of such other persons that may be nominated by the Board.

Information on Director Nominees

All of the nominees for director are currently directors of Dynegy. The following table sets forth information regarding the names, ages and principal occupations of the director nominees, other directorships held by them in public companies and the length of their service as a director of Dynegy.

Director Nominees	Principal Occupation and Current and Former Directorships	Age as of March 24, 2010	Director Since
Bruce A. Williamson	Chairman of the Board, President and Chief Executive Officer of Dynegy; Director of Questar Corporation (2006-Present)	50	2002
David W. Biegler	Chairman and Chief Executive Officer of Southcross Energy LLC (2009-Present) and Chairman of Estrella Energy, L.P.(2003-Present), Director of Trinity Industries Inc. (1992-Present), Austin Industries, Inc. (2004-Present), Southwest Airlines Co. (2006-Present), Guaranty Financial Group (2008-2009) and Animal Health International, Inc. (2007-Present)	63	2003
Thomas D. Clark, Jr.	President and Director of Strategy Associates (2006-Present); Director of Endeavour International	69	2003

	(2006-Present)		
Victor E. Grijalva	Former Vice Chairman of Schlumberger Ltd., (1999-2001) Former Chairman of Hanover Compressor Company (2004) and Former Chairman of Transocean, Inc.; Director of Transocean, Inc. (2005-Present)	71	2006
Patricia A. Hammick	Former Senior Vice President, Strategy and Communications of Columbia Energy Group; Director of Consol Energy, Inc. (2001-2009) and SNC-Lavalin Group, Inc. (2007-Present)	63	2003
Howard B. Sheppard	Former Assistant Treasurer, Chevron Corp.	64	2008
William L. Trubeck	Former Chief Financial Officer and Executive Vice President of H&R Block, Inc., and Former Executive Vice President and Chief Financial Officer of Waste Management Inc.; Director of WellCare Health Plans, Inc. (February 2010 – Present), YRC Worldwide (2002-Present) and Ceridian Corporation (2006-2007)	63	2003

Additional Biographical Information on Director Nominees.

Bruce A. Williamson has served as Chief Executive Officer and as a director of Dynegy since October 2002, as Chairman of the Board of Dynegy since May 2004 and as President since December 2007. Prior to joining Dynegy, Mr. Williamson served in various capacities with Duke Energy and its affiliates. From August 2001 to October 2002, he served as President and Chief Executive Officer of Duke Energy Global Markets. In this capacity, he was responsible for all Duke Energy business units with global commodities and international business positions. From 1997 to August 2001, he served as Senior Vice President of Business Development and Risk Management and President and Chief Executive Officer at Duke Energy International. Mr. Williamson joined PanEnergy Corporation in June 1995, which then merged with Duke Power in June 1997. Prior to the Duke-PanEnergy merger, he served as PanEnergy's Vice President of Finance. Before joining PanEnergy, he held positions of increasing responsibility at Shell Oil Company, advancing over a 14-year period to Assistant Treasurer. He currently serves as a Director of Questar Corporation.

David W. Biegler was elected to the Board in April 2003. He serves as Chairman and Chief Executive Officer of Southcross Energy, LLC, a midstream natural gas company engaged in the purchase and sale, pipeline transportation, gathering and processing of natural gas, since June 2009. He also currently serves as Chairman of Estrella Energy, L.P., an investor in Southcross, since 2003. Mr. Biegler retired at the end of 2001 as Vice Chairman of TXU Corp., when it engaged in power generation and energy marketing and provided electric and natural gas utility services and other energy-related services. He also served as President and Chief Operating Officer of TXU Corp. from 1997 to December 2001. From 1993 to 1997, he served as Chairman, President and Chief Executive Officer of ENSERCH Corp. He currently serves as a director of Trinity Industries, Inc., Southwest Airlines Co., Austin Industries, Inc., Animal Health International, Inc. and Children's Medical Center.

Thomas D. Clark, Jr. was elected to the Board in July 2003. Since 2006, Mr. Clark has been the President of Strategy Associates, a consulting firm specializing in strategy development, strategic planning assistance, corporate governance policy and corporate analysis. Mr. Clark previously served as Dean of the E.J. Ourso College of Business

Administration and Ourso Distinguished Professor of Business from 1995 to 2003, and served as the Edward G. Schlieder Distinguished Chair of Information Science and Director of the DECIDE Board Room at Louisiana State University from 2003 to 2006. Prior to these positions, he was Chairman of Information and Management Sciences at Florida State University and Director of the Information Systems Research Center from 1984 to 1995. He was the Gage Crocker Outstanding Professor at the Air Force Institute of Technology where he served in the School of Engineering from 1977 to 1984. Mr. Clark is also a director of Endeavour International Corporation and serves on the boards of several community organizations and two privately-held companies.

Victor E. Grijalva was elected to the Board in May 2006. He served as a director of Hanover Compressor Company from 2002 to 2007 and formerly served as Chairman of Hanover's Board from 2002 to 2005. In August 2002, Mr. Grijalva served as interim President and Chief Executive Officer of Hanover. Mr. Grijalva is the retired Vice Chairman of Schlumberger Limited, a supplier of technology, project management and information solutions to the oil and gas industry. Before serving as Vice Chairman, he served as Executive Vice President of Schlumberger's OilfIeld Services division from 1994 to January 1999 and as Executive Vice President of Schlumberger's Wireline, Testing and Anadrill division from 1992 to 1994. He retired from Schlumberger in December 2001. Mr. Grijalva is also a director of Transocean, Inc., where he served as Chairman of the Board from 1999 to 2002.

Patricia A. Hammick was elected to the Board in April 2003 and was appointed Lead Director in May 2004. She was an adjunct professor at George Washington University from 2002 to 2003. Ms. Hammick served as Senior Vice President, Strategy and Communications and a member of the management committee of Columbia Energy Group from 1998 to 2000 and was Vice President, Corporate Strategic Planning, for Columbia Energy Group from 1997 to 1998. From 1983 to 1996, she served as the Chief Operations Officer for the National Gas Supply Association in Washington, D.C., and held a management position with Gulf Oil Exploration and Production Company from 1979 to 1983. Prior to 1979, Ms. Hammick worked for the American Petroleum Institute, the Center for Naval Analysis and the Naval Weapons Center. She currently serves as a director of Consol Energy, Inc. and SNC-Lavalin Group, Inc.

Howard B. Sheppard was appointed to the Board in January 2008. He previously served as an Assistant Treasurer of Chevron Corporation from February 1988 to June 2008. Mr. Sheppard was employed by Chevron and its affiliates since the merger of Gulf Oil Corporation with Chevron in 1985. Prior to the merger, he held positions of increasing responsibility at Gulf Oil Corporation, advancing over a 16-year period to Assistant Treasurer. He previously served on the Board from 2004 to 2007 as a Class B director designated by Chevron. With the April 2, 2007 closing of the LS Power Merger, Chevron, which was then a Dynegy stockholder, no longer had the right to designate any of Dynegy's directors.

William L. Trubeck was elected to the Board in April 2003. He served as Executive Vice President and Chief Financial Officer of H&R Block, Inc. from 2004 to 2007. He previously served Waste Management Inc. as Executive Vice President of its Western Group from 2003 until 2004, Executive Vice President, Operations Support, and Chief Administrative Officer from 2002 until 2003 and Executive Vice President and Chief Financial Officer from 2001 until 2002. He was Senior Vice President-Finance and Chief Financial Officer of International Multifoods, Inc. from 1997 until 2000, and President, Latin American Operations of International Multifoods, Inc. from 1998 until 2000. He has served as a director of YRC Worldwide since 1994 and as Chairman of its audit committee since 2002. He also currently serves as a director of WellCare Health Plans, Inc. and serves on its audit committee.

The Board unanimously recommends that stockholders vote FOR the election of these director nominees to the Board.

DIRECTORS' MEETINGS AND COMMITTEES OF THE BOARD

During 2009, our Board held eight meetings. Each Class A common stock director attended at least 75% of the aggregate of the total number of meetings of the Board and the total number of meetings held by all committees on which he or she served during the period for which he or she has been a director. Under our Corporate Governance

Guidelines, directors who are not members of a particular committee are entitled to attend meetings of each such committee.

The following table reflects the members of each of the committees of the Board and the number of meetings held from January 1, 2009 through December 31, 2009.

	Audit & Compliance	Compensation & Human Resources	Corporate Governance & Nominating	Performance Review(1)	Independent Director
Bruce A. Williamson					
James T. Bartlett(2)					
David W. Biegler		CHAIR		X	X
Thomas D. Clark, Jr.		X	CHAIR		X
Victor E. Grijalva	X		X	X	X
Patricia A. Hammick(3)					CHAIR
Frank E. Hardenbergh(2)					
George L. Mazanec	X	X	X		X
Mikhail Segal(2)				CHAIR	
Howard Sheppard	X		X	X	X
William L. Trubeck(4)	CHAIR	X			X
Number of Meetings	9	4	4	1	10

(1) Certain duties and responsibilities of the Performance Review Committee were performed by the full Board during 2009. Please see "Performance Review Committee" below for more information.
(2) Former Class B director who resigned from the Board upon closing of the LS Power Transactions. Please see "Transactions with Related Persons, Promoters and Certain Control Persons—LS Power Transactions" for more information.
(3) As Lead Director, Ms. Hammick is an ex officio member of the Audit and Compliance, Human Resources, Nominating and Performance Review committees. She has a standing invitation to attend all such committee meetings and thus attends all committee meetings.
(4) Designated Audit Committee Financial Expert.

Committees

Audit and Compliance Committee. The Audit and Compliance Committee, which currently is comprised of Messrs. Trubeck (Chairman), Grijalva, Mazanec and Sheppard, met a total of nine times during 2009. Each member of the Audit and Compliance Committee is independent as defined in the NYSE Listed Company Standards. The Audit and Compliance Committee assists the Board in its oversight of the integrity of our financial statements, our compliance with legal and regulatory requirements and our Code of Business Conduct and Ethics, our independent auditors' qualifications and independence, the performance of our internal audit function and the independent auditors and the performance of our risk assessment and risk management policies. Please read "Audit and Compliance Committee Report" for a discussion of the Audit and Compliance Committee's review of our 2009 audited financial statements.

Compensation and Human Resources Committee. The Human Resources Committee, which currently is comprised of Messrs. Biegler (Chairman), Clark, Mazanec and Trubeck, met a total of four times during 2009. Each member of the Human Resources Committee is independent as defined in the NYSE Listed Company Standards. The purpose of the Human Resources Committee is to assist our Board in fulfilling the Board's oversight responsibilities on matters relating to executive compensation, oversee our overall compensation strategy and our equity-based compensation plans, prepare the annual Compensation and Human Resources Committee report required by the rules of the SEC and review and discuss with our management the Compensation Discussion and Analysis to be included in our annual proxy statement to stockholders. The Human Resources Committee does not assist the Board with respect to director compensation, which is the responsibility of the Corporate Governance and Nominating Committee. For more information regarding the role and scope of authority of the Human Resources Committee in determining executive compensation, please read “Compensation Discussion and Analysis” below.

The Human Resources Committee may delegate specific responsibilities to one or more subcommittees to the extent permitted by law, NYSE listing standards and our governing documents. The Human Resources Committee is responsible for pre-approving all services performed by any independent compensation consultant in order to assure that the provision of such services does not impair the consultant’s independence. As a result, the Human Resources Committee has established a policy requiring its pre-approval of the annual executive compensation services, engagement terms and fees. The policy requires that requests to provide services requiring pre-approval by the Human Resources Committee or Chair will be submitted to the Committee or Chair by both the independent compensation consultant and our Vice President of Human Resources and must include a joint statement as to whether, in their view, the request or application is consistent with maintaining the consultant’s independence. Further, under the policy, the Human Resources Committee delegates to its Chair the authority to pre-approve any services (other than annual engagement services) if necessary or appropriate between scheduled meetings; provided, however, that the Chair will cause any such pre-approvals to be reported to the Human Resources Committee at the next regularly scheduled meeting. For a discussion of the role of the independent compensation consultant retained by the Human Resources Committee in recommending executive compensation and the participation of our Chief Executive Officer in the review of the compensation of other executives that report to the Chief Executive Officer, please read “Compensation Discussion and Analysis” below.

Corporate Governance and Nominating Committee. The Nominating Committee, which currently is comprised of Messrs. Clark (Chairman), Grijalva, Mazanec and Sheppard, met a total of four times during 2009. Each member of the Corporate Governance and Nominating Committee is independent as defined in the NYSE Listed Company Standards. The Corporate Governance and Nominating Committee is responsible for identifying director nominees, assisting the Board with respect to director compensation, developing and reviewing our Corporate Governance Guidelines and overseeing the evaluation of the Board and management.

Performance Review Committee. The Performance Review Committee was dissolved effective March 2, 2010. The duties and responsibilities formerly handled by the Performance Review Committee were assumed by the full Board beginning on March 2, 2010. Prior to the dissolution, the Performance Review Committee was comprised of Messrs. Segal (Chairman), Biegler, Grijalva and Sheppard and met one time during 2009. The Performance Review Committee was responsible for reviewing our overall commercial and operating performance relative to our power industry competitors, the external market structure and our internal capabilities, reviewing our environmental, health and safety performance, developing and recommending to our management and the Board opportunities to maximize value for our stockholders, and assessing, with management, our execution of value-enhancing opportunities.

Independent Director Committee. As a result of the closing of the strategic transactions in November 2009 and the concurrent resignation of the Class B directors, the Independent Director Committee was dissolved on March 2, 2010. Prior to its dissolution, the Independent Director Committee was comprised of Ms. Hammick (Chair) and Messrs. Biegler, Clark, Grijalva, Mazanec, Sheppard and Trubeck. The committee met a total of 10 times during 2009. The Independent Director Committee was authorized to review and approve related party transactions involving the LS Entities or its affiliates, including matters arising from our former development joint venture, under our related party transactions policy, and to consider matters relating to our relationship with the LS Power as our former largest stockholder. The Independent Director Committee was authorized to retain its own legal, financial and other advisors, in furtherance of the authority granted to it by the Board, without obtaining approval of such retention by the Board.

DIRECTOR COMPENSATION

Director Compensation for 2009

The following table sets forth certain information regarding the compensation earned by or awarded to each non-employee Class A common stock director who served on our Board in 2009. Directors who are also employees of Dynegy and the former Class B common stock directors were not compensated for their services as directors.

Name	Fees Earned or Paid in Cash	Stock Awards(1)	Option Awards(2)	Non-Equity Incentive Plan Compensation(2)	Change in Pension Value and Nonqualified Deferred Compensation Earnings(3)	All Other Compensation(4)	Total
David W. Biegler	$—	$70,000	$—	$ —	$ —	$ 86,000	$156,000
Thomas D. Clark, Jr.	$—	$70,000	$—	$ —	$ —	$ 93,500	$163,500
Victor E. Grijalva	$90,000	$70,000	$—	$ —	$ —	$ —	$160,000
Patricia A. Hammick(5)	$92,700	$70,000	$—	$ —	$ —	$ 10,300	$173,000
George L. Mazanec	$97,500	$70,000	$—	$ —	$ —	$ —	$167,500
Howard B. Sheppard	$92,000	$70,000	$—	$ —	$ —	$ —	$162,000
William L. Trubeck	$54,250	$70,000	$ —	$ —	$ —	$ 54,250	$178,500

(1) Directors receive annual phantom stock grants pursuant to the Directors Deferred Compensation Plan. Upon termination of service as a director, the shares become payable, based on the director's one-time election, in cash or common stock. The values shown under "Stock Awards" reflect the aggregate grant date fair value computed in accordance with FASB ASC Topic 718. As of December 31, 2009, each director had the following aggregate number of shares of phantom stock outstanding: Messrs. Biegler and Trubeck and Ms. Hammick—105,623; Mr. Clark—102,646; Mr. Grijalva—68,403; Mr. Mazanec—93,097; and Mr. Sheppard—53,752.

(2) No annual stock option awards or non-equity incentive plan compensation payments were made as compensation for director services in 2009 or are contemplated under our current compensation structure.

(3) The "Change in Pension Value and Nonqualified Deferred Compensation Earnings" column represents dividends/capital gains/losses or unrealized gains/losses on deferrals of fees and stock awards under the Directors Deferred Compensation Plan, which includes investments in common stock and various investment funds. As of December 31, 2009, each of the directors had cumulative losses on all prior deferrals of fees in the following amounts: Mr. Biegler—$(40,133); Mr. Clark—$(16,819); Mr. Grijalva—$(31,926); Ms. Hammick—$(76,161); Mr. Mazanec—$(53,657); Mr. Sheppard—$(19,033); and Mr. Trubeck—$(41,681).

(4) The amounts shown as "All Other Compensation" for Messrs. Biegler, Clark and Trubeck and Ms. Hammick represent a voluntary cash deferral of fees earned at each director's election into common stock or various investment funds that are payable upon termination in cash.

(5) Lead Director.

Periodically, our Nominating Committee reviews the competiveness of the compensation of our non-employee directors. The results of such review were presented to the Board with regard to the compensation of our non-employee directors for 2009. The Board determined that, based on an assessment of competiveness and the current economic environment, no compensation changes are appropriate at this time.

Under the Directors Deferred Compensation Plan, non-employee directors receive annual phantom stock grants with an aggregate value of $70,000, awarded quarterly in arrears based on the closing price of our common stock on the last trading day of the quarter. Since the amounts of phantom stock granted are unfunded, directors do not actually receive shares of our common stock. We established a trust to provide an informal funding vehicle for the obligations under the plan to our directors. The assets of the trust, commonly referred to as a rabbi trust, are subject to the claims of our creditors in the event of insolvency, so the plan is considered unfunded for tax purposes. We contribute cash in amounts equal to the compensation that is deferred by us for the directors, which is then invested by the administrator of the trust in a fund of our common stock. Upon termination of service as a director, the shares of phantom stock become payable, based on an election previously made by the director, in a lump sum payment or in monthly, quarterly or annual installment payments following such termination. The shares of phantom stock are payable in cash or in shares of common stock, based upon a one-time election of the director.

In addition to the phantom stock grants, the non-employee directors receive the following compensation, which is payable in cash and may be deferred under the Directors Deferred Compensation Plan, in whole or in part, and invested in one or more investment options, including a hypothetical Dynegy common stock fund, at a particular director's election:

- An annual retainer of $50,000 per year;
- A fee of $2,000 for each Board meeting attended;
- A fee of $1,000 for each committee meeting attended;
- An additional annual retainer of $30,000 for the Lead Director;
- Fees for each committee chairperson per year: Audit and Compliance Committee—$20,000 per year; Human Resources Committee—$10,000 per year; Nominating Committee—$10,000;
- An annual retainer of $5,000 and $2,500 per year for members of the Audit and Compliance Committee and the Human Resources Committee, respectively; and
- Reimbursement for reasonable out-of-pocket expenses incurred in connection with travel to and from, and attendance at, meetings of the Board or its committees and related activities, including director education courses and materials.

Certain Transactions and Other Matters

For a description of certain transactions with management and others, certain business relationships and compliance with Section 16(a) of the Exchange Act, see "Executive Compensation—Potential Payments Upon Termination or Change in Control," "Transactions with Related Persons, Promoters and Certain Control Persons" and "Section 16(a) Beneficial Ownership Reporting Compliance."

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following table sets forth certain information regarding beneficial ownership of our capital stock as of March 23, 2010, except as otherwise noted, by (1) each person who, based on filings with the SEC, owns beneficially 5% or more of our common stock, (2) each director and director nominee, (3) each executive officer, other than Mr. Eimer, named in the Summary Compensation Table set forth below and (4) all current directors and executive officers as a group. Share amounts and percentages shown for each individual or group in the table are adjusted to give effect to the exercise of all options exercisable by such individual or group within 60 days of March 3, 2010, regardless of whether such options are currently in the money.

	Number of Shares (1) Common Stock	Percent of Total Outstanding Common Stock(2)
LS Power Associates, L.P.(3)	13,647,105	2.3
LS Power Equity Partners, L.P.(3)	48,929,842	8.1
LS Power Partners, L.P.(3)(4)	81,352,895	13.5
LS Power Equity Partners PIE I, L.P.(3)	29,669,786	4.9
LSP Gen Investors, L.P.(3)	1,164,302	*
LS Power Development, L.L.C.(3)(5)	95,000,000	15.7
Mikhail Segal(3)(6)	95,000,000	15.7
Frank Hardenbergh(3)(6)	95,000,000	15.7
James Bartlett(3)(6)	95,000,000	15.7
UBS Global Asset Management Americas Inc.(7)	66,033,854	10.9
Capital World Investors(8)	34,920,000	5.9
FMR LLC(9)	35,675,091	5.9
Bruce A. Williamson(10)(16)	5,141,281	*
Holli C. Nichols(11)(16)	832,301	*
J. Kevin Blodgett(12)(16)	481,990	*
Lynn Lednicky(13)(16)	763,109	*
Charles C. Cook(14)(16)	425,283	*
David W. Biegler(15)(16)	115,623	*
Thomas D. Clark, Jr.(15)(16)	116,146	*
Victor E. Grijalva(15)(16)	83,403	*
Patricia A. Hammick(15)(16)	130,623	*
George L. Mazanec(15)(16)	109,097	*
Howard B. Sheppard(15)(16)	68,752	*
	116,623	*

William L. Trubeck(15)(16)		
Current Executive Officers and Directors as a Group (12 persons)(10)—(16)	8,384,231	1.3

*Less than 1%.

(1) Unless otherwise noted, each person or entity listed has sole voting and investment power with respect to the shares reported.

(2) Based upon 604,163,359 shares of common stock issued and outstanding at March 3, 2010.

(3) According to Schedule 13D filed jointly on December 10, 2009 by: (1) LS Power Development, LLC, a Delaware limited liability company , or LSP Development, (2) LS Power Partners, L.P., a Delaware limited partnership, or LSP Partners, (3) LS Power Associates, L.P., a Delaware limited partnership, or LSP Associates, (4) LS Power Equity Partners, L.P., a Delaware limited partnership, or LSPEP, (5) LS Power Equity Partners PIE I, L.P., a Delaware limited partnership, or PIE I, (6) LSP Gen Investors, L.P., a Delaware limited partnership, or Gen Investors, and (7) Mikhail Segal, an individual with United States citizenship. LSP Development, LSP Partners, LSP Associates, LSPEP, PIE I, Gen Investors and Mr. Segal are referred to herein collectively as the "Reporting Persons." The principal address of each of LSP Partners, LSPEP, PIE I, Gen Investors and Messrs. Segal, Bartlett and Hardenbergh is 1700 Broadway, 35th Floor, New York, New York 10019. The principal address of each of LSP Development and LSP Associates is Two Tower Center, 11th Floor, East Brunswick, New Jersey 08816. Mr. Segal's current principal occupation is Chairman of LSP Development.

(4) LSP Partners directly holds 1,588,965 shares. LSP Partners is the general partner of LSPEP, PIE I and Gen Investors. As the general partner of LSPEP, PIE I and Gen Investors, LSP Partners may be deemed to have shared voting and investment power with respect to 81,352,895 shares beneficially owned by LSPEP, PIE I and Gen Investors. As such, LSP Partners may be deemed to have shared beneficial ownership of the common stock of which LSPEP, PIE I and Gen Investors are the owners. LSP Partners, however, disclaims beneficial ownership of such shares except to the extent of its pecuniary interest therein.

(5) LSP Development is the general partner of LSP Partners and LSP Associates. As the general partner of LSP Partners and LSP Associates, LSP Development may be deemed to have shared voting and investment power with respect to 95,000,000 shares beneficially owned by LSP Powers and LSP Associates. As such, LSP Development may be deemed to have shared beneficial ownership of the common stock of which LSP Partners and LSP Associates are the beneficial owners. LSP Development, however, disclaims beneficial ownership of such shares except to the extent of its pecuniary interest therein.

(6) Messrs. Segal, Bartlett and Hardenbergh through their positions, relationship and/or affiliations with the Reporting Persons may have shared voting and investment power with respect to 95,000,000 shares beneficially owned by the Reporting Persons. As such, Messrs. Segal, Bartlett and Hardenbergh may be deemed to have shared beneficial ownership of the shares beneficially owned by the Reporting Persons. Messrs. Segal, Bartlett and Hardenbergh disclaim beneficial ownership of such shares.

(7) According to Schedule 13G filed February 11, 2010 by UBS AG (for the benefit and on behalf of the UBS Global Asset Management division of UBS AG) , or UBS AG. According to such Schedule 13G, UBS AG has sole voting power with respect to 56,019,134 shares and shared dispositive power with respect to 66,033,854 shares. The address for UBS AG is Bahnhofstrasse 45, PO Box CH-8021, Zurich, Switzerland. UBS disclaims beneficial ownership of such securities pursuant to Rule 13d-4 under the Securities Exchange Act of 1934.

(8) According to Schedule 13G filed February 11, 2010 by Capital World Investors, or Capital Investors. According to such Schedule 13G, Capital Investors has sole voting power with respect to 13,900,000 shares and sole dispositive power with respect to 34,920,000 shares. The address for Capital World Investors is 333 South Hope Street, Los Angeles, CA 90071.

(9) According to Schedule 13G filed February 16, 2010 by FMR LLC, or FMR. According to such Schedule 13G, Fidelity Management & Research Company, or Fidelity, a wholly-owned subsidiary of FMR and a registered investment adviser, is the beneficial owner of 33,910,341 shares held in Fidelity's funds. FMR and Edward C. Johnson 3d, FMR's Chairman, each has the sole power to dispose of these shares. However, the sole power to

vote or direct the voting of these shares resides with the funds' board of trustees. Pyramis Global Advisors Trust Company, an indirect wholly-owned subsidiary of FMR and an investment manager of certain institutional accounts, is the beneficial owner of 1,764,750 shares. FMR and Edward C. Johnson 3d each has sole dispositive power and sole power to vote or direct the voting of these shares. The address for FMR is 82 Devonshire Street, Boston MA 02109.

(10) Amount shown includes 3,438,888 shares of common stock issuable upon the exercise of employee stock options held by Mr. Williamson and 165,461, 106,952 and 555,556 shares of restricted common stock which vest on April 2, 2010, March 6, 2011 and March 3, 2013, respectively. Amount shown also includes approximately 22,289 shares of common stock held by the Trustee of the Dynegy Inc. 401(k) Savings Plan, or the Dynegy 401(k) Plan, for the account of Mr. Williamson, based on the market value of units held by Mr. Williamson in the Dynegy 401(k) Plan's Dynegy stock fund divided by the closing price of our common stock as of March 3, 2010. The amount shown does not include 1,592,921phantom stock units held by Mr. Williamson through our Dynegy Inc. 2009 Phantom Stock Plan, or the Phantom Stock Plan, that are payable three years from date of grant exclusively in cash and not in shares of common stock.

(11) Amount shown includes 569,668 shares of common stock issuable upon the exercise of employee stock options held by Ms. Nichols and 36,195, 26,738 and 145,834 shares of restricted common stock which vest on April 2, 2010, March 6, 2011 and March 3, 2013, respectively. Amount shown also includes approximately 24,887 shares of common stock held by the Trustee of the Dynegy 401(k) Plan for the account of Ms. Nichols, based on the market value of units held by Ms. Nichols in the Dynegy 401(k) Plan's Dynegy stock fund divided by the closing price of our common stock as of March 3, 2010. The amount shown does not include 398,231phantom stock units held by Ms. Nichols through our Phantom Stock Plan that are payable three years from date of grant exclusively in cash and not in shares of common stock.

(12) Amount shown includes 302,513 shares of common stock issuable upon the exercise of employee stock options held by Mr. Blodgett and 31,024, 19,887 and 109,375 shares of restricted common stock which vest on April 2, 2010, March 6, 2011 and March 3, 2013, respectively. Amount shown also includes approximately 18,888 shares of common stock held by the Trustee of the Dynegy 401(k) Plan for the account of Mr. Blodgett, based on the market value of units held by Mr. Blodgett in the Dynegy 401(k) Plan's Dynegy stock fund divided by the closing price of our common stock as of March 3, 2010. The amount shown does not include 296,184 phantom stock units held by Mr. Blodgett through our Phantom Stock Plan that are payable three years from date of grant exclusively in cash and not in shares of common stock.

(13) Amount shown includes 552,052 shares of common stock issuable upon the exercise of employee stock options held by Mr. Lednicky and 31,024, 19,887 and 105,730 shares of restricted common stock which vest on April 2, 2010, March 6, 2011 and March 3, 2013, respectively. Amount shown also includes approximately 20,106 shares of common stock held by the Trustee of the Dynegy 401(k) Plan for the account of Mr. Lednicky, based on the market value of units held by Mr. Lednicky in the Dynegy 401(k) Plan's Dynegy stock fund divided by the closing price of our common stock as of March 3, 2010. The amount shown does not include 296,184 phantom stock units held by Mr. Lednicky through our Phantom Stock Plan that are payable three years from date of grant exclusively in cash and not in shares of common stock.

(14) Amount shown includes 260,916 shares of common stock issuable upon the exercise of employee stock options held by Mr. Cook and 41,366, 23,396 and 105,730 shares of restricted common stock which vest on April 2, 2010, March 6, 2011 and March 3, 2013, respectively. Amount shown also includes approximately 11,008 shares of common stock held by the Trustee of the Dynegy 401(k) Plan for the account of Mr. Cook, based on the market value of units held by Mr. Cook in the Dynegy 401(k) Plan's Dynegy stock fund divided by the closing price of our common stock as of March 3, 2010. The amount shown does not include 278,762 phantom stock units held by Mr. Cook through our Phantom Stock Plan that are payable three years from date of grant exclusively in cash and not in shares of common stock.

(15) Amounts shown include the following number of shares of our common stock payable upon termination of service as a director, at the election of the director, with respect to certain phantom stock units awarded under the Directors Deferred Compensation Plan: 93,097 shares payable to Mr. Mazanec; 102,646 shares payable to Mr. Clark; 105,623 shares payable to Messrs. Biegler and Trubeck and Ms. Hammick; 53,752 shares payable to Mr. Sheppard; and 68,403 shares payable to Mr. Grijalva. The amounts shown do not include certain stock units held

by Mr. Clark and Ms. Hammick through our Directors Deferred Compensation Plan which are payable, upon retirement, exclusively in cash and not in shares of common stock. For Mr. Mazanec, amount shown includes 3,000 shares held in two IRAs for his benefit, 1,000 shares held by the Mazanec Foundation, of which Mr. Mazanec is President and a director, and 1,000 shares held in two family trusts for the benefit of Mr. Mazanec's grandchildren. For Mr. Sheppard, amount shown includes 15,000 shares held in a family trust.

(16) The address for all Dynegy executive officers and directors is Dynegy Inc., 1000 Louisiana Street, Suite 5800, Houston, TX 77002.

EXECUTIVE OFFICERS

The following table sets forth the name and positions of our executive officers as of March 23, 2010, together with their ages and period of service with us.

Executive Officer	Position	Age as of March 23, 2010	Served with Dynegy Since
Bruce A. Williamson	Chairman of the Board, President and Chief Executive Officer	50	2002
Holli C. Nichols	Executive Vice President and Chief Financial Officer	39	2000
J. Kevin Blodgett	General Counsel and Executive Vice President, Administration	38	2000
Lynn A. Lednicky	Executive Vice President, Operations	49	1991
Charles C. Cook	Executive Vice President, Commercial Operations and Market Analytics	45	1991

The executive officers named above will serve in such capacities until the next Annual Meeting of our Board, or until their respective successors have been duly elected and qualified, or until their earlier death, resignation, disqualification or removal from office.

Set forth below is additional biographical information with respect to our executive officers.

Bruce A. Williamson has served as Chief Executive Officer and as a director since October 2002, as Chairman of the Board of Dynegy since May 2004 and as President since December 2007. Prior to joining Dynegy, Mr. Williamson served in various capacities with Duke Energy and its affiliates. From August 2001 to October 2002, he served as President and Chief Executive Officer of Duke Energy Global Markets. In this capacity, he was responsible for all Duke Energy business units with global commodities and international business positions. From 1997 to August 2001, he served as Senior Vice President of Business Development and Risk Management and President and Chief Executive Officer at Duke Energy International. Mr. Williamson joined PanEnergy Corporation in June 1995, which then merged with Duke Power in June 1997. Prior to the Duke-PanEnergy merger, he served as PanEnergy's Vice President of Finance. Before joining PanEnergy, he held positions of increasing responsibility at Shell Oil Company, advancing over a 14-year period to Assistant Treasurer. He currently serves as a Director of Questar Corporation.

Holli C. Nichols has served as Executive Vice President and Chief Financial Officer since November 2005. Ms. Nichols is responsible for oversight activities involving strategic planning and corporate business development, financial affairs, including finance and accounting, tax, treasury, risk management, internal audit and investor and credit agency relationships. Ms. Nichols previously served as Senior Vice President and Treasurer from May 2004 to November 2005, as Senior Vice President and Controller from June 2003 to May 2004 and as Vice President, Assistant Corporate Controller and Senior Consultant from May 2000 to June 2003. Ms. Nichols joined Dynegy from PricewaterhouseCoopers LLP in May 2000.

J. Kevin Blodgett has served as General Counsel and Executive Vice President, Administration since November 2005. Mr. Blodgett is responsible for our legal and administrative affairs, including legal, government and regulatory services supporting Dynegy's operational, commercial and corporate areas, as well as ethics and compliance, human resources, information technology and business services. Mr. Blodgett previously served as Senior Vice President, Human Resources from August 2004 to November 2005, as Group General Counsel-Corporate Finance & Securities and Corporate Secretary from May 2003 to August 2004 and as Assistant General Counsel, Senior Corporate Counsel and Corporate Counsel from October 2000 to May 2003. Mr. Blodgett joined Dynegy from Baker Botts LLP in October 2000.

Lynn A. Lednicky has served as Executive Vice President, Operations since October 1, 2009. Mr. Lednicky is responsible for the operational management of our fleet of power generation assets. He previously served as Executive Vice President-Asset Management, Government and Regulatory Affairs from March 2009 to October 2009, Executive Vice President, Asset Management, Development, and Regulatory Affairs from January 2008 to March 2009, Executive Vice President, Commercial and Development from January 2007 to January 2008, Executive Vice President of Strategic Planning and Corporate Business Development from November 2005 to January 2007, Senior Vice President of Strategic Planning and Corporate Business Development from July 2003 to November 2005 and Senior Vice President of Power Origination from December 2000 to July 2003. Mr. Lednicky joined our predecessor, Destec Energy, Inc., in July 1991. Mr. Lednicky is a member of the U.S. Department of Energy National Coal Council and the EPRI Research Advisory Committee.

Charles C. Cook has served as Executive Vice President, Commercial Operations and Market Analytics since December 2008. Mr. Cook has direct responsibility for overseeing all commercial functions and asset management related to Dynegy's power generation fleet. Mr. Cook most recently served as Senior Vice President-Strategic Planning, Corporate Business Development and Treasurer from January to December 2008 and served as Senior Vice President and Treasurer from 2005 until 2007. Mr. Cook joined our predecessor, Destec Energy, Inc., in 1991, and was promoted to Vice President in 2002.

COMPENSATION DISCUSSION AND ANALYSIS

The following discussion should be read together with the compensation tables and disclosures for our Named Executive Officers included under “Executive Compensation.” The following discussion contains statements regarding future company performance targets and goals. These targets and goals are disclosed in the limited context of our compensation programs and should not be considered as statements of our expectations or estimates of results or other guidance; to that end, these targets and goals will not be subject to updating.

Executive Summary

Our executive compensation program is primarily designed to attract, motivate and retain a highly qualified executive management team capable of effectively managing our power generation business. This program is administered by the Human Resources Committee, which utilized Towers Perrin, an independent compensation consultant, to assist it in discharging its responsibilities for the 2009 performance year. In the following discussion and analysis, we describe in detail our executive compensation philosophy and objectives and the 2009 compensation for each individual who served as (1) our Chief Executive Officer, (2) our Chief Financial Officer, (3) our three other most highly compensated executive officers who were serving as executives at the end of 2009, and (4) one additional executive who retired before year-end. We refer to these individuals collectively as our Named Executive Officers.

The following discussion and analysis is designed to provide insight into our compensation philosophy, practices, plans and decisions. In summary:

- We believe that rewards should be competitive, should not be viewed as entitlements and should be based upon the performance of the company and the individual executive.

- The Human Resources Committee exercises its judgment and discretion when reviewing corporate and individual performance relative to pre-determined financial and operational measures.

- Competitive benchmark data, comprised of aggregate industry peer proxy statement data and general industry survey data, are reviewed annually by the Human Resources Committee when making base salary, short-term incentive and long-term incentive decisions regarding our Named Executive Officers.

- Performance-based awards continue to be a critical tool in providing appropriate incentives for our Named Executive Officers to create long-term value for our stockholders.

- In determining compensation levels for each Named Executive Officer, the Human Resources Committee considers job responsibilities, historical pay, internal equity pay levels, experience and performance (both corporate and individual performance) in an attempt to reward and motivate both short-term and long-term value creation for our stockholders.

- In 2009, we exceeded both our financial and non-financial annual performance objectives, but are not likely to achieve the stock price targets contained in the performance units granted in April 2007 and payable in April 2010; the Human Resource Committee’s compensation decisions reflect this performance.

Executive Compensation Philosophy

Our executive compensation program reflects a fundamental belief that rewards should be competitive, both in elements and amount, with the broad labor market in which we compete for executive talent and commensurate with corporate and individual performance. Annually, the Human Resources Committee reviews and updates, where appropriate, our compensation philosophy for consistency with our near-term and long-term business strategy. Our “Compensation Guiding Principles,” which are listed below, serve to formalize and document our compensation philosophy. In addition, these principles provide a foundation for certain compensation decisions, as well as a common language for communicating those decisions to executives, employees and stockholders. These “Compensation Guiding Principles” are as follows:

- Our compensation strategy is based on our core values and business strategy.

- Our total compensation for each individual should provide reasonable upside potential for exceptional performance, while maintaining competitiveness during, but appropriately reflecting, market or economic downturns.

- Our compensation delivery practices should allow for differential pay levels based on both corporate and individual performance.

- Our key compensation elements—base pay, short-term incentives and long-term incentives—should complement each other.

- Our variable pay programs should be designed as forward-looking incentives with clear transparency.

- Our long-term incentives and stock ownership guidelines should encourage share price improvement and a strong link to stockholder interests.

- Our compensation programs should be designed and administered to encourage sustained long-term growth in our cyclical industry.

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Our overall compensation strategy should recognize that attraction and retention of key talent is critical to the attainment of our stated business goals and objectives and to the creation of value for our stockholders.

Executive Compensation Program Objectives

Consistent with the stated purpose and the Compensation Guiding Principles listed above, the structure of our compensation program reflects the following key objectives: (1) Pay for Performance; (2) Market Competitiveness; and (3) Long-Term Stockholder Value.

Pay for Performance. It is our belief that the variable components of compensation should not be viewed as entitlements, but rather should be awarded for delivering results relative to pre-determined business goals and objectives and for executing on our business strategy to create long-term value for our stockholders. To this end, each year the Board approves a comprehensive set of financial and non-financial goals and objectives for the coming year. Our progress, and the Named Executive Officers' contributions relative to these goals and objectives, is monitored and discussed during the year by the Board and the Human Resources Committee. At year-end, compensation awards are made based on the Human Resources Committee's overall assessment of performance, including the degree to which these goals and objectives have been achieved and the impact of external factors.

Financial Objectives. The first category of goals represents the financial objectives used by executive management and the Board in assessing our annual performance and communicating that performance to the investment community. In determining short-term incentive opportunity levels for 2009, the Human Resources Committee adopted guidelines pursuant to which financial objectives comprised 90% of the total funding opportunity. This weighting for financial performance is aligned with our stated objective of creating stockholder value. The financial performance metric was based on the attainment of established Adjusted EBITDA[1] levels, with performance in reducing General and Administrative, or G&A, expenses considered as an additional reference point when considering overall financial performance. Adjusted EBITDA is aligned with the manner in which we publicly disclose our financial performance, while a reduction in G&A expenses is an appropriate objective that is aligned with prudent actions and behaviors in the current economic and business environment. Please read "—Analysis—Named Executive Officer Compensation" below for a discussion of 2009 compensation and the specific performance and financial targets on which such compensation was based.

Additionally, the Human Resources Committee formally established a separate financial performance requirement for the Named Executive Officers. This separate performance target, which we refer to as a "gate" or a minimum funding requirement, must be met before any amount of short-term incentive awards will be paid to the Named Executive Officers and provides another method to foster the alignment of executive interests with investor interests and our annual performance goals and objectives. For 2009, the Human Resources Committee set this minimum performance level at $700 million of Adjusted EBITDA. Performance below this minimum level would result in no short-term incentive awards to the Named Executive Officers, regardless of non-financial performance or any other adjustments.

Non-Financial Objectives. The second category of goals and objectives is non-financial in nature. These objectives, which represent 10% of the total short-term incentive funding opportunity for the 2009 performance year, are centered on our core operating focus: 1) operate and commercialize our assets well; 2) protect liquidity and near-term cash flow; and 3) manage overall spending. While specific targets were not set for these non-financial objectives, the Named Executive Officers reviewed the strategic intent behind each of these focus areas with the Board at the start of the year and provided regular updates on progress throughout the 2009 performance year. Please read "—Analysis—Named Executive Officer Compensation" below for a discussion of 2009 compensation and the specific non-financial performance that influenced such compensation.

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1 We define Adjusted EBITDA as EBITDA adjusted to exclude (1) gains or losses on the sale of assets, (2) the impacts of mark-to-market changes and (3) impairment charges.

In addition to the above-described financial and non-financial goals and objectives, executive compensation decisions are also based on the individual performance of our Named Executive Officers. In particular, we have adopted a set of core values that reflect the key leadership qualities and behavioral attributes that our executive compensation program is designed to foster and reward. These qualities and attributes include, among others: honesty and integrity; individual responsibility and accountability; engagement and development of our employees; and doing the right things with an expectation that the right things will happen. In evaluating our Chief Executive Officer from this perspective, the Human Resources Committee conducts an annual performance review together with the Board and evaluates his performance based on interaction with him throughout the year. Similarly, the Human Resources Committee, which approves the compensation for our executive officers other than our Chief Executive Officer, consults with the Chief Executive Officer as to his performance review of our other executive officers and their achievements relative to our core values. The Human Resources Committee also evaluates and considers executive leadership in furtherance of our core values based on its subjective judgment and without a precise weight or formula. As a general rule, the Human Resources Committee places greater emphasis on the financial objectives or results than it does on non-financial objectives or leadership when making its compensation decisions.

Market Competitiveness and Independent Compensation Consultant. We believe that in order to attract and retain highly qualified executives, our executive compensation program must be competitive, both in elements and amount, with the broad labor market in which we compete for talent. To support our objective of paying market competitive compensation, each year the Human Resources Committee conducts a detailed competitive evaluation (including, among other things, a review of proprietary and proxy statement information) with its independent compensation consultant. For 2009, the Human Resources Committee, without management participation, retained Towers Perrin as its independent consultant, primarily based upon the firm's depth and breadth of expertise in executive compensation and familiarity with our industry. Towers Perrin was engaged to provide consultant advice and services to the Human Resources Committee, collect competitive executive compensation data, assess the competitiveness of our current compensation programs and strategies and provide information on trends, new rules/regulations and laws that may impact executive compensation practices and administration. Towers Perrin reports to and acts at the sole discretion of the Human Resources Committee and is prohibited from performing services for our management without pre-approval by the Human Resources Committee.

On January 3, 2010, Towers Perrin and Watson Wyatt announced the completion of a merger to create Towers Watson & Co. As a result of this merger, the combined company provides compensation consultant services to our Human Resources Committee (Towers Perrin) and retirement benefit plan actuarial services for the entire organization (Watson Wyatt). Watson Wyatt has served as the actuary for our retirement benefit plans since 2008, with fees associated with these services of approximately $541,000 in 2009. Fees associated with Towers Perrin's consulting services to the Human Resources Committee totaled approximately $60,000 for 2009. Since the agreement to provide actuarial services by Watson Wyatt, and almost all of the compensation consultant services performed by Towers Perrin for 2009, preceded the merger with Towers Perrin, the Human Resources Committee believed there was no conflict of interest for 2009. However, with the recent completion of the Towers Perrin-Watson Wyatt merger, the Human Resources Committee intends to review and consider alternative arrangements for 2010.

In an attempt to ensure meaningful competitive compensation comparisons for 2009 executive compensation purposes, the Human Resources Committee reviewed and approved Towers Perrin's approach of constructing our comparative executive compensation data from a combination of peer group proxy statements and published compensation surveys. Towers Perrin collected compensation data from the most recent proxy statement filings for a group of six comparator companies (AES Corp., Allegheny Energy Inc., Edison International, Mirant Corporation, NRG Energy Inc. and RRI Energy, Inc.) and is referred to as the comparator group. The Human Resources Committee and Towers Perrin believe these companies are similar to us in business focus and, despite inexact overlap of operations and the limited number of comparator companies, represent useful reference points for executive compensation purposes. These companies are the same comparator companies that were used in 2008. The comparator group proxy statement data collected included base salaries, total compensation amounts and long-term incentive award levels for the Chief Executive Officer, Chief Financial Officer and next three highest-compensated named executives.

Additionally, Towers Perrin used data from its 2009 Executive Compensation Database and Long-Term Incentive Plan Report to provide data for positions with similar roles and responsibilities as our Named Executive Officers. The survey data were provided from over 761 companies from 11 general industry categories. This group of 761companies was narrowed to those companies with revenues between $3 and $6 billion to increase comparability. The survey data from this group was updated using an assumed annual update factor of 3.0%, and is referred to as the general industry survey data. As a result, the general industry survey data includes only those companies with revenues similar to ours and with similar broad operating characteristics. The comparator group proxy statement data described in the preceding paragraph provide an industry-based context for the Human Resources Committee's executive compensation decisions. However, because of the limited number of comparator companies, the inexact overlap of their operations and because we compete for talent within a broader industry group, the Human Resources Committee uses this general industry survey data as an additional reference point. The general industry survey data primarily are relied upon in determining market competitiveness, as the larger statistical sample size should reflect less variability and volatility. For 2009, there are 111 companies in the general industry survey data, none of which are considered material on an individual basis because the Human Resources Committee considers the general industry survey data as a whole. Please see the table in Appendix A "Survey Benchmark Firms" for a complete listing of the general industry survey data.

The Human Resources Committee considers comparative data in structuring our compensation program elements and determining the value of each element to be awarded to our Named Executive Officers. Based upon this market review, it provides three types of compensation to our Named Executive Officers—base salary, short-term incentives and long-term incentives. Proportionally, base salary comprised approximately 20% of the Named Executive Officers' total compensation package for 2009, with short-term incentives and long-term incentives comprising approximately 17% and 63%, respectively. This compensation mix generally is consistent with those of our comparator group, except that our mix is more heavily weighted toward long-term incentives. These awards, which were somewhat unusual in 2009 due to particular circumstances which are further described below, reflect what we believe is a competitive balance between current and long-term compensation and cash and non-cash compensation. The emphasis on long-term incentives is meant to support our stated strategy of creating long-term value for our stockholders. Please read "—Elements of Executive Compensation" below for a detailed discussion of these compensation types and the specific reasons for using them.

Long-Term Stockholder Value. Our total compensation strategy includes the use of long-term incentive awards designed to align individual executive performance with the interests of our stockholders. We use long-term incentives that are predominately performance-based as a tool to incentivize our Named Executive Officers to create long-term stockholder value. The value of these long-term incentives is based on appreciation of our stock price and cumulative Adjusted EBITDA targets. In furtherance of this strategy, we provide long-term incentive opportunities to earn values targeted generally within range of the 60th percentile of the general industry survey data, or somewhat higher than the market median. These long-term incentive opportunities reflect performance targets that the Human Resources Committee believes correlate to a 60th percentile level of performance and are designed to accomplish the specific objectives laid out below in "Elements of Executive Compensation—Long-Term Incentive Awards." Additionally, in early 2006, the Corporate Governance and Nominating Committee adopted stock ownership guidelines for members of the executive management team and other officers, which were intended to further align interests among our executive officers and stockholders. Please read "Corporate Governance—Stock Ownership Guidelines" above for a description of these guidelines.

Potential Impact of Restatements and Ability to Claw Back Compensation Awards. As stated in our Corporate Governance Guidelines, the Human Resources Committee has a mechanism to address any restatements that may impact our key financial metrics and our financial performance. Pursuant to this mechanism, in the event of a restatement of our financial statements, the Human Resources Committee will review all bonuses and other incentive and equity compensation awarded to executive officers that were based on the achievement of specified performance targets during the period for which such financial results are or will be restated. The Human Resources Committee will take action, as it determines to be appropriate, with respect to any such bonuses or other incentive or equity compensation awards to the extent such specified performance targets were not achieved in light of the restatement, which could include seeking to recover amounts paid. We believe this mechanism allows for remedial action to be taken if executive compensation is awarded for achievement of financial performance that is later determined not to have been achieved, and further aligns our Named Executive Officers' interests with those of our stockholders.

Named Executive Officers. For 2009, our Named Executive Officers were: Mr. Williamson (Chairman, President and Chief Executive Officer); Ms. Nichols (Executive Vice President and Chief Financial Officer); Mr. Blodgett (General Counsel and Executive Vice President, Administration); Mr. Lednicky (Executive Vice President, Operations); Mr. Cook (Executive Vice President, Commercial and Market Analytics); and Mr. Eimer (former Executive Vice President, Operations). Mr. Lednicky, formerly Executive Vice President, Asset Management, Development and Regulatory Affairs, assumed his current role following the retirement of Mr. Eimer on October 1, 2009.

Employment Agreements. We maintain a philosophy of employing executives without employment agreements and believe that the compensation, severance and benefit plans offered to our eligible officers provide appropriate reward opportunities and benefits for our Named Executive Officers.

Elements of Executive Compensation

As previously described, our Named Executive Officers are eligible to receive three primary forms of compensation: base salary; short-term cash incentive awards; and long-term incentive awards.

Base Salary. Base salaries function as the fixed, recurring cash portion of the Named Executive Officer's total compensation package. In determining the level of base salary for each Named Executive Officer, the Human Resources Committee considers the Named Executive Officer's job responsibilities, experience and performance. The Human Resources Committee annually reviews external benchmark data (our comparator group proxy statement data and general industry survey data as described above under "—Executive Compensation Philosophy—Market Competitiveness"), provided by its independent compensation consultant, to ensure that base salaries remain competitive. Any adjustments are made based primarily upon the Named Executive Officer's position relative to this market data. For base salaries, based on general industry survey data, we target the 50th percentile as a competitive level of pay. Base salaries generally fall in a range of 80% to 120% of the 50th percentile. This range provides the Human Resources Committee the ability to consider expertise, demonstrated performance, tenure in the current role, historical pay, internal equity, market movement and other relevant factors when determining base salaries for our Named Executive Officers. In our estimation, to target base salaries lower than this range would restrict our ability to attract and retain key talent; to target base salaries higher than this range could potentially result in greater compensation than is necessary to attract and retain key talent to the detriment of our stockholders. The Human Resources Committee, with input from Towers Perrin, ultimately exercises its judgment while considering competitive data, individual performance, internal equity, current position relative to the market and market value, among other factors, to determine base salaries for our Named Executive Officers. Please read "—Analysis—Named Executive Officer Compensation" below for further discussion on the Named Executive Officers' base salaries.

Short-Term Incentives. Short-term incentives serve as a variable, at-risk element of each Named Executive Officer's total compensation package and are based on the attainment of pre-established performance goals and objectives during the performance year. Short-term incentives are generally paid in cash. Our short-term incentive compensation plan is structured to align executive interests with both stockholder interests and our annual performance goals and objectives. The annual cash incentive bonus opportunity for each executive officer is established at the beginning of the performance year and is commensurate with each executive's job responsibilities. The short-term incentive for Mr. Williamson is targeted at the 50th percentile (100% of annual base salary) for 2009 and provides an opportunity for target total cash compensation at approximately the 50th percentile. The short-term incentive target for the other Named Executive Officers was also targeted at 100% of annual base salary for 2009, which translates to closer to the 75th percentile of market and provides an opportunity for total cash compensation at approximately the 60th percentile of market. The short-term incentive target payouts would, by design, only be earned through achievement, in the Human Resources Committee’s judgment, of performance objectives commensurate with 75th percentile performance. In this manner, the short-term incentive target payout is reasonably aligned with market comparables. We believe these incentive levels also serve to attract, retain and motivate a highly qualified executive management team capable of achieving the specified target performance goals. In particular, we believe that by providing the opportunity to achieve greater than the 50th percentile for short-term incentive awards and greater than the 60th percentile for long-term incentive awards (as discussed below), we provide appropriate upside potential for executives during a changing, commodity cyclical business environment. These opportunities are not guaranteed and provide adequate flexibility for downward adjustments to reflect corporate or individual performance at less than the targeted level and overall market and economic conditions. These downward adjustments were demonstrated with the annual short-term incentive awards made at 55% of target opportunity for 2008 and 85% of target opportunity for 2009 for each of the Named Executive Officers. Corporate performance or individual performance can result in either no annual incentive bonus or an annual incentive bonus award that is less or greater than the target opportunity level.

In addition to our financial and operational performance during the performance year, the amount of any short-term incentive award is dependent on the individual executive’s performance. The Human Resources Committee, in making its determination of compensation levels, uses its discretion to determine how individual performance should impact the short-term incentive award for each Named Executive Officer. Our annual short-term incentive targets, and any approved payments, are also reviewed annually with the Human Resources Committee’s independent compensation consultant. Please read “—Analysis—Named Executive Officer Compensation” below for further discussion of the Named Executive Officers’ short-term incentive awards for the 2009 performance year.

Beginning with the 2008 performance year, the Human Resources Committee formally established threshold, target and maximum performance levels to be used as guidelines when determining funding levels for the short-term incentive program. For 2009, formal threshold, target and maximum performance levels were established for the Adjusted EBITDA metric, with the short-term incentive target being set higher than our original 2009 Adjusted EBITDA estimate. This target was established subject to adjustment for the impact of commodity prices and other factors that materialized differently than our original 2009 plan had assumed. For the non-financial performance objectives, which represented 10% of the total opportunity, the Human Resources Committee exercised its discretion in determining the performance level. Additionally, for the Named Executive Officers, a threshold Adjusted EBITDA performance level was established to serve as a “gate” for their eligibility to receive a short-term incentive award. At the end of the 2009 performance year, the Human Resources Committee used these measures as guidelines to determine award levels.

2009 Short-Term Incentive Program

Financial Performance (90% of total opportunity):

- Adjusted EBITDA of $950 million

- Adjusted EBITDA served as the principal factor (meaningful reduction in 2009 plan G&A expenses served as an additional reference point)

- Adjusted EBITDA threshold performance level of $700 million served as the “gate” for Named Executive Officer participation in the short-term incentive program, with no adjustments

Non-Financial Performance (10% of total opportunity):

- Attainment of strategic objectives: 1) operate and commercialize our assets well; 2) protect liquidity and near-term cash flow; and 3) manage overall spending

Attainment and Award Opportunity Range:

- Threshold (80%), Target (100%) and Maximum (120%) performance levels to be determined by the Human Resources Committee

- Award opportunity ranges from 50% (if threshold performance is reached) to 150% (for maximum performance) as determined by the Human Resources Committee

Amount of Adjusted EBITDA	STI Award Opportunity Level	STI Funding % Relative to Target
$760 MM	Threshold	50%
$950 MM	Target	100%
$1.1 Billion	Maximum	150%

This structure served as the framework for short-term incentive opportunities for all eligible employees, including the Named Executive Officers. We believe that, by establishing a set of core financial and non-financial performance objectives that are used to determine short-term incentive awards across the organization, we encourage performance and behaviors that are consistent across the organization.

For 2010, the short-term incentive program goals will again consist of financial and non-financial objectives; however, the weighting will be adjusted in such a manner that at least 50% of the incentive compensation opportunity for our Named Executive Officers will be based on financial performance. The remaining funding opportunity will be determined based on non-financial performance objectives consistent with our business strategy. The primary financial measure for 2010 will continue to be Adjusted EBITDA, with cost savings achievements consistent with our 2010-2013 cost savings program to serve as an additional reference point. Similar to 2009, a “gate” based on a minimum 2010 Adjusted EBITDA target has been established for our Named Executive Officers. While Adjusted EBITDA will continue to play a critical role in measuring performance, the Human Resources Committee has sought to create an incentive mix that reflects an appropriate balance in our financial performance and key strategic business priorities. Ultimately, the final decision to award short-term incentives will be based on the discretion and judgment of the Human Resources Committee after considering all factors it believes to be relevant.

Long-Term Incentives. Long-term incentive opportunities serve as the most significant at-risk element of the executive’s total compensation package. We focus on the attainment of long-term performance goals and objectives, which are deemed instrumental in creating long-term value for stockholders and long-term retention incentives for our executives. Long-term incentive opportunities, in the form of equity-based awards, generally do not fully vest, and in the case of performance units require attainment of specified performance goals to earn, until three years after the grant date. They are structured to achieve a variety of long-term objectives, including: retaining executives; aligning executives’ financial interests with the interests of stockholders; and rewarding the achievement of long-term specified strategic goals and/or superior stock price performance. We generally target within range of the 60th percentile of the market for long-term incentives and set the performance objectives required to earn the target awards with, in the Human Resources Committee’s judgment, 60th percentile performance. Long-term incentives for executives are generally granted at the same time that annual cash incentive awards are determined for performance in the prior year.

For awards granted in March 2009, the Human Resources Committee granted long-term incentives to our executives in the form of stock options, cash-settled phantom stock units and performance unit opportunities. The Human Resources Committee, in making its 2009 long-term incentive determinations, was particularly focused on the need for executive retention given the relatively low level of outstanding equity incentives existing prior to these 2009 awards and chose award levels designed to increase retention incentives. Please read "Compensation Discussion and Analysis—Named Executive Officer Compensation" below for further discussion of value realization of long-term incentives prior to 2009. It was the Human Resources Committee's belief that long-term incentives at a level of 1.5X the prior year's target level were necessary to strengthen the alignment of long-term incentive opportunities for our executives with the expectation of attaining a higher than median level of performance and better aligned the near-term and long-term interests of our executives with those of our stockholders.

In March 2010, the long-term incentive awards granted to our executives were structured as follows:

LTI Award Element	Percentage of LTI Award Value		Vesting Schedule
Stock Options	20	%	Ratable vesting of 1/3 each year
Restricted Stock Awards	20	%	Cliff vesting on the three-year anniversary of the grant date
Performance Units	60	%	Award, if any, determined at the end of the three-year performance period

The market competitiveness of our long-term incentive structure is reviewed annually by the Human Resources Committee with its independent compensation consultant. Restricted stock and stock options tie directly to the performance of our common stock, provide the executive an incentive to build long-term value for our investors and are an effective means of executive retention because the awards are focused over the longer term and generally vest over a period (or at the end) of three years. The number of stock options awarded is typically based on the Black-Scholes valuation model. The number of shares of restricted stock awarded is based on the fair market value of our common stock as of the date of grant and the award value will be paid in shares upon vesting.

Beginning in 2006 and continuing through 2010, a portion of each executive's long-term incentive award value was made in the form of performance units. For awards granted in March 2010, the Human Resources Committee chose to base 2/3 of the award on stock price performance at the end of three years and to base 1/3 of the award on attainment of cumulative Adjusted EBITDA goals over a three-year performance period. Please read "—Analysis—Named Executive Officer Compensation" below for further discussion of the Named Executive Officers' long-term incentive awards for the 2009 performance year.

During its annual review of our incentive plans, the Human Resources Committee reviewed our long-term incentive plans and the related shares available for grant within each plan. As a result of this analysis, which revealed that given the age of our current plans, limits on the number of restricted share awards that can be granted under the 2002 Plan, the limited number of shares available to grant and the limited tax deductibility of awards issued from these plans, the Human Resources Committee recommended to the Board that a new long-term incentive plan be presented for shareholder approval in 2010. We believe that approval of the Dynegy Inc. 2010 Long Term Incentive Plan is in the best interests of the Company and necessary to provide the flexibility to responsibly address future equity compensation needs and continue to retain key executive talent. Please see "Shareholder Proposal # 4 – Approval of Dynegy Inc 2010 Long Term Incentive Plan" for further details.

Equity Grant Practices. The Human Resources Committee oversees our equity-based compensation plans. In carrying out its duties, the Human Resources Committee may from time to time authorize the granting of stock options or other equity-based awards pursuant to the terms and conditions of such plans. As a matter of policy, the Human Resources Committee generally grants stock options, restricted stock or phantom stock units and other equity-based awards in conjunction with the annual compensation cycle. All such award grants are made at a scheduled meeting of the Human Resources Committee during the first several months of the year, and the exercise price of any stock option grant is the closing price of our common stock on the date of the Human Resources Committee's meeting (the grant date). These and the other terms of any stock option or other equity-based award grants are documented in the form of one or more award agreements approved by the Human Resources Committee on or before the grant date.

From time to time, the Human Resources Committee may determine that it is desirable or appropriate to grant stock options or other equity-based awards to an individual upon employment or commencement of service with us. The Human Resources Committee must approve any such stock option or other equity-based grants. The exercise price of any such stock option grants is the closing price of our common stock on the date of the meeting (the grant date).

Executive Perquisites. In reviewing the total compensation packages for our Named Executive Officers with its independent compensation consultant, the Human Resources Committee reviews executive perquisites on an annual basis. Our internal assessment of perquisites provided to Named Executive Officers during 2009 revealed that perquisites generally were limited to cell phones and personal digital assistants primarily used for business purposes, home security services and executive education benefiting Dynegy.

In 2007 and 2008, security assessments were conducted by a third party at the homes of each Named Executive Officer. These assessments were conducted primarily because of the potential for security threats. Based on the results of these assessments, certain enhanced home security measures, which we believe further the interests of our stockholders, were recommended for the Named Executive Officers. Costs incurred during 2009 related to installation or maintenance of home security measures consistent with these recommendations were: Mr. Williamson (approximately $70,000), Ms. Nichols (approximately $1,800), Mr. Blodgett (approximately $1,600), Mr. Lednicky (approximately $2,100), Mr. Cook (approximately $300) and Mr. Eimer (approximately $18,000). During 2009, each Named Executive Officer was provided with tax gross-up payments totaling approximately $52,000 related to executive perquisites. Beginning in 2010, the Human Resources Committee determined that tax gross-up payments on executive perquisites will no longer be provided. Please read "Executive Compensation—Summary Compensation Table for 2007, 2008 and 2009" below for further details on executive perquisites.

Overall, the total value of perquisites for our Named Executive Officers represents approximately 1% or less of total compensation. While the Human Resources Committee will continue to assess the competitiveness of executive perquisites, it believes the current limited use of this element of total compensation is appropriate.

Other Compensation and Benefit Plans. Qualified benefit plans comprise additional elements of total compensation for our Named Executive Officers. Generally, each Named Executive Officer is eligible, as are all our corporate employees, to participate in the Dynegy Inc. 401(k) Savings Plan, or Dynegy 401(k) Plan, which provides for a dollar-for-dollar match for each dollar contributed (on a pre-tax or Roth basis) up to 5% of salary payable in the form of common stock (with such elective contributions capped at $16,500 for 2009). Generally, each Named Executive Officer is also eligible for a qualified pension benefit under the Dynegy Inc. Retirement Plan, or the Retirement Plan. This pension benefit, in the form of the Portable Retirement Benefit, or PRB, provides a defined benefit that grows each year at a variable rate (30-year Treasury rate). This benefit, introduced in 2001, provides an annual contribution of 6% of the Named Executive Officer's salary (with such salary capped at $245,000 for plan purposes for 2009). Our contributions to the Dynegy 401(k) Plan vested at a rate of 50% per year and contributions to the PRB vested at a rate of 33.33% per year for 2009. Mr. Eimer is not eligible for the Dynegy 401(k) Plan or the PRB. Mr. Eimer was a participant in the Dynegy Midwest Generation, Inc. 401(k) Savings Plan, or DMG 401(k) Plan, which provides for a match of $.50 for each dollar contributed (on a pre-tax or Roth basis) up to 6% of salary and provides for 100% immediate vesting. Mr. Eimer received a distribution of his total DMG 401(k) Plan benefit in connection with his retirement. Mr. Eimer's benefit under the Retirement Plan, unlike the PRB under that plan, is a traditional formula-based pension benefit; Mr. Eimer commenced distribution of this benefit in connection with his retirement. All of our Named Executive Officers were fully vested in all of our past and future contributions based on their years of service.

Two restoration plans were adopted in 2008, the Dynegy Inc. Restoration 401(k) Savings Plan, or the Restoration 401(k) Plan, and the Dynegy Inc. Restoration Pension Plan, or the Restoration Pension Plan. The key elements of the restoration plans include:

- Under both plans, all employees who are eligible employees under the applicable qualified plans and earn in excess of a certain qualified plan limit may participate (for 2009, the limit was $245,000);

- Additionally, under the Restoration Pension Plan, employees who are eligible employees under the applicable qualified pension plans and earn in excess of another qualified plan limit may participate (for 2009, the limit was generally the lesser of $195,000 or 100% of a participant's average compensation for his or her highest three years);

- Definition of plan pay under the restoration plans mirrors our existing qualified plans (base pay); and

- Benefits will be paid in the form of a lump sum, with service under the plans taken into account for employment on and after January 1, 2009.

We also have a legacy non-qualified executive deferred compensation plan, or Deferred Compensation Plan. The Deferred Compensation Plan was suspended in 2003 and no contributions have been made under the Deferred Compensation Plan since that time. Mr. Lednicky is the only Named Executive Officer with a balance in this suspended program.

Change in Control Arrangements. We have entered into arrangements and maintain plans that require us to provide specified payments and benefits to the Named Executive Officers in connection with a change in control. These plans and payments are described below under "Executive Compensation—Potential Payments upon Termination or Change in Control." In particular, our Executive Change in Control Severance Pay Plan, or Change in Control Plan, provides for the vesting of outstanding equity-based awards and the payment of certain severance benefits to our executives in connection with a change in control, as defined in the Change in Control Plan. The Change in Control Plan, most recently amended/adopted by the Human Resources Committee in 2008 after consultation with its independent compensation consultant, was adopted to enable us to attract and retain critical talent in a marketplace with a potential for industry consolidation and significant shortfalls in the executive talent pool.

Our Change in Control Plan, as adopted on April 3, 2008, defines "change in control" to include:

- a merger, consolidation or the sale of assets or equity interests that results in (1) the equity securities holders immediately prior to such event no longer being entitled to 51% or more of the votes eligible to be cast in the election of directors in the resulting entity, or (2) the Board members immediately prior to such event no longer constituting at least a majority of the Board of the resulting entity;

- our dissolution or liquidation;

- any person or group gains ownership or control of 50% or more of the combined voting power of the outstanding securities of (1) Dynegy, if we have not engaged in a merger or consolidation, or (2) the resulting entity, if we have engaged in a merger or consolidation;

- a contested election of directors which results in members of the Board immediately before such election ceasing to constitute a majority of the Board; or

- the adoption by the Board or the Human Resources Committee of a resolution declaring that a change in control has occurred.

The most important features of the Change in Control Plan are as follows:

Participants:	All employees at the Managing Director level and above, including the Named Executive Officers	
Triggers:	First Trigger—a change in control event Second Trigger—if, in connection with a change in control event, a participant is involuntarily terminated or terminates for "good reason," generally as a result of a change in terms of service, defined as: 1) a material reduction in duties; 2) a material reduction in total compensation; or 3) a relocation of 50 or more miles	
Protection Period:	60 days before and two years following the change in control event	
Severance Multiple:	CEO EVP SVP VP MD	= 2.99 x (base salary + short-term incentive award at target) = 2.5 x (base salary + short-term incentive award at target) = 2.0 x (base salary + short-term incentive award at target) = 1.5 x (base salary + short-term incentive award at target) = 1.0 x (base salary + short-term incentive award at target)
Short-Term Incentive:	Pro-rata short-term incentive award payable at target	
Equity Vesting:	Determined based on the long-term incentive award agreements (generally upon a change in control event)	
Benefit Continuation of Certain Health and Welfare Benefits:	CEO EVP SVP VP MD	= 36 months = 30 months = 24 months = 18 months = 12 months

The Human Resources Committee believes that given the likelihood of further power industry consolidation, the continued provision of change in control benefits of this type will be necessary to enable us to attract and retain highly qualified executive talent.

Analysis

Determination of Named Executive Officer Compensation. The Board has delegated to the Human Resources Committee, through its committee charter, the following responsibilities with respect to Named Executive Officer compensation:

- Review and approve our goals and objectives relevant to compensation of our Chief Executive Officer and, together with the Lead Director, evaluate the Chief Executive Officer's performance in light of these goals and objectives and recommend to the other independent directors the Chief Executive Officer's compensation level based on this evaluation; and

- Review and approve the compensation for our other Named Executive Officers.

The Chief Executive Officer, with the assistance of our Human Resources department, presents a number of compensation alternatives for the Named Executive Officers that report to him consistent with his views of their overall contributions during the performance year. These alternatives are reviewed and considered by the Human

Resources Committee, with input from its independent compensation consultant, when approving the compensation for our non-Chief Executive Officer Named Executive Officers.

Named Executive Officer Compensation. For the 2009 performance year, the following financial and non-financial performance objectives were recommended by management and approved by the Board at the beginning of the year. These performance objectives, as supplemented by more detailed supporting accomplishments applicable to each of our Named Executive Officers, provided a framework for the Human Resources Committee to assess our 2009 performance and to determine the Named Executive Officers' compensation. The financial performance objectives were to account for 90% of the potential short-term incentive opportunity, with Adjusted EBITDA being the principle measure. The non-financial objectives, as described below, were to account for 10% of the potential short-term incentive opportunity. Additionally, the financial performance goals were based on various assumptions, including assumptions with respect to commodity prices, with the understanding that our actual financial performance would be assessed based on actual commodity prices and factors considered relevant by the Human Resources Committee at the time the short-term incentive award was to be approved. The Human Resources Committee believes that, collectively, the goals and objectives that were established for the 2009 performance year were set at a level consistent with 60th percentile or better performance and were appropriately challenging with respect to advancing our business strategy and the interests of our stockholders and to assess performance of the Named Executive Officers and their functions.

Financial Performance Objectives (represents 90% of total funding opportunity)

· Adjusted EBITDA of $950 million (to serve as the principle factor)

· Meaningful reduction in 2009 plan G&A expenses of $180 million (to serve as an additional reference point)

· Adjusted EBITDA threshold performance level of $700 million to serve as "gate" for Named Executive Officer participation in the short-term incentive program

Non-Financial Performance Objectives[2] (represents 10% of total funding opportunity)

· Operate and commercialize our assets well

· Protect liquidity and near-term cash flow in a challenging environment

· Successfully manage overall spending

2009 Performance Assessment. The Human Resources Committee assessed management's performance for 2009 based on the degree to which the foregoing goals and objectives were attained and the performance-related factors that it considered relevant. In assessing financial performance for 2009, the Human Resources Committee considered: Adjusted EBITDA, and G&A, as reported in our year-end financial results; the impact of commodity prices; and finally, the current economic environment and what it believed to be the appropriate level of incentive payment in that environment.

In assessing the financial performance objectives, in accordance with the annual established goals, the Human Resources Committee considered the impact of commodity prices relative to Adjusted EBITDA. In doing so, the Human Resources Committee concluded that, when adjusted for changes in commodity prices compared to what our original 2009 plan had assumed, Adjusted EBITDA performance exceeded the target performance level for the year. Without adjusting, it also exceeded the short-term incentive "gate" for our Named Executive Officers by approximately $100 million. While the Human Resources Committee considered Adjusted EBITDA performance more heavily, it also took into account that final G&A expenses for 2009 were approximately $20 million lower than the original 2009 planned spending level.

2 Given the continued uncertainty regarding the ultimate resolution of the national climate change debate and the impact of any such resolution on our business, specific climate change objectives were not included among the operational performance objectives.

In addition to 2009 financial performance, the Human Resources Committee considered management's attainment of the non-financial performance objectives described above for purposes of assessing corporate performance and the performance of the Named Executive Officers individually. Among other things, the Human Resources Committee considered the following:

- Negotiation, execution and closing of strategic transactions that produced the following results:

§ Approximately $1 billion in cash proceeds to address near-term debt maturities (completed ~$830 million repurchase of 2011/2012 bond maturities in December 2009)

§ Redeemed 245 million Class B shares with all remaining Class B shares converted to Class A shares, thereby eliminating our dual-class stock structure and associated Class B shares' rights and restrictions

§ Sale of select natural gas-fired assets while maintaining a diversified power generation portfolio with significant upside potential to economic and power market recovery

- Amendments to credit agreement that improved financial flexibility

- Exceptional commercial execution, including implementation of strategies such as the decision to hedge greater expected volumes for 2009 in what was a declining commodity price environment

- Designed and commenced $400-450 million multi-year cost-savings program, including restructurings designed to produce permanent savings

- Met or exceeded operations scorecard metrics, including above-target safety and environmental performance

After full consideration of actual performance relative to the 2009 financial and non-financial performance objectives and other factors deemed relevant, the Human Resources Committee approved funding for short-term incentive awards at 85% of the target opportunity. The Human Resources Committee recognized that the organization and our Named Executive Officers demonstrated exceptional performance relative to the short-term incentive metrics, with overall improved performance relative to 2008, and therefore should receive an increase in short-term incentive funding over last year. However, the Human Resources Committee also considered overall organizational performance and concluded that funding at less than target was appropriate in light of the current economic climate and the stockholder value realized in 2009. Towers Perrin indicated that this funding level is consistent with the market and that the absolute dollar value is in the range of where they expect many of our peer companies will be.

Base Salary Determinations. In reviewing the level of base salary for each Named Executive Officer, the following factors were considered: their individual contributions during the 2009 performance year; the overall nature and responsibility of each position; relative comparability to the median base salary paid to those in similar roles within the comparator group; internal equity; and the appropriate level of base adjustments considering the current economic climate. The Human Resources Committee continues to believe that, when determining the base salary for each Named Executive Officer, performance, market data from our general industry survey and time in the position should be considered. Given the current economic and industry environment and that 2008 performance was below target opportunity levels, it was determined that no adjustments would be made to base salary during the annual compensation review at the beginning of 2009 for any of the Named Executive Officers.

In reviewing base salaries for the Named Executive Officers at the start of 2010, the Human Resources Committee and the Board determined that Mr. Williamson's base compensation was appropriate considering his position relative to the comparator group and the general industry survey group data; therefore, it elected not to increase his salary. Taking into account that base salaries were held flat last year, reviewing overall responsibility and performance, and considering their positions relative to the 50th percentile, Mr. Williamson recommended an average increase of approximately 5% for Ms. Nichols and Messrs. Blodgett, Lednicky and Cook. These increases, which were reviewed and approved by the Human Resources Committee and are shown on the chart below, reflect an attempt to position the base salary for each of these Named Executive Officers at a similar position relative to the 50th percentile, while taking into account internal equity relative to their individual roles. Mr. Eimer retired on October 1, 2009 and, as such, did not receive a base salary increase.

Named Executive Officer	December 31, 2009 Base Salary	Current Base Salary
Bruce A. Williamson	$ 1,000,000	$ 1,000,000
Holli Nichols	$ 500,000	$ 525,000
J. Kevin Blodgett	$ 425,000	$ 450,000
Lynn A. Lednicky	$ 425,000	$ 435,000
Charles C. Cook	$ 400,000	$ 435,000
Rich W. Eimer	$ 375,000	$ —

Short-Term Incentive Determinations.   In determining short-term incentive awards for 2009, our performance and the contributions of each Named Executive Officer during the 2009 performance year were considered. Following a thorough review process, the Human Resources Committee determined that the Named Executive Officers performed well relative to the objectives for 2009. The executive leaders each contributed to at or above target performance relative to Adjusted EBITDA after considering the impact of actual commodity prices (as described above), and led efforts to identify significant recurring G&A and other cost savings for the benefit of our stockholders. These accomplishments, in addition to meeting or exceeding expectations relative to the non-financial performance objectives (as described above), led to the Human Resource Committee's determination that the incentive award opportunity for the Named Executive Officers should exceed the prior year's awards. The Human Resources Committee reviewed this performance and exercised its discretion in setting funding below the target level that might have been expected had they purely taken a formulaic approach in determining short-term incentive awards. The Human Resources Committee determined that, despite the level of performance achieved, the final award opportunity should be balanced with the current economic climate, actual reported financial results and stockholder value realized in 2009.

In terms of individual performance for the Named Executive Officers, the Human Resources Committee and the Board completed an evaluation of Mr. Williamson's performance during 2009. The Human Resources Committee made its compensation recommendations for Mr. Williamson, on the basis of this evaluation, to the remaining independent directors. The independent directors believed that Mr. Williamson led the Company through an unprecedented business environment. In particular, they noted Mr. Williamson's successful leadership in negotiating and completing the aforementioned strategic transactions, his effective communications with our investor base, and his continued demonstration of integrity, accountability and the other key leadership qualities and behavioral attributes that our executive compensation program is designed to foster and reward. After considering these various factors, as well as the overall performance we achieved during 2009 as further described above, the Human Resources Committee recommended an annual short-term incentive award of $850,000 for Mr. Williamson. This recommendation was subsequently approved by the independent directors. The chart on the next page further illustrates the short-term incentive award for Mr. Williamson and the amount earned as a percent of his 2009 base salary.

In considering the performance during 2009 for the other Named Executive Officers, the Human Resources Committee considered, among others, the following notable accomplishments:

- Ms. Nichols' effective guidance and execution of our capital structure reformation following the closing in November 2009 of the strategic transactions, including the successful execution of credit agreement amendments that improved our overall financial flexibility. She also continued to increase the transparency of investor relations materials and increased the level of communication with analysts.

- Mr. Blodgett's successful oversight and execution of our efforts related to the strategic transactions. Additionally, he led the efforts related to the implementation of the $400-450 million multi-year cost-savings program, including the restructurings designed to produce permanent savings. He also continued to implement "best practices" in managing an efficient, effective in-house legal and administration function.

- Mr. Cook's effective leadership and execution of our commercial strategy during 2009. He and his team implemented commercial strategies for expected electric production and fuel needs that position us toward a more optimal balance of risk and reward. His team also contributed significantly to our overall level of financial performance described above and initiated a coal inventory reduction strategy in the Midwest Region that reduced coal inventories and associated working capital expenses.

- Mr. Lednicky, who assumed responsibility for Operations upon Mr. Eimer's retirement, played a significant leadership role in negotiating the strategic transactions. Under his leadership, the Operations function ended the year well under budget and accomplished above-target performance for in-market availability and safety and environmental matters.

- Prior to his retirement, Mr. Eimer's principled leadership contributed to an exceptional year within Operations, both fiscally and operationally.

After considering these various factors, as well as the overall performance we achieved during 2009 as further described above, the Human Resources Committee determined and approved annual short-term incentive awards at 85% of target opportunity for each of the Named Executive Officers reporting to Mr. Williamson. While the individual performance of each Named Executive Officer was reviewed and considered, ultimately it was determined that the collective efforts and contributions of this group warranted short-term incentive awards at the same percentage. The chart below further illustrates the short-term incentive award for each of these Named Executive Officers and the amount earned as a percent of his/her 2009 base salary.

Named Executive Officer	Short-Term Incentive Target	Award Earned as a Percent of 2009 Salary	Award Amount
Bruce A. Williamson	100 %	85 %	$ 850,000
Holli C. Nichols	100 %	85 %	$ 425,000
J. Kevin Blodgett	100 %	85 %	$ 361,250
Lynn A. Lednicky	100 %	85 %	$ 361,250
Charles C. Cook	100 %	85 %	$ 340,000
Rich W. Eimer	100 %	85 %	$ 276,250

Long-Term Incentive Opportunity Determinations. The Human Resources Committee, with input from Towers Perrin, considered various alternatives for granting long-term incentive opportunities for the 2009 performance year. The Human Resources Committee's objective was to motivate management to achieve long-term specified strategic goals and superior stock price performance, and to ensure an appropriate level of equity-based incentives to aid in the retention of our Named Executive Officers. Additionally, the Human Resources Committee sought to identify ways to continue to align incentives for our Named Executive Officers with the long-term interests of our stockholders.

The Human Resources Committee assessed the result of the prior years' long-term incentive opportunities and concluded that they are having the desired result. The Human Resources Committee is fully aware of the stockholder returns produced over the prior three-year period and believes payment levels under the prior years' long-term incentive opportunities (or lack of) demonstrate clear alignment between the stockholders' returns and management's actual compensation. With respect to the 2007 long-term incentive awards, including the performance opportunity awards, the following table presents the intended value at the time of grant in April 2007 and the estimated payouts for such grants in 2010.

Named Executive Officer	Intended Value of Long-Term Incentive Opportunity Awarded in 2007		Estimated Value Likely to Vest in 2010 (at end of three-year performance period)(1)(2)	
Bruce A. Williamson	$	8,000,000	$	241,573
Holli C. Nichols	$	1,750,000	$	52,845
J. Kevin Blodgett	$	1,500,000	$	45,295
Lynn A. Lednicky	$	1,400,000	$	42,276
Charles C. Cook	$	460,000	$	13,890
Rich W. Eimer	$	580,000	$	17,514

(1) The 2007 opportunity award mix for the long-term incentive awards included: (1) 40% stock options that vest equally in three annual installments and have an exercise price equal to $9.67; (2) 20% restricted stock that vests on April 2, 2010 with a grant price of $9.67; and (3) 40% performance units that would be earned in April 2010 if the following stock price performance goals are met:

	Threshold	Target	Stretch	Maximum
Performance Goal – Achieved Share Price	$11.75	$12.75	$13.75	$15.25
Award Level (% of each $100 performance unit)	0%	100%	200%	300%

(2) Pro forma estimated value amounts shown reflect the vesting of the restricted stock based on a stock price of $1.46 on March 1, 2010. The amounts do not include the exercise of the 2007 options, which are under water, nor the funding of performance units, as the associated stock price targets are unlikely to be attained.

The Human Resources Committee also discussed amending the performance unit awards granted in 2009. With respect to one-third of those awards, payment is based on our Adjusted EBITDA over the three-year award period (2009, 2010 and 2011). The agreements associated with these awards contemplated future amendments based on strategic transactions executed in the best interests of our stockholders. Given the sale of certain revenue-generating assets as part of the strategic transactions completed as of November 30, 2009 and the corresponding reduction to planned Adjusted EBITDA as a result of no longer having those assets for two of the three years that comprise the performance period for those awards, the Human Resources Committee believes it appropriate to adjust the Adjusted EBITDA assumptions used in determining the "threshold," "target," and "maximum" Adjusted EBITDA levels and to make corresponding modifications to those "threshold," "target," and "maximum" Adjusted EBITDA levels for those awards, as set forth in the applicable award agreements. Based on the revised Adjusted EBITDA assumptions for 2010 and

2011, the amendment modifies the three-year Adjusted EBITDA “threshold” from $2.4 billion to $2.1 billion; the “target” from $2.7 billion to $2.4 billion; and the “maximum” from $3.3 billion to $3.0 billion. No adjustments were made to the stock price metrics associated with these awards. The Human Resources Committee and Board both determined this amendment to be appropriate and approved it effective as of March 3, 2010.

In consideration of the demonstrated ability of these long-term incentive opportunities to align the interests of stockholders and management, the Human Resources Committee chose to continue with the same structure for the upcoming three-year period, but to further increase the performance unit component from 50% to 60% to create higher incentives for achievement of the stated long-term goals.

The Human Resources Committee discussed long-term incentives with respect to the 2009 performance year, in particular the impact of the current award mix and retention considerations given that a significant portion of long-term incentives granted to the Named Executive Officers in 2007, 2008 and 2009 require significant performance achievement to produce any value for the participant. The Human Resources Committee considered the impact that the current stock price might have on share usage and availability within our long-term incentive plans and also whether to again issue cash-settled phantom stock units in place of restricted stock, as it did for the 2008 performance year. After thorough consideration, the Human Resources Committee increased the percentage share of long-term incentive value granted in performance units from 50% to 60% of each Named Executive Officer’s long-term incentive opportunity (as described above) and replaced the cash-settled phantom stock units with time-based restricted stock. The Human Resources Committee elected to issue long-term incentive awards at the 60th percentile of the market median, consistent with our stated philosophy and the level of performance expected, and to do so at target level for each Named Executive Officer. These decisions reflected the Human Resources Committee’s belief that the larger than normal long-term incentive awards granted last year have provided sufficient incentives to address the issue of retention as considered by the Human Resources Committee at that time. The chart below illustrates the long-term incentive awards granted to each Named Executive Officer in March 2010.

Named Executive Officer	Equity Award Value	Stock Options (20%)	Restricted Stock Award (20%)	Performance Units (60%)
Bruce A. Williamson	$ 4,000,000	941,177	555,556	24,000
Holli C. Nichols	$ 1,050,000	247,059	145,834	6,300
J. Kevin Blodgett	$ 787,500	185,295	109,375	4,725
Lynn A. Lednicky	$ 761,250	179,118	105,730	4,568
Charles C. Cook	$ 761,250	179,118	105,730	4,568
Rich W. Eimer	$ —	—	—	—

The stock options were granted to the Named Executive Officers on March 3, 2010 at a regularly scheduled meeting of the Human Resources Committee. The stock options were granted based on a Black-Scholes calculation of $0.85, vest equally in three annual installments and have an exercise price equal to $1.44, the closing market price of our common stock on the grant date.

The Named Executive Officers were also granted restricted stock awards on March 3, 2010. The number of shares of restricted stock awarded to each Named Executive Officer is based on the fair market value of our common stock as of March 3, 2010, $1.44, and the awards will vest in full on the three-year anniversary of the grant date barring an earlier triggering event.

Additionally, the performance units were granted to the Named Executive Officers on March 3, 2010. The performance units only provide value to the participant if specific performance goals are achieved for the three-year period following the grant and, therefore, are intended to further motivate the Named Executive Officers to create long-term value for our stockholders as reflected in the trading price of our common stock and financial performance over a three-year period. For 2010, the Human Resources Committee determined that the performance unit awards would be based on the following metrics:

- 2/3 of the award to be based on our stock price three years after the grant date; and
- 1/3 of the award to be based on cumulative Adjusted EBITDA over a three-year performance period.

The Human Resources Committee believes that performance unit awards provide a simple, transparent and meaningful measure of our performance relative to our long-term goal of creating value for stockholders. The material terms of the performance units are summarized below:

- Denominated in $100 units, which are payable in the form of cash or stock, at the Human Resources Committee's discretion;
- Payment (if any) to be made in March 2013 based on our stock price three years after the grant date;
- Ending share price will be the average closing price of our common stock during February 2013;
- Awards are payable at threshold, target and maximum levels as illustrated in the tables below;

- The threshold, target and maximum share price performance goals represent, in the judgment of the Human Resources Committee, appropriate performance goals for share price growth;

- The threshold, target and maximum Adjusted EBITDA performance goals represent, in the judgment of the Human Resources Committee, appropriate cumulative Adjusted EBITDA performance goals for the three-year performance period; and

- In the event a "change in control" occurs during the performance period, a minimum payout of 100% of the target award will be payable under such performance award agreement.

	Threshold	Target	Maximum
Performance Goal—Achieved Share Price	$2.50	$4.00	$6.00
Award Level (2/3 of each $100 performance unit)(1)	0 %	100 %	200 %

(1) Resulting payment levels between Achieved Share Prices will be interpolated.

	Threshold	Target	Maximum
Performance Goal—Adjusted EBITDA	$1.4 billion	$1.6 billion	$2.0 billion
Award Level (1/3 of each $100 performance unit)(1)	0 %	100 %	200 %

(1) Resulting payment levels between Adjusted EBITDA levels will be interpolated.

Tax Implications

In making its compensation decisions, the Human Resources Committee considers the deductibility of executive compensation under Section 162(m) of the Internal Revenue Code of 1986, as amended, or the Code. Section 162(m) generally affects our federal income tax deduction for compensation paid to any one of our Chief Executive Officer or three other highest paid executive officers if such amounts exceed $1 million. To the extent such compensation is "performance-based" within the meaning of Section 162(m), the Section's limitations will not apply. Both our existing long-term incentive plans and our proposed 2010 LTIP Plan and 2010 STIP generally were structured to permit the issuance of performance-based compensation awards under Section 162(m). In any given year, the Human Resources Committee may consider it appropriate to award compensation to our Chief Executive Officer or any other Named Executive Officer that may not meet the standards of deductibility under Section 162(m). Any such decision would include consideration of various factors deemed relevant by the Human Resources Committee, including market competitiveness, consistency with our Compensation Guiding Principles and our current and future tax position. For 2010, it is likely that our Chief Executive Officer's short-term incentive compensation and restricted stock awards will not be deductible pursuant to Section 162(m).

COMPENSATION AND HUMAN RESOURCES COMMITTEE REPORT

Our executive compensation program is administered and reviewed by the Human Resources Committee, which currently consists of Messrs. Biegler (Chairman), Clark, Mazanec and Trubeck, all of whom are independent directors pursuant to the NYSE Listed Company Standards. The Human Resources Committee has reviewed and discussed the Compensation Discussion and Analysis required by Item 402(b) of Regulation S-K with management and, based on such review and discussions, the Human Resources Committee recommended to the Board that the Compensation Discussion and Analysis be included in this proxy statement.

This report is submitted by the members of the Human Resources Committee of the Board:

David W. Biegler, Chairman
Thomas D. Clark
George L. Mazanec
William L. Trubeck

COMPENSATION AND HUMAN RESOURCES COMMITTEE INTERLOCKS AND INSIDER PARTICIPATION

Messrs. Biegler, Clark, Mazanec and Trubeck served on the Compensation and Human Resources Committee. None of these members is a current or former officer or employee of the Company or any of its subsidiaries, is involved in any relationship requiring disclosure as an interlocking executive officer or director, or had any relationship requiring disclosure under Item 404 of Regulation S-K.

EXECUTIVE COMPENSATION

Summary Compensation Table for 2007, 2008 and 2009

The following table sets forth certain information regarding the compensation earned by or awarded to our Named Executive Officers for 2007, 2008 and 2009:

Name and Principal Position	Year	Salary(1)	Bonus	Stock Awards(4)(5)	Option Awards(5)	Non-Equity Incentive Plan Comp.(6)	Change in Pension Value and Nonqualified Deferred Compensation Earnings(7)	All Other Comp.(8)	Total
Bruce A. Williamson	2007	$1,000,000	$—	$4,800,000	$3,200,000	$900,000	$14,743	$67,817	$9,982,560
Chairman, President and	2008	$1,000,000	$—	$2,400,000	$1,600,000	$550,000	$50,195	$141,573	$5,741,768
Chief Executive Officer	2009	$1,038,462	$—	$4,800,000	$1,200,000	$850,000	$59,199	$233,791	$8,181,452
Holli C. Nichols	2007	$354,615	$—	$1,050,000	$700,000	$351,500	$13,612	$66,552	$2,536,279
Executive Vice President	2008	$494,500	$—	$600,000	$400,000	$271,975	$19,686	$153,074	$1,939,235
and Chief Financial Officer	2009	$519,231	$—	$1,200,000	$300,000	$425,000	$27,738	$61,582	$2,533,551
J. Kevin Blodgett	2007	$354,615	$—	$900,000	$600,000	$333,000	$13,214	$28,128	$2,228,957
General Counsel and	2008	$422,673	$—	$446,250	$297,500	$232,470	$16,071	$93,066	$1,508,030
Executive Vice President—Administration	2009	$441,346	$—	$892,588	$223,125	$361,250	$23,673	$52,675	$1,994,657
Lynn A. Lednicky(2)	2007	$—	$—	$—	$—	$—	$—	$—	$—
Executive Vice	2008	$420,769	$—	$446,250	$297,500	$231,423	$—	$91,396	$1,487,338
President—Asset Management, Government & Regulatory Affairs	2009	$441,346	$—	$892,588	$223,125	$361,250	$45,239	$53,678	$2,017,226
Charles C. Cook(2)	2007	$—	$—	$—	$—	$—	$—	$—	$—
Executive Vice	2008	$331,538	$—	$441,256	$227,494	$182,346	$17,236	$72,848	$1,272,718
President—Commercial & Market Analytics	2009	$415,385	$—	$840,000	$210,000	$340,000	$21,905	$49,221	$1,876,511
Richard W. Eimer(2)	2007	$—	$—	$—	$—	$—	$—	$—	$—
Executive Vice	2008	$—	$—	$—	$—	$—	$—	$—	$—
President—Operations	2009	$321,094	$—	$682,538 (3)	$170,625	$276,250	$46,751	$430,937	$1,928,195

(1) Amounts include salary earned for a full 12 months with the exception of Mr. Eimer, who retired effective October 1, 2009. Mr. Eimer's salary includes salary earned from January 1, 2009 through September 30, 2009. Actual

salary earned in calendar year 2009 varies from the annual base salary due to timing of pay cycles and the occurrence of an extra bi-weekly pay period in 2009. The annual base salary for Messrs. Williamson, Blodgett, Lednicky and Cook was $1,000,000, $425,000, $425,000 and $400,000, respectively, and $500,000 for Ms. Nichols.

(2) Messrs. Lednicky and Cook were not included as Named Executive Officers for 2007 and Mr. Eimer was not included as a Named Executive Officer for 2007 and 2008.

(3) Mr. Eimer retired effective October 1, 2009. Mr. Eimer's restricted stock award in the amount of 28,577 shares awarded on March 6, 2008 vested and 226,494 units of phantom stock awarded on March 4, 2009 vested following his retirement.

(4) On March 4, 2009, the Board adopted the Phantom Stock Plan and granted phantom stock units under such plan, which provides only for cash settled awards. The phantom stock units were initially valued at the closing price of our common stock on March 4, 2009, the award date, and payout will be made based on the closing price on the vesting date of March 4, 2012 (1 unit equals 1 share). The phantom stock unit awards generally vest after three years, assuming continued employment, and vesting accelerates upon the occurrence of certain events, such as full vesting in the event of a change in control and retirement. Even though the phantom stock units are cash settled and thus have no effect on each Named Executive Officer's beneficial ownership, for executive compensation reporting purposes the phantom stock units are reported under the stock awards columns. Please see "Security Ownership of Certain Beneficial Owners and Management" above for each Named Executive Officer's beneficial ownership of our capital stock.

(5) The amounts shown under "Stock Awards" and "Option Awards" for 2007, 2008 and 2009 reflect the aggregate grant date fair value for restricted stock, phantom stock units and performance units, in the case of "Stock Awards," and option awards, in the case of "Option Awards," calculated in accordance with FASB ASC Topic 718. The performance units require performance goals to be attained over a three-year period following the granting of the opportunity for any actual award to be earned. For the grant date fair value of the performance units, the value reported in the table is based on the probable outcome of the performance conditions as of the grant date. The maximum payouts, if performance criteria are met, for the performance units granted in 2007 for Messrs. Williamson and Blodgett are $9,600,000 and $1,800,000, respectively, and $2,100,000 for Ms. Nichols. The performance criteria for 2007 awards are not likely to be met in April 2010 and, if not, will reduce the total value realization of the 2007 stock awards Please read "Compensation Discussion and Analysis—Named Executive Officer Compensation" above for further discussion of value realization of performance units. The maximum payouts, if performance criteria are met, for the performance units granted in 2008 for Messrs .Williamson, Blodgett, Lednicky and Cook are $3,200,000, $595,000, $595,000 and $455,000, respectively, and $800,000 for Ms. Nichols. The maximum payouts, if performance criteria are met, for the performance units granted in 2009 for Messrs .Williamson, Blodgett, Lednicky, Cook and Eimer are $6,000,000, $1,115,800, $1,115,800, $1,050,000 and $853,200, respectively, and $1,500,000 for Ms. Nichols. The table does not include information regarding equity-based awards related to 2009 performance that were granted to the Named Executive Officers in March 2010. For a discussion of these equity-based awards, please read "Compensation Discussion and Analysis—Named Executive Officer Compensation" above.

(6) The amounts shown under "Non-Equity Incentive Plan Compensation" for 2007, 2008 and 2009 reflect cash bonuses awarded under the Dynegy Inc. Incentive Compensation Plan. The 2007 bonuses were earned in 2007 and paid in March 2008, the 2008 bonuses were earned in 2008 and paid in March 2009 and the 2009 bonuses were earned in 2009 and paid in March 2010.

(7) The amount shown for 2009 for Mr. Lednicky includes a change in pension value of $27,831 under the Retirement Plan and the Dynegy Restoration Pension Plan, and a change in Nonqualified Deferred Compensation Earnings of $17,408 under the Dynegy Inc. Deferred Compensation Plan, or Deferred Compensation Plan. The aggregate net amount for 2008 for Mr. Lednicky is $(36,706), which is comprised of the following: a change in pension value of $21,061 under the Retirement Plan and the Restoration Pension Plan and a change in Nonqualified Deferred Compensation Earnings of $(57,767) under the Deferred Compensation Plan. The amounts shown for each other Named Executive Officer reflect only changes in pension value under the Retirement Plan for 2007 and Retirement Plan and Restoration Pension Plan for 2008 and 2009. Mr. Lednicky is the only Named Executive Officer who participates in the Deferred Compensation Plan.

(8) The amounts shown as “All Other Compensation” for 2007, 2008 and 2009 are included in the following table:

Name	Year	Perquisites and Other Personal Benefits($)(1)	Tax Reimbursements($)(2)	401(k) Plan Contributions	Restoration 401(k) Savings Plan Contributions(3)	Portable Retirement Plan Contributions	Restoration Pension Plan Contributions(4)	Life Insurance Premiums	Total
Bruce A. Williamson	2007	$ 23,154	$ 12,540	$ 11,250	$ —	$ 13,500	$ —	$ 7,373	$ 67,817
	2008	$ 15,260	$ 5,982	$ 11,500	$ 40,810	$ 13,800	$ 46,200	$ 8,021	$ 141,573
	2009	$ 70,086	$ 41,695	$ 12,250	$ 39,673	$ 14,700	$ 47,608	$ 7,779	$ 233,791
Holli C. Nichols	2007	$ 28,261	$ 10,163	$ 11,250	$ —	$ 13,500	$ —	$ 3,378	$ 66,552
	2008	$ 90,316	$ 1,546	$ 11,500	$ 14,019	$ 13,800	$ 15,870	$ 6,023	$ 153,074
	2009	$ —	$ 1,052	$ 12,250	$ 13,712	$ 14,700	$ 16,454	$ 3,414	$ 61,582
J. Kevin Blodgett	2007	$ —	$ —	$ 11,250	$ —	$ 13,500	$ —	$ 3,378	$ 28,128
	2008	$ 29,780	$ 10,977	$ 11,500	$ 10,212	$ 13,800	$ 11,560	$ 5,237	$ 93,066
	2009	$ —	$ 904	$ 12,250	$ 9,817	$ 14,700	$ 11,781	$ 3,223	$ 52,675
Lynn A. Lednicky(5)	2007	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —
	2008	$ 29,171	$ 10,884	$ 11,500	$ 10,111	$ 13,800	$ 11,446	$ 4,484	$ 91,396
	2009	$ —	$ 1,309	$ 12,250	$ 9,817	$ 14,700	$ 11,781	$ 3,821	$ 53,678
Charles C. Cook(5)	2007	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —
	2008	$ 23,466	$ 8,655	$ 11,500	$ 5,382	$ 13,800	$ 6,092	$ 3,953	$ 72,848
	2009	$ —	$ 601	$ 12,250	$ 8,519	$ 14,700	$ 10,223	$ 2,928	$ 49,221
Richard W. Eimer(5)	2007	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —
	2008	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —
	2009	$ 412,758	$ 6,874	$ 6,375	$ 2,283	$ — (6)	$ — (6)	$ 2,647	$ 430,937

(1) Amounts shown based upon the average aggregate incremental cost to us under “Perquisites and Other Personal Benefits” for 2009 include for Mr. Williamson, personal use of company aircraft and enhancements to his home security system in the amount of $69,555; and Mr. Eimer, enhancements to his home security system in the amount of $17,758 and consulting agreement fees from October 1, 2009 – December 31, 2009 in the amount of $395,000. The remaining Named Executive Officers did not receive perquisites that exceeded the $10,000 threshold for reporting purposes. Amounts shown for 2008, based upon the average aggregate incremental cost to us, include for: Mr. Williamson, enhancements to home security system and certain travel-related and telecommunication expenses; Ms. Nichols, enhancements to home security system, travel-related and telecommunication expenses and expenses related to an executive MBA program in the amount of $86,850, which we directly paid to the MBA program; Mr. Blodgett, enhancements to home security system in the amount of $29,405 and travel-related expenses; Mr. Lednicky, enhancements to home security system in the amount of $29,171; and Mr. Cook, enhancements to home security system. Amounts shown for 2007, based upon the average aggregate incremental cost to us, include for: Mr. Williamson, enhancements to home security system and personal use of the company aircraft; and Ms. Nichols, enhancements to home security system in the amount $28,261.

(2) Amounts shown under “Tax Reimbursements” represent tax gross-ups for the Named Executive Officers for their Perquisites and Other Personal Benefits (includes Named Executive Officers with Perquisites under the $10,000 threshold). There were no tax gross-ups for Mr. Eimer’s consulting agreement. The Human Resources Committee has determined that no tax gross-ups for executive perquisites will be provided beginning in 2010.

(3) The Restoration 401(k) Plan was effective June 1, 2008.

(4) The Restoration Pension Plan was effective June 1, 2008.

(5) Messrs. Cook and Lednicky were not included as Named Executive Officers for 2007. Mr. Eimer was not included as a Named Executive Officer for 2007 and 2008. Mr. Eimer retired effective October 1, 2009.

(6) Mr. Eimer is not eligible for the PRB. Mr. Eimer's benefit under the Retirement Plan, unlike the PRB under that plan, is a traditional, formula-based pension benefit. Similarly, his benefit under the Restoration Pension Plan is also based on a traditional, formula-based pension benefit. Therefore, annual contribution amounts have not been made to the Retirement Plan or the Restoration Plan for Mr. Eimer.

Grants of Plan-Based Awards in 2009

The following table sets forth certain information with respect to each grant of an award made to the Named Executive Officers in 2009 under the Dynegy Inc. 2000 Long-Term Incentive Plan (unless otherwise indicated):

		Estimated Possible Payments Under Non-Equity Incentive Plan Awards (1)			Estimated Future Payouts Under Equity Incentive Plan Awards (2)						
Name	Grant Date	Threshold	Target	Maximum	Threshold	Target	Maximum	All Other Stock Awards Number of Shares of Stock or Units (3)	All Other Option Awards Number of Securities Underlying Options (4)	Exercise or Base Price of Option Awards	Grant Date Fair Value of Stock and Option Awards (5)
Bruce A. Williamson	3/4/09	$500,000	$1,000,000	$1,500,000	0	30,000	60,000	1,592,921	1,818,182	$1.13	$6,000,000
Holli C. Nichols	3/4/09	$250,000	$500,000	$750,000	0	7,500	15,000	398,231	454,546	$1.13	$1,500,000
J. Kevin Blodgett	3/4/09	$212,500	$425,000	$637,500	0	5,579	11,158	296,184	338,069	$1.13	$1,115,625
Lynn A. Lednicky	3/4/09	$212,500	$425,000	$637,500	0	5,579	11,158	296,184	338,069	$1.13	$1,115,625
Charles C. Cook	3/4/09	$200,000	$400,000	$600,000	0	5,250	10,500	278,762	318,182	$1.13	$1,050,000
Richard W. Eimer	3/4/09	$162,500	$325,000	$487,500	0	4,266	8,532	226,494	258,523	$1.13	$853,125

(1) The amounts shown represent the awards that could be earned by the Named Executive Officers under the Dynegy Inc. Incentive Compensation Plan for 2009. Target was set at 100% of base salary except for Mr. Eimer whose target amount was set at 100% of $325,000 (as provided in his consulting agreement entered into following his retirement on October 1, 2009). The actual payouts under the Incentive Compensation Plan were determined in March 2010 and are shown in the Summary Compensation Table under "Non-Equity Incentive Plan Compensation."

(2) In March 2009, performance units were granted under the 2002 Long-Term Incentive Plan. The performance units require performance goals to be attained over the three-year period following the granting of the opportunity for any actual award to be earned. The performance units are denominated in $100 units and are payable, if performance criteria are met, in cash or common stock at the discretion of the Human Resources Committee.

(3) The amounts shown under "All Other Stock Awards" reflect phantom stock unit awards granted to the Named Executive Officers in 2009. Phantom stock unit awards vest three years from the date of grant and are paid solely in cash.

(4) The amounts shown under "All Other Option Awards" reflect the number of shares of common stock underlying stock option awards granted to the Named Executive Officers in 2009. Stock options have a three-year ratable vesting schedule, with 1/3 of each award vesting each year.

(5) The amounts shown under "Grant Date Fair Value of Stock and Option Awards" reflect the grant date fair value for the phantom stock and stock options computed in accordance with FASB ASC Topic 718. Please read the discussion of the assumptions used in such valuation in Note 22 of the Notes to Consolidated Financial Statements

in our Annual Report on Form 10-K for the year ended December 31, 2009.

Outstanding Equity Awards at 2009 Fiscal Year-End

The following table sets forth certain information regarding unexercised option awards, unvested stock awards and performance unit awards made to each Named Executive Officer that were outstanding as of December 31, 2009. The table does not include information regarding equity-based awards related to 2009 performance that were granted to the Named Executive Officers in March 2010. For a discussion of the equity-based awards granted in March 2010, please read "Compensation Discussion and Analysis—Named Executive Officer Compensation" above. The vesting schedules for each type of award are described in the footnotes to the table, and the vesting date for each award can be determined by referring to the grant date for each award in the table.

		Option Awards				Stock Awards			
Name	Grant Date	Number of Securities Underlying Unexercised Options Exercisable(1)	Number of Securities Underlying Unexercised Options Unexercisable(1)	Option Exercise Price	Option Expiration Date	Number of Shares or Units of Stock That Have Not Vested(2)	Market Value of Shares or Units of Stock That Have Not Vested(3)	Equity Incentive Plan Awards: Number of Unearned Shares, Units or Other Rights That Have Not Vested(4)	Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Other Rights That Have Not Vested(5)
Bruce A. Williamson	03/16/06	1,887,248	—	$ 4.88	03/16/16	—	$ —	—	$ —
	04/02/07	434,488	217,244	$ 9.67	04/02/17	165,461	$ 299,484	—	$ —
	04/24/07	—	—	$ —	—	—	$ —	32,000	$ 3,200,000
	03/06/08	146,924	293,848	$ 7.48	03/06/18	106,952	$ 193,583	16,000	$ 1,600,000
	03/04/09	—	1,818,182	$ 1.13	03/04/19	1,592,921	$ 2,883,187	30,000	$ 3,000,000
Holli C. Nichols	05/22/00	3,690	—	$ 35.28	05/22/10	—	$ —	—	$ —
	01/19/01	8,482	—	$ 47.19	01/19/11	—	$ —	—	$ —
	09/28/01	16,233	—	$ 34.65	09/29/11	—	$ —	—	$ —
	12/20/01	13,008	—	$ 23.85	12/21/11	—	$ —	—	$ —
	02/10/04	19,129	—	$ 4.48	02/10/14	—	$ —	—	$ —
	01/19/05	26,639	—	$ 4.30	01/19/15	—	$ —	—	$ —
	03/16/06	114,943	—	$ 4.88	03/16/16	—	$ —	—	$ —
	04/02/07	95,045	47,522	$ 9.67	04/02/17	36,195	$ 65,513	—	$ —
	04/24/07	—	—	$ —	—	—	$ —	7,000	$ 700,000
	03/06/08	36,731	73,462	$ 7.48	03/06/18	26,738	$ 48,396	4,000	$ 400,000
	03/04/09	—	454,546	$ 1.13	03/04/19	398,231	$ 720,798	5,579	$ 557,900
J. Kevin Blodgett	10/16/00	2,571	—	$ 50.63	10/16/10	—	$ —	—	$ —
	01/19/01	3,337	—	$ 47.19	01/19/11	—	$ —	—	$ —
	12/20/01	7,077	—	$ 23.85	12/20/11	—	$ —	—	$ —
	04/02/07	81,467	40,733	$ 9.67	04/02/17	31,024	$ 56,153	—	$ —
	04/24/07	—	—	$ —	—	—	$ —	6,000	$ 600,000

	03/06/08	27,319	54,637	$ 7.48	03/06/18	19,887	$ 35,995	2,975	$ 297,500
	03/04/09	—	338,069	$ 1.13	03/04/19	296,184	$ 536,093	5,579	$ 557,900
Lynn A. Lednicky	09/28/01	13,527	—	$ 34.65	09/28/11	—	$ —	—	$ —
	01/19/01	23,582	—	$ 47.19	01/19/11	—	$ —	—	$ —
	12/20/01	33,935	—	$ 23.85	12/20/11	—	$ —	—	$ —
	02/04/03	30,000	—	$ 1.77	02/04/13	—	$ —	—	$ —
	02/10/04	20,941	—	$ 4.48	02/10/14	—	$ —	—	$ —
	01/19/05	33,743	—	$ 4.30	01/19/15	—	$ —	—	$ —
	03/16/06	114,943	—	$ 4.88	03/16/16	—	$ —	—	$ —
	04/02/07	76,036	38,017	$ 9.67	04/02/17	28,956	$ 52,410	—	$ —
	04/24/07	—	—	$ —	—	—	$ —	5,600	$ 560,000
	03/06/08	27,319	54,637	$ 7.48	03/06/18	19,887	$ 35,995	2,975	$ 297,500
	03/04/09	—	338,069	$ 1.13	03/04/19	296,184	$ 536,093	5,579	$ 557,900
Charles C. Cook	01/19/01	10,141	—	$ 47.19	01/19/11	—	$ —	—	$ —
	09/28/01	8,116	—	$ 34.65	09/28/11	—	$ —	—	$ —
	12/20/01	9,065	—	$ 23.85	12/20/11	—	$ —	—	$ —
	03/16/06	48,276	—	$ 4.88	03/16/16	—	$ —	—	$ —
	04/02/07	24,984	12,491	$ 9.67	04/02/17	9,514	$ 17,220	—	$ —
	04/24/07	—	—	$ —	—	—	$ —	1,840	$ 184,000
	03/06/08	20,891	41,782	$ 7.48	03/06/18	28,577	$ 51,724	2,275	$ 227,500
	03/04/09	—	318,182	$ 1.13	03/04/19	278,762	$ 504,559	5,250	$ 525,000
Richard W. Eimer(6)	01/19/01	22,222	—	$ 47.19	01/19/11	—	$ —	—	$ —
	12/20/01	28,656	—	$ 23.85	12/20/11	—	$ —	—	$ —
	02/10/04	25,129	—	$ 4.48	02/10/14	—	$ —	—	$ —
	01/19/05	33,743	—	$ 4.30	01/19/15	—	$ —	—	$ —
	04/02/07	31,501	15,750	$ 9.67	04/02/17	11,996	$ 21,713	—	$ —