DYNEGY INC.
Form 10-K/A
April 26, 2012
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-K/A

(Amendment No. 1)

x ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 2011

o TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from to

DYNEGY INC.

(Exact name of registrant as specified in its charter)

Entity

	Commission File Number	State of Incorporation	I.R.S. Employer Identification No.
Dynegy Inc.	**001-33443**	**Delaware**	**20-5653152**

1000 Louisiana, Suite 5800	
Houston, Texas	**77002**
(Address of principal executive offices)	(Zip Code)

(713) 507-6400

(Registrant s telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	**Name of each exchange on which registered**
Dynegy s common stock, $0.01 par value	New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act:

None

(Title of Class)

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes o No x

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Exchange Act. Yes o No x

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes x No o

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this Chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes x No o

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant s knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. o

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of large accelerated filer, accelerated filer and smaller reporting company in Rule 12b-2 of the Exchange Act.

Large accelerated filer o	Accelerated filer x
Non-accelerated filer o (Do not check if a smaller reporting company)	Smaller reporting company o

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes o No x

As of June 30, 2011, the aggregate market value of the Dynegy Inc. common stock held by non-affiliates of the registrant was $644,913,117 based on the closing sale price as reported on the New York Stock Exchange.

Number of shares outstanding of Dynegy Inc. s class of common stock, as of the latest practicable date: Common stock, $0.01 par value per share, 122,893,088 shares outstanding as of March 2, 2012.

DOCUMENTS INCORPORATED BY REFERENCE

None.

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Explanatory Note

This Amendment No. 1 on Form 10-K/A (the Amendment) amends our Annual Report on Form 10-K for the fiscal year ended December 31, 2011, originally filed with the Securities and Exchange Commission (SEC) on March 8, 2012 (the Original Filing). We are filing this Amendment to amend Part III of the Original Filing to include the information required by and not included in Part III of the Original Filing because we no longer intend to file our definitive proxy statement within 120 days of the end of our fiscal year ended December 31, 2011. Part IV is being amended solely to add as exhibits certain new certifications in accordance with Rule 13a-14(a) promulgated by the SEC under the Securities Exchange Act of 1934. Because no financial statements have been included in this Amendment and this Amendment does not contain or amend any disclosure with respect to Items 307 and 308 of Regulation S-K, paragraphs 3, 4 and 5 of the certifications have been omitted.

Except as described above, no other changes have been made to the Original Filing. The Original Filing continues to speak as of the date of the Original Filing, and we have not updated the disclosures contained therein to reflect any events which occurred at a date subsequent to the filing of the Original Filing other than as expressly indicated in this Amendment. Accordingly, this Amendment should be read in conjunction with the Original Filing and our other filings made with the SEC on or subsequent to March 8, 2012.

Unless the context indicates otherwise, throughout this report, the terms the Company, we, us, our and ours are used to refer to Dynegy Inc. its direct and indirect subsidiaries as presented in our consolidated financial statements.

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PART III

Item 10. *Directors, Executive Officers and Corporate Governance*

Directors

The following table sets forth information regarding the names, ages and principal occupations of the directors serving on our Board of Directors, or the Board, other public company directorships held by them since 2007 and the length of their service as a director of Dynegy.

Director Nominees	Principal Occupation and Current and Former Directorships	Age as of April 16, 2012	Director Since
Robert C. Flexon	President and Chief Executive Officer of Dynegy Inc.; Director of Foster Wheeler AG (2006-2009, May 2010 Oct. 2010).	53	2011
Thomas W. Elward	Chairman of the Board of Dynegy Inc., Former President and Chief Operating Officer of CMS Enterprises (2003-2008).	63	2011
Michael J. Embler	Former Chief Investment Officer of Franklin Mutual Advisers LLC (2005-2009); Director of AboveNet, Inc. (2003 Present); CIT Group, Inc. (2009 Present); and Kindred Healthcare, Inc. (2001 2008).	48	2011
Vincent J. Intrieri	Senior Managing Director of Icahn Capital LP (2004-Present). American Railcar Industries, Inc. (2005-2011); Lear Corporation (2006-2008); WCI Communities, Inc. (2008-2009); WestPoint International Inc. (2005 2011); Viskase Companies, Inc. (2003 2011); and Motorola Solutions, Inc. (2011-2012).	55	2011
Samuel Merksamer	Investment Analyst at Icahn Capital LP (2008-Present). Director Viskase Companies, Inc. (2010-Present) and American Railcar Industries, Inc. (2011-Present).	31	2011
Felix Pardo	Director of Synthes, Inc. (2005- Present); Newalta Corporation (1991-2009); Western Prospector Group Ltd. (2007-2009).	74	2011

Additional Biographical Information on Director Nominees

Robert C. Flexon has served as our President and Chief Executive Officer since July 2011 and a director of Dynegy since June 2011. Prior to joining Dynegy, Mr. Flexon served as the Chief Financial Officer of UGI Corporation, a distributor and marketer of energy products and related services, since February 2011. Mr. Flexon was the Chief Executive Officer of Foster Wheeler AG from June 2010 until October 2010 and the President and Chief Executive Officer of Foster Wheeler USA from November 2009 until May 2010. Prior to joining Foster Wheeler, Mr. Flexon was Executive Vice President and Chief Financial Officer of NRG Energy, Inc. from February 2009 until November 2009. Mr. Flexon previously served as Executive Vice President and Chief Operating Officer of NRG Energy from March 2008 until February 2009 and as its Executive Vice President and Chief Financial Officer from 2004 to 2008. Prior to joining NRG Energy, Mr. Flexon held executive positions with Hercules, Inc. and various key positions, including General Auditor, with Atlantic Richfield Company. Mr. Flexon served on the board of directors of Foster Wheeler from 2006 until 2009 and from May 2010 until October 2010.

Thomas W. Elward was elected to the Board in March 2011 and appointed Chairman in December 2011. He served as President and Chief Operating Officer of CMS Enterprises from March 2003 to July 2008. Mr. Elward previously served in various roles with CMS Generation, a subsidiary of CMS Enterprises, including President and Chief Executive Officer from January 2002 to July 2008, Senior Vice President Operations and Asset Management from July 1998 to December 2001 and Vice President Operations from March 1990 to June 1998. Prior to CMS Enterprises he held roles of increasing responsibility at Consumers Power, advancing to Plant Manager.

Michael J. Embler was elected to the Board in May 2011. Mr. Embler formerly served as the Chief Investment Officer of Franklin Mutual Advisers LLC, an asset management subsidiary of Franklin Resources, Inc. from 2005 to 2009.

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Mr. Embler joined Franklin Mutual Advisers in 2001 and, prior to becoming Chief Investment Officer in 2005, served as head of its Distressed Investment Group. From 1992 until 2001, he worked at Nomura Holdings America, where he served as Managing Director managing a team investing in a proprietary fund focused on distressed and other event-driven corporate investments. Mr. Embler currently serves on the Board of Directors of CIT Group, Inc., AboveNet, Inc. and Corlears School and formerly served on the board of directors of Kindred Healthcare Inc.

Vincent J. Intrieri was elected to the Board in March 2011. He has served as Senior Managing Director of Icahn Capital LP since November 2004. Since January 2005, Mr. Intrieri has been Senior Managing Director of Icahn Associates Corp. and High River Limited Partnership. Mr. Intrieri has been a director since July 2006 of Icahn Enterprises G.P. Inc., the general partner of Icahn Enterprises L.P. From April 2005 through September 2008, Mr. Intrieri was the President and Chief Executive Officer of Philip Services Corporation. Since December 2007, Mr. Intrieri has been the Chairman of the Board and a director of PSC Metals Inc. From August 2005 to June 2011, Mr. Intrieri served as a director of American Railcar Industries, Inc., or ARI. From March 2005 to December 2005, Mr. Intrieri was a Senior Vice President, Treasurer and Secretary of ARI. From April 2003 to June 2011, Mr. Intrieri served as Chairman of the Board and a director of Viskase Companies, Inc. From November 2006 to November 2008, Mr. Intrieri served on the Board of Lear Corporation. From November 2005 to March 2011, Mr. Intrieri served as a director of WestPoint International Inc. From August 2008 to September 2009, Mr. Intrieri was a director of WCI Communities, Inc. From January 2011 to February 2012, Mr. Intrieri was a director of Motorola Solutions, Inc. Mr. Intrieri also serves on the boards of the following companies: National Energy Group, Inc., XO Holdings, Inc., and Federal-Mogul Corporation. With respect to each company mentioned above, Carl C. Icahn, directly or indirectly, either (i) controls such company or (ii) has an interest in such company through the ownership of securities.

Samuel Merksamer was elected to the Board in March 2011. He has served as an investment analyst at Icahn Capital LP, a subsidiary of Icahn Enterprises L.P. since May 2008. Prior to joining Icahn Capital LP, Mr. Merksamer worked as an analyst with Airlie Opportunity Capital Management from 2003 to 2008. He currently serves as a director for Federal-Mogul Corporation, Viskase Companies, Inc., American Railcar Industries, Inc. and PSC Metals Inc. With respect to each company mentioned above, Carl C. Icahn, directly or indirectly, either (i) controls such company or (ii) has an interest in such company through the ownership of securities.

Felix Pardo was elected to the Board in June 2011. He served as the Chairman and Chief Executive Officer of Dyckerhoff, Inc., a major U.S. producer of cement, and as the Chairman of its subsidiaries, Lonestar Industries, Inc. and Glens Falls Cement Co., Inc., from July 1998 until his retirement in December 2002. Prior to joining Dyckerhoff, Mr. Pardo was President and Chief Executive Officer of Ruhr American Coal Corporation from 1992 to 1998, Chairman of Newalta Corporation, a leading Canadian industrial waste management and environmental services company, from 1991 to 1998, Chief Executive Officer of Newalta during its restructuring in 1991 and on the board of directors from 1991 to 2009. Mr. Pardo also served as Executive Vice President and Director of Quorum Funding, a Canadian venture capital firm, during 1991 and 1992. He was President and Chief Executive Officer of Philip Services, Inc., a waste management, scrap metals and industrial services company, from April 1998 to November 1998. Mr. Pardo currently serves on the Board of Directors of Synthes, Inc. and Newalta Environmental Services. He also served as a Director of Philip Services, Inc. from 1994 to 2003, Quorum Funding from 1991 to 1992, and other public companies, including Western Prospector Group Ltd, Exchange National Bank, Chicago, Invatec (valve distribution), ISG Technologies (medical imaging) and Panaco, Inc. (oil and gas exploration and production).

Executive Officers

The following table sets forth the name and positions of our executive officers as of April 16, 2012, together with their ages and period of service with us.

Executive Officer	Position	Age as of April 16, 2012	Served with Dynegy Since
Robert C. Flexon	President and Chief Executive Officer	53	2011
Kevin T. Howell	Executive Vice President and Chief Operating Officer	54	2011
Clint C. Freeland	Executive Vice President and Chief Financial Officer	43	2011
Carolyn J. Burke	Executive Vice President and Chief Administrative Officer	44	2011
Catherine B. Callaway	Executive Vice President and General Counsel	46	2011

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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.

Robert C. Flexon has served as our President and Chief Executive Officer since July 2011 and a director of Dynegy since June 2011. Prior to joining Dynegy, Mr. Flexon served as the Chief Financial Officer of UGI Corporation, a distributor and marketer of energy products and related services since February 2011. Mr. Flexon was the Chief Executive Officer of Foster Wheeler AG from June 2010 until October 2010 and the President and Chief Executive Officer of Foster Wheeler USA from November 2009 until May 2010. Prior to joining Foster Wheeler, Mr. Flexon was Executive Vice President and Chief Financial Officer of NRG Energy, Inc. from February 2009 until November 2009. Mr. Flexon previously served as Executive Vice President and Chief Operating Officer of NRG Energy from March 2008 until February 2009 and as its Executive Vice President and Chief Financial Officer from 2004 to 2008. Prior to joining NRG Energy, Mr. Flexon held executive positions with Hercules, Inc. and various key positions, including General Auditor, with Atlantic Richfield Company. Mr. Flexon served on the board of directors of Foster Wheeler from 2006 until 2009 and from May 2010 until October 2010.

Kevin T. Howell has served as Executive Vice President and Chief Operating Officer since July 2011. Mr. Howell is responsible for the operational management of our fleet of power generation assets. Prior to joining Dynegy, Mr. Howell was with NRG Energy where he served as President of NRG Texas and Reliant Energy from August 2008 until his retirement in August 2010. Mr. Howell served as NRG Energy s Executive Vice President and Chief Administrative Officer from January 2008 to August 2008 and its Executive Vice President, Commercial Operations from August 2005 to January 2008. Prior to August 2005, Mr. Howell served in a variety of operating and commercial positions with several domestic and international energy companies.

Clint C. Freeland has served as Executive Vice President and Chief Financial Officer since July 2011. Mr. Freeland is responsible for our financial affairs, including finance and accounting, treasury, tax and banking and credit agency relationships. Prior to joining Dynegy, Mr. Freeland served as Senior Vice President, Strategy & Financial Structure of NRG Energy since February 2009. Mr. Freeland served as NRG Energy s Senior Vice President and Chief Financial Officer from February 2008 to February 2009 and its Vice President and Treasurer from April 2006 to February 2008. Prior to joining NRG, Mr. Freeland held various key financial roles within the energy sector.

Carolyn J. Burke has served as Executive Vice President and Chief Administrative Officer since August 2011. Ms. Burke is responsible for managing key corporate functions including Information Technology, Human Resources, Investor Relations and communications. In addition, Ms. Burke oversees our cost savings initiative known as PRIDE. Prior to joining Dynegy, Ms. Burke served as Global Controller for J.P. Morgan s Global Commodities business since March 2008. Ms. Burke served as NRG Energy s Vice President and Corporate Controller from September 2006 to March 2008 and its Executive Director of Planning and Analysis from April 2004 to September 2006. Prior to joining NRG, Ms. Burke held various key financial roles at Yale University, the University of Pennsylvania and at Atlantic Richfield Company (now British Petroleum).

Catherine B. Callaway has served as Executive Vice President and General Counsel since September 2011. Ms. Callaway is responsible for managing all legal affairs, including legal services supporting Dynegy s operational, commercial and corporate areas, as well as ethics and compliance. Prior to joining Dynegy, Ms. Callaway served as General Counsel for NRG Gulf Coast and Reliant Energy since August 2011. Ms. Callaway served as General Counsel for NRG Texas and Reliant Energy from August 2010 to August 2011 and as General Counsel for NRG Texas from November 2007 to August 2010. Prior to joining NRG, Ms. Callaway held various key legal roles at Calpine Corporation, Reliant Energy, The Coastal Corporation and Chevron.

Section 16(a) Beneficial Ownership Reporting Compliance

Section 16(a) of the Exchange Act requires our executive officers, directors and persons who own more than 10% of our equity securities to file reports of ownership and changes in ownership with the SEC and the New York Stock Exchange, or the NYSE. Executive officers, directors and greater-than-10% stockholders are required by SEC regulations to furnish us with copies of all Section 16(a) forms they file.

Based solely upon a review of the copies of such forms furnished to us in 2011 and upon written representations that no Forms 5 were required, we believe that all persons subject to these reporting requirements, with the exception of Messrs. Harrison and Blodgett, filed the required reports on a timely basis.

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Changes to Board of Directors and Executive Team During 2011 and 2012

The following is a chronological summary of events in 2011 and 2012 impacting the composition of our executive management team and our Board. For additional information regarding these events, see our Current Reports on Form 8-K (or 8-K/A) filed with the SEC on February 8, 2011, February 23, 2011, March 1, 2011, March 10, 2011, April 11, 2011, May 5, 2011, June 21, 2011, June 28, 2011, July 11, 2011 and December 2, 2011.

J. Kevin Blodgett left his position as General Counsel and Executive Vice President, Administration, effective February 4, 2011. We appointed Kent R. Stephenson, who previously served as our Senior Vice President and Deputy General Counsel, as Executive Vice President and General Counsel. Lynn A. Lednicky, our Executive Vice President, Operations, assumed responsibility for the remaining functions previously reporting to Mr. Blodgett, including Governmental & Regulatory Affairs, Human Resources, and Information Technology.

Bruce A. Williamson resigned as a director and Chairman effective February 21, 2011, and left his position as President and Chief Executive Officer, effective March 11, 2011. Patricia A. Hammick, who served as our lead director until Mr. Williamson s resignation from the Board, was appointed Chairman. David W. Biegler, who was serving as a director, was appointed interim President and Chief Executive Officer.

Also on February 21, 2011, we announced that Holli C. Nichols had resigned as Executive Vice President and Chief Financial Officer effective March 11, 2011. We appointed Charles C. Cook, our Executive Vice President, Commercial Operations and Market Analytics, as interim Chief Financial Officer.

On February 21, 2011, concurrent with the announcements regarding Mr. Williamson and Ms. Nichols, each of our then current independent directors, Mr. Biegler, Victor E. Grijalva, Ms. Hammick, Howard B. Sheppard and William L. Trubeck, informed us that he or she did not intend to stand for reelection as a director at the 2011 Annual Meeting.

On March 9, 2011, the Board elected Thomas W. Elward, E. Hunter Harrison, Vincent J. Intrieri and Samuel Merksamer as directors. These four new directors were named the sole members of the Board s Nominating Committee, which was tasked with responsibility of searching for a President and Chief Executive Officer and additional qualified director nominees. In addition, these four new directors were named to serve on the Board s Finance and Restructuring Committee.

On April 9, 2011, Mr. Harrison replaced Mr. Biegler as interim President and Chief Executive Officer. As of that date, Mr. Harrison ceased to serve on any Board committees except for the Board s Finance and Restructuring Committee.

On May 4, 2011, the Board elected Michael J. Embler as a director. At our 2011 Annual Meeting held on June 15, 2011, our stockholders elected all seven board nominees to serve until our 2012 Annual Meeting. The individuals that were elected were Mr. Elward, Mr. Embler, Robert C. Flexon, Mr. Harrison, Mr. Intrieri, Mr. Merksamer and Felix Pardo.

Effective June 15, 2011, Mr. Cook s resignation as interim Chief Financial Officer was accepted.

Effective July 5, 2011, Kevin T. Howell was named Executive Vice President and Chief Operating Officer and Clint C. Freeland was named Executive Vice President and Chief Financial Officer.

Effective July 11, 2011, Mr. Flexon was appointed President and Chief Executive Officer, replacing Mr. Harrison. Mr. Harrison resumed his role as an independent director and served as non-executive Chairman of the Board.

Effective August 30, 2011, Carolyn J. Burke was named Executive Vice President and Chief Administrative Officer.

Effective September 26, 2011, Catherine B. Callaway was named Executive Vice President and General Counsel.

Effective December 16, 2011, Mr. Harrison resigned as Chairman of the Board and as a member of the Board. The Board appointed Mr. Elward as non-executive Chairman of the Board effective December 16, 2011.

Effective December 30, 2011, Mr. Lednicky left his position as Executive Vice President, Operations and on March 30, 2012, Mr. Stephenson left his position as Executive Vice President.

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Governance Documents

On November 17, 2011, the Board unanimously adopted amended and restated Corporate Governance Guidelines. The Corporate Governance Guidelines, which were developed and recommended by the 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:

- Second Amended and Restated Certificate of Incorporation;
- Third 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 and Chairman of the Board;
- 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.

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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, or Audit Committee, and investigated, under the supervision of our Audit Committee, by our Internal Audit department or Ethics and Compliance Office. In accordance with applicable law, 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: Secretary, 601 Travis, Suite 1400, 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 Board nominees attended last year s Annual Meeting held on June 15, 2011.

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 functionally to the Audit Committee Chairman and administratively to the General Counsel. The Ethics and Compliance Office meets periodically with the Audit Committee.

The Risk Policy Statement can be amended with the approval of our Audit Committee on behalf of the Board. The Audit Committee oversees the risks associated with the integrity of our financial statements and our compliance with legal and regulatory requirements. In addition, the Audit 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 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 Committee also performs oversight of the business ethics and compliance

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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 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 2012 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 risks related to our compensation programs and for reviewing certain policies to ensure that appropriate controls exist to mitigate any identified risks. 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 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; Lead Director; Separation of Positions of Chairman and Chief Executive Officer

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.

For the first several weeks of 2011, Mr. Williamson served as our Chairman, President and Chief Executive Officer, and Ms. Hammick served as our Lead Director. As discussed above, Mr. Williamson resigned as a director and Chairman effective February 21, 2011, and Mr. Williamson left his position as President and Chief Executive Officer effective March 11, 2011. Ms. Hammick was appointed Chairman and Mr. Biegler, one of our then directors, was appointed interim President and Chief Executive Officer. On April 9, 2011, Mr. Harrison replaced Mr. Biegler as interim President and Chief Executive Officer. Effective July 11, 2011, Mr. Flexon was appointed President and Chief Executive Officer, replacing Mr. Harrison. Mr. Harrison then resumed his role as an independent director and served as non-executive Chairman of the Board. Effective December 16, 2011, Mr. Harrison resigned as Chairman of the Board and as a member of the Board. The Board appointed Mr. Elward as non-executive Chairman of the Board effective December 16, 2011.

The Board has determined that having two different individuals serve in the roles of Chairman of the Board and Chief Executive Officer is in the best interest of our stockholders at this time. Mr. Flexon, as President and Chief Executive Officer, is responsible for setting the strategic direction for the Company and the day-to-day leadership and performance of the Company, while Mr. Elward, as Chairman, provides overall leadership to the Board in its oversight function and presides over all executive sessions of the Board. At this time, the Board concluded that the separation of the positions allows the Chairman to focus on managing Board matters and allows Mr. Flexon to focus on managing the business, including the Company s restructuring efforts.

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,

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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 Nominating Committee s annual review, current market conditions will be taken into consideration, as appropriate. During the five-year ramp-up period, and 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.

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 Second Amended and Restated Certificate of Incorporation provides that the number of our directors shall be fixed from time to time exclusively by our Board. The Board has fixed the number of our directors currently at six, subject to adjustment by the Board in accordance with our Amended and Restated Certificate of Incorporation.

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, 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

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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. The Nominating Committee determined that although Mr. Pardo is over 72 years of age, he brings special skills and experience to the Board and, as a result of such skills and experience, stockholders derive tangible and intangible benefits. Upon the advice of the Nominating Committee, the Board, after considering Mr. Pardo s qualifications, willingness to serve and the specific circumstances described above, nominated Mr. Pardo to be re-elected at the Annual Meeting. For additional information, please read our Corporate Governance Guidelines.

In connection with the director nominations for the 2012 annual meeting, the Nominating Committee also considered the nominees (1) experience in the energy industry and understanding of the energy markets, (2) experience in finance and restructuring, (3) publicly traded company and board experience, (4) knowledge in the areas of laws and regulations related to environmental, health, safety and other key industry issues, (5) strategic planning skills, (6) knowledge of corporate governance issues coupled with an appreciation of their practical application, and (7) 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, accounting and finance, operations, manufacturing, economics 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.

Robert C. Flexon. Mr. Flexon currently serves as our President and Chief Executive Officer. He brings executive management and operating experience in many areas of the energy business, including wholesale power generation. Mr. Flexon also has a broad background in accounting and finance and significant corporate financial management experience and financial expertise as a result of his service as a Chief Financial Officer and other senior financial leadership positions.

Thomas W. Elward. Mr. Elward brings a strong technical background to our Board, with a masters degree in nuclear engineering, and has significant executive management experience in non-utility power businesses, including power and gas marketing, gas transmission and storage, and independent power production development, construction and asset management. In addition to his extensive technical knowledge, he has received numerous awards for excellence in safety and environmental stewardship and has served on wholly-owned boards of various independent power producers, including serving as a member of CMS Energy s risk committee. He serves as Chairman of the Board and as our Nominating Committee chair.

Michael J. Embler. Mr. Embler brings extensive experience in finance, asset management and restructurings, and expertise in capital markets and capital management. His experience as Chief Investment Officer of a major asset management firm provides the Board with a unique analytical view from the perspective of an investor. Further, Mr. Embler s significant experience with respect to finance, investing and general business matters are important to the Board s ability to review our financial statements and our investor communications, assess potential financings and strategies and otherwise supervise and evaluate our business decisions. In addition to his finance experience, he qualifies as an audit committee financial expert under SEC guidelines due to his service as a member of audit committees of other publicly traded companies. He serves as our Human Resources Committee Chair.

Vincent J. Intrieri. Mr. Intrieri brings a broad background of experience in executive management, finance and accounting from his career with various Icahn affiliates. Mr. Intrieri was a certified public accountant and has broad industry experience, including investment management. He currently serves as the chair of our Finance and Restructuring Committee and, as chair, he contributes significantly to the review and evaluation of the Company s restructuring alternatives. Mr. Intrieri also currently serves on the boards of numerous companies that Carl C. Icahn directly or indirectly controls or has an interest in.

Samuel Merksamer. Mr. Merksamer has gained finance experience from his career as an investment analyst at Icahn Capital LP and at Airlie Opportunity Capital Management. He has experience in high yield and distressed investments, and employs his finance skills by identifying, analyzing and monitoring investment opportunities and portfolio companies for Icahn Capital. Mr. Merksamer also currently serves on the boards of numerous companies that Carl C. Icahn directly or indirectly controls or has an interest in.

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Felix Pardo. Mr. Pardo brings extensive executive management experience to our Board. His diversified experience in executive positions, including President and Chief Executive Officer with large public companies, has given him broad based industry knowledge, including expertise in the negotiations of energy contracts, bank debt agreements, risk and balance sheet management, and extensive business leadership skills. In addition to his executive management experience, he qualifies as an audit committee financial expert under SEC guidelines due to his many years of experience as an executive, his service as a director on other boards and his participation on several audit committees. He serves as our Audit Committee Chair.

In December 2011, Mr. Harrison resigned as our Chairman and as a member of our Board. We thank Mr. Harrison for his service, contributions and leadership throughout his tenure as 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.

Directors Meetings and Committees of the Board

During 2011, our Board held 22 meetings. Each 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, 2011 through March 8, 2011.

	Audit & Compliance	**Compensation & Human Resources**	**Corporate Governance & Nominating**	**Special (4) Committee**	**Finance (5) & Restructuring**
Bruce A. Williamson (1)					
David W. Biegler(1)		CHAIR	X	X	
Victor E. Grijalva(1)	X		X	X	
Patricia A. Hammick(1)(3)				CHAIR	
Howard B. Sheppard(1)	X	X	CHAIR	X	
William L. Trubeck(1)(2)	CHAIR	X		X	
Number of Meetings	**1**	**2**	**1**	**8**	**0**

(1) In February 2011, Mr. Williamson resigned as our Chairman and our then current directors informed Dynegy that they did not intend to stand for reelection at the 2011 Annual Meeting of Stockholders. See Corporate Governance—Changes to Board of Directors and Executive

Team During 2011 and 2012.

(2) Designated Audit Committee Financial Expert.

(3) Chairman of the Board

(4) Special Committee was dissolved on February 25, 2011

(5) Finance & Restructuring Committee was formed on March 7, 2011

The following table reflects the members of each of the committees of the Board and the number of meetings held from March 9, 2011 through June 14, 2011.

	Audit & Compliance	**Compensation & Human Resources**	**Corporate Governance & Nominating**	**Finance (6) & Restructuring**
David W. Biegler(1)				
Victor E. Grijalva(1)	X	X		
Patricia A. Hammick(1)(2)				
Howard B. Sheppard(1)	X	CHAIR		
William L. Trubeck(1)(3)	CHAIR	X		
E. Hunter Harrison(4)(5)	X	X	CHAIR(6)	X
Thomas W. Elward(4)	X	X	CHAIR(7)	X
Michael J. Embler(4)				X
Vincent J. Intrieri(4)		X	X	CHAIR
Samuel Merksamer(4)			X	X
Number of Meetings	**2**	**1**	**3**	**7**

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(1) In February 2011, our then current directors informed Dynegy that they did not intend to stand for reelection at the 2011 Annual Meeting of Stockholders. See Corporate Governance—Changes to Board of Directors and Executive Team During 2011 and 2012.

(2) Chairman of the Board

(3) Designated Audit Committee Financial Expert.

(4) On March 9, 2011, the Board elected Messrs. Elward, Harrison, Intrieri and Merksamer as directors. On May 4, 2011, the Board elected Mr. Embler as a director.

(5) Mr. Harrison assumed the role of interim President and Chief Executive Officer as of April 9, 2011, at which time he resigned from all the Board committees with the exception of the Finance and Restructuring Committee.

(6) Mr. Harrison served as chair of the Nominating Committee from March 9, 2011 through April 8, 2011.

(7) Mr. Elward assumed the role of chair of the Nominating Committee on April 9, 2011.

The following table reflects the members of each of the committees of the Board and the number of meetings held from June 15, 2011 through December 31, 2011.

	Audit & Compliance	Compensation & Human Resources	Corporate Governance & Nominating	Finance & Restructuring
E. Hunter Harrison(1)(4)				
Thomas W. Elward(1)	X		CHAIR	X
Michael J. Embler	X	CHAIR		X
Robert C. Flexon(2)	CHAIR(5)			
Vincent J. Intrieri		X		CHAIR
Samuel Merksamer			X	X
Felix Pardo(3)	CHAIR(6)	X	X	
Number of Meetings	**6**	**5**	**3**	**8**

(1) Mr. Harrison served as non-executive Chairman of the Board from July 11, 2011 through December 15, 2011. Mr. Elward began serving as non-executive Chairman of the Board effective December 16, 2011.

(2) Mr. Flexon assumed the role of President and Chief Executive Officer as of July 11, 2011, at which time he resigned from the Audit Committee.

(3) Designated Audit Committee Financial Expert.

(4) Mr. Harrison resigned as our Chairman and as a member of our Board in December 2011.

(5) Mr. Flexon served as the Audit Committee Chair from June 15, 2011 through July 10, 2011.

(6) Mr. Pardo assumed the role of Audit Committee Chair effective July 11, 2011.

Committees

Committee Composition. The current members of each of the committees of the Board, as well as the current Chairman of each of the committees of the Board, are identified in the following paragraphs.

Audit and Compliance Committee. The Audit Committee, which currently is comprised of Messrs. Pardo (Chairman), Elward, and Embler, met a total of 9 times during 2011. Each member of the Audit Committee is independent as defined in the NYSE Listed Company Standards. The Audit 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.

Compensation and Human Resources Committee. The Human Resources Committee, which currently is comprised of Messrs. Embler (Chairman), Intrieri and Pardo, met a total of 8 times during 2011. 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

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the 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. Elward (Chairman), Merksamer and Pardo, met a total of 7 times during 2011. Each member of the Nominating Committee is independent as defined in the NYSE Listed Company Standards. The 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.

Special Committee. The Special Committee, which was comprised of all the independent and non-management directors of Dynegy, was established on November 22, 2010 and dissolved effective February 25, 2011, and met 8 times in 2011. The purpose of the Special Committee was to direct the Board s comprehensive review of Dynegy s various strategic alternatives.

Finance and Restructuring Committee. The Finance and Restructuring Committee, which is comprised of Messrs. Intrieri (Chairman), Elward, Embler and Merksamer, was established on March 7, 2011, and met 15 times in 2011. The purpose of the Financing and Restructuring Committee is to undertake a comprehensive review of Dynegy s various restructuring alternatives and monitor the execution of the alternatives that are selected.

Item 11. ***Executive Compensation***

COMPENSATION DISCUSSION AND ANALYSIS

Over the course of 2011, the composition of our Board and executive team changed significantly. Specifically and as disclosed in our 2010 Compensation Discussion and Analysis, in the first quarter of 2011 Bruce A. Williamson resigned as our Chairman of the Board, President and Chief Executive Officer; Holli C. Nichols resigned as our Executive Vice President and Chief Financial Officer; and J. Kevin Blodgett left as our General Counsel and Executive Vice President Administration. Furthermore, each of our then current independent directors, David W. Biegler, Victor E. Grijalva, Patricia A. Hammick, Howard B. Sheppard and William L. Trubeck, informed us that he or she did not intend to stand for reelection as a director at the 2011 Annual Meeting.

In addition to the departures of Mr. Williamson, Mr. Blodgett and Ms. Nichols, the following changes to our management team occurred during 2011:

- Kent R. Stephenson was elected Executive Vice President effective February 4, 2011, and served as General Counsel from that date until September 26, 2011.

- Mr. Biegler was appointed interim President and Chief Executive Officer and served in this capacity until April 9, 2011, at which time E. Hunter Harrison, an independent director, was appointed interim President and Chief Executive Officer.

- Charles C. Cook resigned as our interim Chief Financial Officer and Executive Vice President, Commercial and Market Analytics in June 2011.

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- Effective July 11, 2011, the Board appointed Mr. Flexon as President and Chief Executive Officer and Mr. Harrison was appointed as non-executive chairman of our Board.
- Effective July 5, 2011, Mr. Freeland was named Executive Vice President and Chief Financial Officer and Mr. Howell was named Executive Vice President and Chief Operating Officer.
- On August 30, 2011, Ms. Burke was hired as Executive Vice President and Chief Administrative Officer.
- Ms. Callaway was hired as Executive Vice President and General Counsel effective September 26, 2011.
- Effective December 30, 2011 Lynn Lednicky left his position as Executive Vice President, Operations.

Immediately prior to the 2011 Annual Meeting, the board members serving on our Human Resources Committee were Messrs. Sheppard (Chair), Elward, Grijalva, Intrieri and Trubeck. Following the Annual Meeting held on June 15, 2011, Messrs. Embler (Chair), Intrieri and Pardo were named as the Human Resources Committee members, or 2011 Human Resources Committee, and have been responsible for oversight of our executive compensation programs since that time.

This Compensation Discussion and Analysis relates primarily to compensation decisions affecting 2011 compensation for our Named Executive Officers. We have also provided discussion of compensation decisions made in early 2012. For purposes of the 2011 Compensation Discussion and Analysis, our Named Executive Officers are (1) anyone who served in 2011 as our Chief Executive Officer or Chief Financial Officer, (2) the three other most highly compensated executive officers who were serving as executives at the end of 2011 and (3) one additional former executive who would have been among our most highly compensated executives in 2011 had he been employed with the Company at the end of 2011. These individuals are collectively referred to as our Named Executive Officers, and are identified below:

- Mr. Flexon President and Chief Executive Officer;
- Mr. Freeland Executive Vice President and Chief Financial Officer;
- Mr. Howell Executive Vice President and Chief Operating Officer;
- Mr. Lednicky former Executive Vice President, Operations;
- Mr. Stephenson former Executive Vice President, and General Counsel;
- Mr. Williamson former Chairman, President and Chief Executive Officer;
- Mr. Biegler former interim President and Chief Executive Officer;
- Mr. Harrison former Chairman and interim President and Chief Executive Officer;
- Ms. Nichols former Executive Vice President and Chief Financial Officer;
- Mr. Cook former interim Chief Financial Officer and Executive Vice President, Commercial and Market Analytics; and

- Mr. Blodgett former Executive Vice President Administration and General Counsel

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

2011 Business Overview

- In 2011, we experienced an unprecedented year with respect to development and execution of our reorganization and restructuring plans that the Board and management believed to be in the best interests of our stockholders.

- Our newly hired executive management team, in conjunction with the newly elected Board, are working to restore Dynegy s financial health by (1) restructuring the balance sheet; (2) improving operating margins, while reducing fixed costs; and (3) successfully operating and commercializing our assets.

- We entered into new credit facilities in the aggregate amount of $1.7 billion designed to provide and facilitate operational and financial flexibility.

- Significant progress has been made with respect to the Amended Plan of Reorganization for Dynegy Holdings, or Plan of Reorganization, including reaching agreement on the Plan of Reorganization with holders of approximately

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$1.8 billion of Dynegy Holdings senior notes and debentures and with affiliates of Public Service Enterprise Group, Inc. regarding a settlement of issues and disputes regarding the leases at the Roseton and Danskammer facilities.

- Successfully improved our cash position and collateral requirements by utilizing a first lien collateral structure that resulted in more than $360 million in returned cash collateral.

Key Features of Our Compensation Program

- A significant portion of the compensation package granted to Messrs. Flexon, Freeland, Howell and the other members of our executive management team hired in 2011 included premium priced stock options that serve to align the compensation and long-term interest of our executive management team with the long term interest of our stockholders.

- Other than reimbursement for financial planning and tax advice and one-time relocation benefits provided to Mr. Flexon and Mr. Freeland, our Named Executives Officers do not receive any material perquisites.

- Our Human Resources Committee, upon the recommendation of our management team, froze participation in and suspended benefit accruals under the Dynegy Inc. Restoration Pension Plan, or the Restoration Pension Plan, and the Dynegy Inc. Restoration 401(k) Savings Plan, or the Restoration 401(k) Plan, two plans that provide deferred compensation for a select group of highly compensated employees, effective for periods on and after January 1, 2012.

- We have a mechanism to claw back any compensation awards following a restatement of our financial results and a determination that financial metrics and performance impacted granting of such awards.

- The Human Resources Committee, following completion of its annual incentive risk assessment, continues to believe that the structure and design of our compensation programs, as well as the approach used in the selection of performance metrics and targets, are not reasonably likely to result in excessive risk-taking that could have a material adverse effect on the Company.

- Our Human Resources Committee believes that the use of employment agreements and long-term incentive programs are both critical to our ability to attract and retain a talented and experienced executive management that have interests aligned with the long term interest of our shareholders.

- We received a favorable result on our Say on Pay vote in 2011, with 78.3% of our stockholders represented in person or by proxy voting to approve the compensation of our Named Executive Officers in 2011.

Compensation Philosophy and Program Objectives

Executive Compensation Philosophy

Our executive compensation program, which is administered by the Human Resources Committee, is primarily designed to attract, motivate and retain a highly qualified executive management team capable of effectively managing our power generation business. 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.

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, and appropriately reflecting, market or economic downturns.

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- 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 that reflect individual and corporate performance during the year under review.

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

- Our compensation programs should be designed and administered to maximize stockholder value.

- 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. The former members of the Board and its Human Resources Committee reviewed and approved objectives at the start of the 2011 calendar year. Given the significant amount of uncertainty and change that occurred earlier in the year, in June 2011, the current members of the Board and its Human Resources Committee determined that additional objectives should be included following the appointment of the new executive management team. To this end, in August 2011, the Human Resources Committee approved a set of four key objectives that would be used by executive management and the Board in assessing our annual performance in 2011.

2011 Performance Objectives. These new objectives were a combination of the existing financial and operational objectives established at the start of 2011 and two additional goals relating to the reorganization and restructuring efforts that were initiated during the second quarter of 2011. The pre-existing and new objective categories approved by the Human Resources Committee in August 2011 included:

- Restructure the balance sheet;
- Improve operating margins, while reducing fixed costs;
- Operate and commercialize well; and
- Meet or exceed the previously established Adjusted EBITDA(1) target.

The first category, restructure the balance sheet, represents the critical financial efforts required to significantly change the Company s capital structure, restructure legacy unsecured debt, provide liquidity to the business units, and general business support for our asset base. The second category, improve operating margins, while reducing fixed costs, represents the internal efforts related to identifying sustainable fixed cash cost reductions and developing margin improvement opportunities across the organization. Related to this objective, the new executive management team

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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 on economic hedges related to our generation portfolio, and (3) the impact of impairment charges and certain other costs such as those associated with our internal reorganization, including those charges and costs embedded in losses from unconsolidated investments on our consolidated statements of operations.

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established a multi-year improvement initiative, PRIDE (Producing Results through Innovation by Dynegy Employees), to develop, implement and sustain identified opportunities. The third category, operate and commercialize well, requires utilizing best operating practices to achieve safety, environmental and reliability targets, complemented by hedging strategies that provide near-term stability and while preserving longer-term flexibility. The final category represents our effort to meet or exceed the Company s previously established financial performance target as measured by Adjusted EBITDA. These performance measures reflect the critical steps that we have identified that should allow us to successfully restore the Company s financial health and improve long-term shareholder value.

These four objectives were equally weighted, 25% each, and were used to assess the organization s and Messrs. Flexon, Freeland, Howell and Stephenson s collective performance for the year. Each objective has defined initiatives and, where possible, quantifiable metrics used to evaluate the level of attainment achieved during 2011. Our progress, and Messrs. Flexon, Freeland, Howell and Stephenson s contributions relative to these goals and objectives, were discussed throughout the year by the Board and the Human Resources Committee. Following year-end, compensation awards were determined by the Human Resources Committee based upon their overall assessment of performance, including the degree to which these goals and objectives were achieved.

Individual Performance. In addition to the above-described goals and objectives, executive compensation decisions are also based on the individual performance. In particular, we previously 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 and his performance 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.

Market Competitiveness. 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, the Human Resources Committee conducts a competitive evaluation (including, among other things, a review of proprietary and proxy statement information) with its independent compensation consultant.

Independent Consultant. For the compensation decisions made in March 2012, the Human Resources Committee retained Meridian Compensation Partners, or Meridian, as its independent consultant. Meridian was selected based upon the firm s depth and breadth of expertise in executive compensation and familiarity with our industry. Meridian was engaged to provide consulting advice and services to the Human Resources Committee, collect competitive executive compensation data, and provide information on trends, new rules/regulations and governance practices that may impact executive compensation practices and administration. Meridian 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.

Benchmarking. At the request of the Human Resources Committee, Meridian conducted a benchmarking study to assess the competitiveness of the compensation of our executive management team. The benchmarking study provides competitive market compensation data from a combination of published compensation surveys and peer group proxy statements.

Specifically, the benchmarking study used data from the Aon Hewitt 2011 Total Compensation Measurement Database to provide benchmark data for positions with similar roles and responsibilities as our Named Executive Officers. The survey data were derived from a comparator group of 101 companies with revenues similar to ours (median revenues of $2.1 billion), and were analyzed on both a regressed (size-adjusted) and tabular (not size-adjusted) basis. This data is referred to as the general industry survey data. The general industry survey data served as the primary basis for determining market competitiveness of the compensation of our executive management team, as its larger sample size provides compensation data that is statistically more significant than the smaller sample size of the industry peer group. Please see the table in Exhibit 99.1 for a complete listing of the companies included in the general industry survey data.

Additionally, Meridian collected compensation data from the most recent proxy statement filings for a group of six comparator companies (AES Corp., Calpine Corp., Edison International, FirstEnergy Corp., Genon Energy Inc.

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and NRG Energy Inc.) which is referred to as the comparator group. The comparator group proxy statement data provide an industry-based context for the Human Resources Committee s executive compensation decisions. The Human Resources Committee and Meridian selected these companies because of their similarity to us in business focus and, despite inexact overlap of operations and the limited number of comparator companies, they represent useful reference points for executive compensation purposes. 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, Chief Operating Officer, Chief Administration Officer and General Counsel.

Alignment with Stockholder Value. Granting equity compensation awards to certain of our Named Executive Officers and other eligible individuals is an important way to align the interests of those individuals with the interests of our stockholders. The value of equity compensation is dependent upon the value of our common stock. Individuals who are granted equity compensation have a direct financial interest in the performance of that stock. An important aspect of our compensation philosophy is thus to provide eligible individuals with additional incentive and reward opportunities designed to enhance our long-term profitability and further align such individuals interests with those of our stockholders by strengthening their concern for our welfare. Please read March 2012 Compensation Actions and Long-Term Incentive Opportunity below for further discussion of Named Executive Officers long-term incentives.

Potential Impact of Restatements and Ability to Claw Back Compensation Awards. The Human Resources Committee has a mechanism to address any restatements that may impact our key financial metrics and our financial performance. The Human Resources Committee will take action, as it determines to be appropriate, with respect to bonuses or other incentive or equity compensation awards to the extent such specified performance targets were not achieved in light of a 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.

Say on Pay. We received a favorable result on our Say on Pay vote in 2011, with 78.3% of our stockholders represented in person or by proxy voting to approve the compensation of our Named Executive Officers in 2011. We believe this is a result of our efforts to align pay and performance, ensure transparency in our key performance measures and implement pay practices that seek to align the interests of our Named Executive Officers with long-term stockholder value. The Human Resources Committee believes that the pay decisions made in 2011 and early 2012 should result in continued favorable support by our stockholders.

Elements of Compensation and Compensation Earned in 2011

As previously noted, 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, our budget for annual merit increases, external benchmark data (our comparator group and general industry survey data as described above under Executive Compensation Philosophy Market Competitiveness) of companies provided by its independent compensation consultant, the internal equity of each Named Executive Officer s compensation, both individually and relative to the other executive officers and the individual performance of each Named Executive Officer. We generally target base salaries within a range of 80% to 120% of the 50th percentile of the general industry survey data as a competitive level of pay. 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 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. In the aggregate, base salaries for Messrs. Flexon, Freeland and Howell are positioned slightly below the 50th percentile of the general industry survey data.

For 2011, the base salaries for Messrs. Flexon, Freeland and Howell were established by their employment agreements. Ms. Nichols and Messrs. Blodgett and Williamson, due to their departures, did not receive salary increases in 2011. Messrs. Cook and Lednicky also did not receive salary increases in 2011. In connection with his promotion to

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Executive Vice President, Mr. Stephenson received a salary increase from $302,940 to $335,000 on March 14, 2011. Mr. Biegler received a fee of $4,150 per day, plus expenses, for each day that he primarily devoted service to Dynegy as its interim President and Chief Executive Officer. Such fees were in lieu of any director meeting fees that would otherwise have been payable to Mr. Biegler during his tenure as interim President and Chief Executive Officer. During this period, Mr. Biegler was not eligible to participate in any employee benefit plans or programs except for his continued participation in Directors Deferred Compensation Plan. Mr. Harrison received compensation at an annualized salary rate of $1,000,000 during his tenure as interim President and Chief Executive Officer. Given the interim nature of his role, Mr. Harrison was not eligible to participate in any employee benefit plans or programs of the Company except for the Dynegy Inc. 2009 Phantom Stock Plan which he participated in as a director and not as an employee.

Named Executive Officer	Base Salary Earnings in 2011	
Bob Flexon	$	403,846
Clint Freeland	$	214,615
Kevin Howell	$	250,385
Lynn Lednicky	$	435,000
Kent Stephenson	$	330,068
Bruce A. Williamson	$	211,538
David Biegler	$	8,300
E. Hunter Harrison	$	250,000
Holli C. Nichols	$	111,058
Charles C. Cook	$	205,788
J. Kevin Blodgett	$	51,923

Please read March 2011 Compensation Actions and Analysis Named Executive Officer Compensation below for further discussion of Named Executive Officers base salaries.

Short-Term Incentives. Short-term incentive awards 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 incentive awards are 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 governed by the terms of their employment agreements or previously established targets in the case of Ms. Nichols and Messrs. Williamson, Blodgett, Cook, Lednicky and Stephenson. The short-term incentive award for Mr. Flexon, established by the terms of his employment agreement, is targeted at 100% of his annual base salary and provides an opportunity for target total cash compensation at approximately the 50th percentile of the general industry survey data. The short-term incentive target for Messrs. Freeland and Howell, established by the terms of their employment agreements, is targeted at 75% of their annual base salaries, which provides an opportunity for total cash compensation at approximately the 50th percentile of the general industry survey data. Messrs. Biegler and Harrison, given the interim nature of their roles, were not eligible to receive short-term incentive awards for 2011. 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. 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. Please read March 2012 Compensation Actions below for further discussion of the Named Executive Officers short-term incentive awards.

Long-Term Incentives. Long-term incentive opportunities serve as the most significant performance-based element of the executive s total compensation package. Our long-term incentive awards generally 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 until three or four years after the grant date. They are structured to achieve a variety of long-term objectives, including: attracting and retaining executives; aligning executives financial interests with the interests of stockholders; and rewarding the achievement of long-term strategic goals and/or superior stock price performance. We generally target within range of the 50th to 60th percentile of the survey market for long-term incentives. Generally, long-term incentives for executives are granted during the month of March each year but may also be granted in connection with the initial employment of executives. Due to the current reorganization proceedings with Dynegy Holdings, LLC and certain of its subsidiaries, annual equity awards will be granted later in 2012. However, a cash-settled long-term incentive program for certain members of our senior management team was approved by the Human resources Committee in January 2012 and is discussed further in March 2012 Compensation Actions and Long-Term Incentive Opportunity .

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For long-term incentives granted in March 2011, the Human Resources Committee, with input from Meridian, considered various alternatives for granting long-term incentive opportunities. 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 Messrs. Lednicky, Cook and Stephenson to ensure a successful transition to the new Board. Consistent with our stated compensation philosophy, an equity award thus provides an opportunity for, but does not generally guarantee receipt of, a payout because the extent to which such an award will have value, if any, is dependent on our performance over the term applicable to the award.

Traditionally, we have used a mix of performance-based awards, stock options and restricted stock or cash-settled phantom stock units when awarding long-term incentives. In March 2011, the Human Resources Committee sought to identify additional ways to continue to align long-term incentives for Messrs. Lednicky, Cook and Stephenson with the long-term interests of our stockholders. Due to the difficulty in setting long-term performance targets given the forthcoming Board changes and the significant and dynamic challenges faced by the Company, the Human Resources Committee decided to grant long-term incentive awards solely in the form of cash-settled phantom stock unit awards to Messrs. Lednicky, Cook and Stephenson, and all long-term incentive recipients across the Company. This decision reflected the Human Resources Committee s belief that long-term incentive awards granted in March 2011 should provide the appropriate balance of long-term stockholder interest with the need to address retention of Messrs. Lednicky, Cook and Stephenson. The chart below illustrates the long-term incentive awards granted to Messrs. Lednicky, Cook and Stephenson.

Long-Term Incentive Awards Granted on March 7, 2011

Named Executive Officer		**Equity Award Value**	**Phantom Stock Units (100%)**
Charles C. Cook	$	761,250	131,250
Lynn A. Lednicky	$	761,250	131,250
Kent R. Stephenson	$	586,250	101,078

The phantom stock units were granted to Messrs. Lednicky, Cook and Stephenson on March 7, 2011 at a regularly scheduled meeting of the Human Resources Committee. The number of shares of phantom stock units awarded to each of the above Named Executive Officer was based on the fair market value of our common stock as of March 7, 2011, $5.80, and the awards would generally have vested equally in three annual installments over the three-year vesting period if such individuals had remained employed through the term of the award.

Due to their departures, Ms. Nichols and Messrs. Blodgett and Williamson did not receive annual long-term incentive awards in 2011. Mr. Biegler was not eligible to receive annual long-term incentive awards. Mr. Harrison received a phantom stock unit awards equivalent to the grant he normally would have been eligible to receive as a non-employee director under the Directors Deferred Compensation Plan. Messrs. Flexon, Freeland and Howell each received long-term incentive grants upon commencement of their respective employments with the Company which in each case occurred after March 7, 2011. These awards are explained in further detail below under Summary of Employment Agreements .

Retirement Benefit Plans. Qualified benefit plans comprise additional elements of total compensation for our Named Executive Officers. Generally, each Named Executive Officer (except for Messrs. Biegler and Harrison) is eligible, as are all our corporate employees, to participate in the 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, (with such elective contributions capped at $16,500 for 2011). 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 2011). 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 2011.

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In 2008, we adopted two restoration plans, the Restoration 401(k) Plan and 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;

- 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;

- 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, 2008.

The Human Resources Committee, upon recommendation from management, approved effective for periods on and after January 1, 2012, freezing participation and suspending benefit accruals for non-represented employees who participated in benefits other than the Dynegy 401(k) Plan and PRB; such non-represented employees are instead eligible to participate in the Dynegy 401(k) Plan and PRB going forward (subject to applicable eligibility criteria). In addition, effective for periods on and after January 1, 2012, participation in the above-described Restoration 401(k) Plan and Restoration Pension Plan was frozen, and benefit accruals were suspended under these plans. These decisions were made to provide one uniform set of 401(k) and retirement benefits to all eligible non-represented employees, including our Named Executive Officers.

We previously had 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. On June 15, 2011, at a regularly scheduled meeting, the Human Resources Committee approved terminating the Deferred Compensation Plan. Mr. Lednicky, who was the only Named Executive Officer with a balance in this suspended plan, was paid an outstanding balance of $180,071 when the plan was terminated.

Executive Perquisites. The Human Resources Committee reviews executive perquisites on an annual basis. Generally, perquisites provided to Named Executive Officers during 2011 were limited to relocation expenses, cell phones and personal digital assistants primarily used for business purposes. However, as established by their employment agreements, Messrs. Flexon, Freeland and Howell are eligible to receive annual reimbursement for reasonable costs incurred for individual tax and financial planning advice in an amount not to exceed $10,000 per year. For 2011, Mr. Flexon was reimbursed $10,000, Messrs. Freeland and Howell incurred no costs for tax or financial planning in 2011. Additionally, Mr. Flexon was reimbursed $81,354 and Mr. Freeland was reimbursed $54,594 for expenses associated with the relocation of their primary residences to Houston, Texas. Please read Executive Compensation Summary Compensation Table for 2009, 2010 and 2011 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.

Employment Agreements. In building our new executive team, the Human Resources Committee concluded that given the uncertainties faced by the Company to attract talented and qualified executives it would be appropriate to enter into employment agreements. Therefore, during 2011, the Company entered into employment agreements with Messrs. Flexon, Freeland and Howell. The Company did not maintain employment agreements with our other Named Executive Officers. Key provisions contained in the employment agreements for Messrs. Flexon, Freeland and Howell are described more fully below under Summary of Employment Agreements and Potential Payments Upon Termination or Change in Control Employment Agreements .

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 (except for Messrs. Biegler and Harrison, who were not eligible to participate in such plans) 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, certain of our long-term incentive award agreements provide for the accelerated vesting of outstanding equity-based awards in connection with a change in control (as defined in such award agreements), and our Change in Control Plan provides for 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 adopted by the Human Resources Committee in 2008 after consultation with its independent compensation consultant, enables us to attract and retain critical talent in a marketplace with a potential for

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industry consolidation and significant shortfalls in the executive talent pool. Please read Executive Compensation Potential Payments Upon Termination or Change in Control for further details on our change in control plans.

Severance Pay Plans. We also maintain the Dynegy Inc. Executive Severance Pay Plan, or Executive Severance Pay Plan, that provides for payment of certain severance benefits. We continue to believe that this plan enables us to attract and retain critical talent given the significant ongoing restructuring activities we face as an organization. For details regarding the Executive Severance Pay Plan, please read Executive Compensation Severance-Eligible Terminations .

Excise Tax Reimbursement Policy. We provide for an excise tax gross-up in the event of a change in control to equalize payments for similarly situated employees who may otherwise face disparate tax treatment. The Code imposes a 20% excise tax on employees who receive benefits in connection with a change in control that equal or exceed three times the employee s base amount of compensation. Similarly situated executives may have substantially different base amounts of compensation and a large portion of our senior executives compensation is in the form of long-term incentive awards which vest over multiple performance years. Applicable tax rules can impose excise taxes when awards vest in connection with a change in control or a termination of employment in connection with a change in control. Consequently, the Code can have significantly varying and arbitrary effects on an individual s tax obligations. Therefore, the Human Resources Committee believes that tax gross-up payments can be appropriate in limited circumstances in order to prevent the intended value of a benefit from being significantly and arbitrarily reduced and to equalize payouts across similarly situated officers (including Named Executive Officers) and other key employees who may have different exposures to excise tax.

Compensation Actions in Connection with 2011 Named Executive Officer Separations. As discussed in Corporate Governance Recent Events , during 2011 and 2012, the composition of our Board and executive team has changed significantly. In connection with these changes, certain Named Executive Officers received benefits and payments upon their termination.

- ***Mr. Blodgett.*** On February 4, 2011, Mr. Blodgett left his position as General Counsel and Executive Vice President, Administration. Pursuant to the terms of an agreement with the Company, Mr. Blodgett received the benefits and payments to which he was entitled under the Executive Severance Pay Plan (i) a lump sum payment equal to 12 months of base salary and (ii) continued participation in the Company s group health care plan for 12 months. In addition, he remained eligible for compensation under Dynegy s short-term incentive plan for the 2010 performance year. Upon leaving, all of Mr. Blodgett s outstanding restricted shares, phantom stock units and stock options fully vested.

- ***Mr. Williamson.*** On February 21, 2011, the Company entered into the Separation Agreement with Mr. Williamson and he left his position as President and Chief Executive Officer effective March 11, 2011. Mr. Williamson also resigned as a director and Chairman of the Board, effective as of February 21, 2011. In entering into this Separation Agreement, the Human Resources Committee believed that Mr. Williamson successfully led the Company through an unprecedented business environment. Pursuant to the terms of the Separation Agreement, Mr. Williamson (i) received a $2,000,000 lump sum payment as severance, (ii) is eligible to continue participating in the Company s group health care plan for two years, (iii) received a short-term incentive payment of $850,000 for the 2010 performance year, and (iv) received a payment of $1,500,000 in settlement of all of his outstanding performance units. Under the Separation Agreement, Mr. Williamson was also required not to compete with the Company for three years following his termination of employment in exchange for a payment of $1,500,000, and he was required to provide limited consulting services to the Company through December 31, 2011 and to assist the Company with its litigation matters. Upon leaving, all of Mr. Williamson s outstanding restricted shares, phantom stock units and stock options fully vested.

- ***Ms. Nichols. E***ffective March 11, 2011, Ms. Nichols resigned as Executive Vice President and Chief Financial Officer. On March 8, 2011, the Company entered into a consulting agreement and release with Ms. Nichols that provided for limited consulting services to the Company from March 12, 2011 through May 12, 2011. In consideration for the $250,000 lump sum payment Ms. Nichols received under the consulting agreement, she agreed to release claims related to any matter related to her employment with, separation from, and/or affiliation with the Company. In consideration for the consulting services to be provided by Ms. Nichols, the Company agreed to release claims arising from Ms. Nichol s employment relationship with Dynegy.

- ***Mr. Cook.*** On June 15, 2011, the Board accepted Mr. Cook s resignation as interim Chief Financial Officer and Executive Vice President, Commercial and Market Analytics. Mr. Cook received no separation or severance payments in connection with his departure.

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- ***Mr. Lednicky.*** On June 28, 2011, the Company entered into a transition services agreement with Mr. Lednicky that provided him the ability to receive up to three cash bonus payments in connection with meeting certain objectives associated with restructuring efforts of the Company and its affiliates and his continued provision of services to the Company and affiliates through the earlier of (i) December 30, 2011, or (ii) the date he experienced an involuntary termination of employment (not for cause) or a termination of employment due to death or disability. In entering into the transition services agreement, the Human Resources Committee noted Mr. Lednicky s critical efforts in helping to lead the Company during the management and Board transition. Effective December 30, 2011, Mr. Lednicky left his position as Executive Vice President, Operations. Pursuant to the terms of Mr. Lednicky s transition services agreement with the Company, Mr. Lednicky received $300,000 in retention bonus payments, granted to ensure Mr. Lednicky would be available to assist in the various restructuring efforts, as well as the benefits and payments to which he was entitled under the Executive Severance Pay Plan, including (i) a lump sum payment equal to 12 months of base salary, (ii) continued participation in the Company s group health care plan for 12 months and (iii) a payment of $435,000, which is equal to his target payment under Dynegy s short-term incentive plan for the 2011 performance year. Upon leaving, all of Mr. Lednicky s outstanding restricted shares, phantom stock units and stock options also fully vested in accordance with the terms of the applicable long-term incentive award agreements.

- ***Mr. Stephenson.*** On August 31, 2011, the Company entered into a transition services agreement with Mr. Stephenson. In entering into the transition services agreement, the Human Resources Committee noted Mr. Stephenson s critical efforts in helping to lead the Company during the management and Board transition, and the importance of ensuring that he would be available to assist in the various restructuring efforts. On March 30, 2012, Mr. Stephenson left his position as Executive Vice President. Pursuant to the terms of his transition services agreement with the Company, he received the benefits and payments to which he was entitled under the Executive Severance Pay Plan (i) a lump sum payment equal to 12 months of base salary, (ii) continued participation in the Company s group health care plan for 12 months, and (iii) a payment of $82,500, which is equal to his target payment under Dynegy s short-term incentive plan for the 2012 performance year prorated for his termination date. Mr. Stephenson also received a cash payment of $10,000 to cover the cost of tax and financial planning advice. Upon leaving, all of Mr. Stephenson s outstanding restricted shares, phantom stock units and stock options fully vested in accordance with the terms of the applicable long-term incentive award agreements.

Summary of Employment Agreements

As noted above, in connection with their recruitment and employment, the Company entered into employment agreements with Messrs. Flexon, Freeland and Howell. The Human Resources Committee believes that these employment agreements were necessary to attract each individual, alleviated employment concerns relate to the uncertainty the Company faced at the time of their employment and enabled Messrs. Flexon, Freeland and Howell to focus on their responsibilities and restoring stockholder value. The material terms of these agreements are summarized below:

Robert Flexon President and Chief Executive Officer. In connection with the appointment of Mr. Flexon as Chief Executive Officer, we entered into an employment agreement with him effective June 22, 2011. The agreement continues through December 31, 2014, however the terms will be automatically extended following the end of the initial term and on each subsequent one-year anniversary by an additional one (1)-year period unless, at least ninety (90) days prior to the end of the initial term or the applicable additional term, the Company or Mr. Flexon provides notice to the other party that it or he does not desire to extend the term of the agreement.

Under the agreement, Mr. Flexon is entitled to an annual base salary of $875,000, subject to review by the Board from time to time for increase, and his base salary may be reduced only in connection with a broad-based reduction for employees of the Company. Mr. Flexon has an annual short-term incentive award target of 100% of his annual base salary, with a maximum payout opportunity of 200% if 125% of his performance goals are attained and a minimum payout of 25% if 80% of the performance goals are attained. If the identified performance goals are not attained at least at the 80% level, no payout will be made. Mr. Flexon received a one-time cash sign-on bonus of $750,000 and shares of

Company common stock with an aggregate fair market value equal to $250,000, based on the closing price on the first day of his employment with the Company. The cash and stock sign-on bonus served as inducement awards, given the uncertainty the Company faced, and to account for any short-term and long-term incentives that Mr. Flexon may have forfeited from his prior employer.

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In consideration for Mr. Flexon entering into this employment agreement, and as an inducement to join the Company, he was also granted a non-qualified stock option with respect to the following number of shares of the Company s common stock, (i) 500,000 shares at fair market value on the date of employment; (ii) 625,000 shares at $6.50 per share; (iii) 750,000 shares at $8.00 per share; and (iv) 125,000 shares at $10.00 per share. In no event will the exercise price be less than the fair market value of the Company s common stock on the grant date. Under the Dynegy Inc. 2009 Phantom Stock Plan, Mr. Flexon also received stock appreciation rights, or SARs, for 875,000 shares at $10.00 per share, provided that in no event will the exercise price be less than the fair market value of the Company s common stock on the SAR grant date. The stock options and SARs will become exercisable in equal installments on each of the first four anniversaries of his hire date, however, if his employment is terminated for any reason other than for Cause or by Mr. Flexon without Good Reason (each as defined in the Dynegy Inc. Executive Severance Pay Plan), the stock options and SARs shall immediately vest in full and thereafter be exercisable in accordance with the terms of the award agreements. The Human Resources Committee believed it was necessary to provide these long-term incentive awards to Mr. Flexon to incent him to focus on the attainment of long-term performance goals and objectives, which we deem are instrumental in creating long-term value for stockholders.

The agreement also provides for reimbursement for reasonable direct out-of-pocket moving and relocation expenses incurred by Mr. Flexon in connection with his relocation of his principal residence to the Houston, Texas area, including a reimbursement of up to $100,000 for loss on home sale of his residence in Pennsylvania. In addition, Mr. Flexon is eligible to receive reimbursement for reasonable costs actually incurred for tax and financial planning advice up to $10,000 on an annual basis.

Clint Freeland Executive Vice President and Chief Financial OfficerIn connection with the appointment of Mr. Freeland as Chief Financial Officer, we entered into an employment agreement with him effective June 23, 2011. The agreement continues through December 31, 2014, however the terms will be automatically extended following the end of the initial term and on each subsequent one-year anniversary by an additional one (1)-year period unless, at least ninety (90) days prior to the end of the initial term or the applicable additional term, the Company or Mr. Freeland provides notice to the other party that it or he does not desire to extend the term of the agreement.

Under the agreement, Mr. Freeland is entitled to an annual base salary of $450,000, subject to review by the Board from time to time for increase, and his base salary may be reduced only in connection with a broad-based reduction for employees of the Company. Mr. Freeland has an annual short-term incentive award target of 75% of his annual base salary, with a maximum payout opportunity of 150% if 125% of his performance goals are attained and a minimum payout of 25% if 80% of the performance goals are attained. If the identified performance goals are not attained at least at the 80% level, no payout will be made. Mr. Freeland received a one-time cash sign-on bonus of $150,000 and shares of Company common stock with an aggregate fair market value equal to $50,000, based on the closing price on the first day of his employment with the Company. The cash and stock sign-on bonus served as inducement awards, given the uncertainty the Company faced, and to account for any short-term and long-term incentives that Mr. Freeland may have forfeited from his prior employer.

In consideration for Mr. Freeland entering into this employment agreement, and as an inducement to join the Company, he was also granted a non-qualified stock option with respect to the following number of shares of the Company s common stock: (i) 50,000 shares at fair market value on the date of employment; (ii) 62,5000 shares at $6.50 per share; (iii) 75,000 shares at $8.00 per share; and (iv) 100,000 shares at $10.00 per share. In no event will the exercise price be less than the fair market value of the Company s common stock on the grant date. The stock options will become exercisable in equal installments on each of the first four anniversaries of his hire date, however, if his employment is terminated for any reason other than for Cause or by Mr. Freeland without Good Reason (each as defined in the Dynegy Inc. Executive Severance Pay Plan), the stock options shall immediately vest in full and thereafter be exercisable in accordance with the terms of the award agreements. The Human Resources Committee believed it was necessary to provide these long-term incentive awards to Mr. Freeland to incent him to focus on the attainment of long-term performance goals and objectives, which we deem are instrumental in creating long-term value for stockholders.

The agreement also provides for reimbursement for reasonable direct out-of-pocket moving and relocation expenses incurred by Mr. Freeland in connection with his relocation of his principal residence to the Houston, Texas area, including a reimbursement of up to $100,000 for loss on home sale of his residence in New York. In addition, Mr. Freeland is eligible to receive reimbursement for reasonable costs actually incurred for tax and financial planning advice up to $10,000 on an annual basis.

Kevin Howell Executive Vice President and Chief Operating OfficerIn connection with the appointment of Mr. Howell as Chief Operating Officer, we entered into an employment agreement with him effective June 22, 2011. The agreement continues through December 31, 2014, however the terms will be automatically extended following the end of the

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initial term and on each subsequent one-year anniversary by an additional one (1)-year period unless, at least ninety (90) days prior to the end of the initial term or the applicable additional term, the Company or Mr. Howell provides notice to the other party that it or he does not desire to extend the term of the agreement.

Under the agreement, Mr. Howell is entitled to an annual base salary of $525,000, subject to review by the Board from time to time for increase, and his base salary may be reduced only in connection with a broad-based reduction for employees of the Company. Mr. Howell has an annual short-term incentive award target of 75% of his annual base salary, with a maximum payout opportunity of 150% if 125% of his performance goals are attained and a minimum payout of 25% if 80% of the performance goals are attained. If the identified performance goals are not attained at least at the 80% level, no payout will be made. Mr. Howell received a one-time cash sign-on bonus of $225,000 and shares of Company common stock with an aggregate fair market value equal to $75,000, based on the closing price on the first day of his employment with the Company. The cash and stock sign-on bonus served as inducement awards given the uncertainty the Company faced.

In consideration for Mr. Howell entering into this employment agreement, and as an inducement to join the Company, he was also granted a non-qualified stock option with respect to the following number of shares of the Company s common stock: (i) 60,000 shares at fair market value on the date of employment; (ii) 75,000 shares at $6.50 per share; (iii) 90,000 shares at $8.00 per share; and (iv) 120,000 shares at $10.00 per share. In no event will the exercise price be less than the fair market value of the Company s common stock on the grant date. The stock options will become exercisable in equal installments on each of the first four anniversaries of his hire date, however, if his employment is terminated for any reason other than for Cause or by Mr. Howell without Good Reason (each as defined in the Dynegy Inc. Executive Severance Pay Plan), the stock options shall immediately vest in full and thereafter be exercisable in accordance with the terms of the award agreements. The Human Resources Committee believed it was necessary to provide these long-term incentive awards to Mr. Howell to incent him to focus on the attainment of long-term performance goals and objectives, which we deem are instrumental in creating long-term value for stockholders.

Mr. Howell is eligible to receive reimbursement for reasonable costs actually incurred for tax and financial planning advice up to $10,000 on an annual basis.

March 2012 Compensation Actions

Given the considerable changes to the Named Executive Officer composition and the collective accomplishments of the management team and organization over the course of the year, the Human Resources Committee in its sole discretion reviewed and approved compensation for Mr. Flexon, Mr. Freeland, Mr. Howell and the other members of our executive management team on March 1, 2012. Beginning in January and continuing in March, the Human Resources Committee assessed management s performance for 2011 based on the degree to which the previously described four categories of goals and objectives were attained and the performance-related factors that it considered relevant. Each of these four objectives were equally weighted and, supported by key initiatives and, where possible, quantifiable metrics were used to evaluate the level of attainment. Specifically, the Human Resources Committee considered the following accomplishments:

Restructure the Balance Sheet (25% of total opportunity):

- Successfully completed new credit facilities in the aggregate amount of $1.7 billion.

- Significant progress made with respect to the Plan of Reorganization for Dynegy Holdings, including reaching agreement on the Plan of Reorganization with holders of approximately $1.8 billion of Dynegy Holdings notes and with PSEG regarding a settlement of issues and disputes regarding the Roseton and Danskammer leases.

Improve Operating Margins; Reduce Fixed Costs (25% of total opportunity):

- Successfully exceeded targeted reduction in Dynegy s existing fixed cost structure and realized approximately $49 million in reductions in 2011 versus 2010.

- Successfully managed Dynegy s cash position and collateral requirements as the balance sheet was restructured with more than $360 million in returned cash/collateral.

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- Developed a sustainable program, or PRIDE, that is focused on increasing cash flow through efficiencies. Over 240 initiatives have been identified that will positively impact viability of the Company in future years, with $42 million in contributions in 2011.

Operate and Commercialize Well (25% of total opportunity):

- Plant safety performance metrics below targeted levels as a result of higher safety incidents than expected in 2011.

- Strong operational performance with in-market-availability over 90%.

- Performance on low-cost and in-compliance plant operations metrics were all generally between threshold and max performance.

Meet or Exceed Established Adjusted EBITDA Target (25% of total opportunity):

- Failure to meet Adjusted EBITDA target of $350 million, largely as a result of market factors.

This structure served as the framework for assessing the short-term incentive opportunities for all eligible employees, including certain of the Named Executive Officers. We believe that, by establishing a set of core objectives that are used to determine short-term incentive awards across the organization, we encourage performance and behaviors that are consistent across the organization. The Human Resources Committee noted that 2011 was an unprecedented year, with respect to the complete turnover of the Board and management team. In the midst of this challenging time and difficult business environment, our Named Executive Officers were able to lead the organization in a manner that exceeded the expectations of our Board.

In assessing the four performance objectives, in accordance with the annual established goals, the Human Resources Committee considered both the quantitative and qualitative metrics that comprised each. As a result of its review, the Human Resources Committee determined overall performance for each objective as follows:

Company Objective	Attainment Levels
Restructure the Balance Sheet	Achieved Overall Expectations
Improve Operating Margins; Reduce Fixed Costs	Exceeded Overall Expectations
Operate and Commercialize Well	Below Targeted Performance
Adjusted EBITDA	Below Threshold Performance

Base Salary Determinations. In reviewing base salaries for the Named Executive Officers at the start of 2012, the Human Resources Committee determined the base salaries for Messrs. Flexon, Freeland and Howell were positioned appropriately considering their positions relative to the general industry survey data. Given that each were hired in the second half of 2011, and consistent with the recommendation made by Mr. Flexon, the Human Resources Committee elected not to increase the base salaries for Mr. Freeland and Mr. Howell. Similarly, the Human Resources Committee recommended, and the full Board agreed, not to increase Mr. Flexon s base salary as well. With his employment set to end on March 30, Mr. Stephenson also did not receive a base salary increase.

Named Executive Officer		December 31, 2011 Base Salary		Current Base Salary
Robert Flexon	$	875,000	$	875,000
Clint Freeland	$	450,000	$	450,000
Kevin Howell	$	525,000	$	525,000
Lynn Lednicky(1)	$	435,000		N/A
Kent Stephenson(2)	$	335,000	$	335,000

(1) Mr. Lednicky s employment with the Company ended on December 30, 2011.

(2) Mr. Stephenson s employment with the Company ended on March 30, 2012.

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Short-Term Incentive Determinations. In determining short-term incentive awards for 2011, our performance and the contributions of each Named Executive Officer during the performance year were considered. Following a thorough review process, the Human Resources Committee determined that that the Named Executive Officers performed well relative to the objectives for 2011. The executive leaders, in the midst of complex restructuring and reorganizational objectives, collectively contributed to meeting or exceeding many of the stated objectives, while providing both external and internal stability. The Human Resources Committee reviewed this performance and exercised its discretion in setting the actual funding below the level that might have been expected had it 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 economic climate, actual reported financial results and stockholder value realized in 2011

In considering the performance during the 2011 performance year for the Named Executive Officers, the Human Resources Committee considered each individual s contributions to the overall performance level achieved. After considering these individual factors, as well as the overall performance achieved during 2011 as further described above, and the recommendation of Mr. Flexon, the Human Resources Committee determined, and approved annual short-term incentive awards at 78% of target opportunity for Mr. Freeland, Mr. Howell and Mr. Stephenson. Similarly, the Human Resources Committee recommended, and the full Board approved, to set the annual short-term incentive award for Mr. Flexon at 78%. 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 over the course of 2011 warranted short-term incentive awards at the same percentage of target for each individual. 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 2011 base salary earnings.

Named Executive Officer	Short-Term Incentive Target	Award Earned as a Percent of 2011 Base Earnings	Award Amount
Robert Flexon	100%	78%	$ 315,000
Clint Freeland	75%	78%	$ 125,550
Kevin Howell	75%	78%	$ 146,475
Lynn Lednicky(1)(2)	100%	N/A	$ N/A
Kent Stephenson(1)	100%	78%	$ 257,453

(1) Mr. Lednicky and Mr. Stephenson were eligible for 100% short-term incentive targets for 2011.

(2) Mr. Lednicky did not receive a 2011 short-term incentive award, but he did receive a payment of $435,000 as per the terms of his transition services agreement with the Company.

Long-Term Incentive Opportunity. On January 5, 2012, the Human Resources Committee established the 2012 Long Term Incentive Program Cash, or the Cash Incentive Program, for certain Named Executive Officers and other members of management. The Cash Incentive Program is being implemented in connection with the ongoing financial restructuring of certain of Dynegy Inc. subsidiaries, including Dynegy Holdings, LLC, or DH, and certain of its subsidiaries, which filed voluntary petitions for relief under Chapter 11 of the U.S. Bankruptcy Code. The Cash Incentive Program is intended to (i) incent Company management to remain employed with the Company during the ongoing restructuring program, (ii) incent such individuals to assist DH to successfully emerge from bankruptcy pursuant to a reorganization plan that is approved by the U.S. Bankruptcy Court, and (iii) promote the long-term growth of the Company.

The Cash Incentive Program provides for a long-term incentive compensation payment, payable in cash, equal to a percentage of each Named Executive Officer s base salary as of December 31, 2011. The Human Resources Committee will determine the value of each participant s Program award based on each participant s individual performance during the period between the date of the award and the date of DH s emergence from bankruptcy, (ii) the performance of the Company s management team, and (iii) any other factors that the Committee determines appropriate, in its sole discretion. Each award will be determined by the Human Resources Committee no later than 15 days following DH s emergence from bankruptcy, or the Exit Date, with one-third of the Award amount paid no later than the next available payroll cycle following the Human Resources Committee s determination of the award. The participant will be entitled to receive an additional one-third of the award on each of the first and second anniversaries of the Exit Date, if the participant remains employed with the Company on such dates, with payment of each such amount to occur no later than the next available payroll cycle following each such anniversary.

Any future long-term incentive equity and/or equity-based awards granted in the year in which the award is paid will be offset by the amount of any award. When combined with the target annual long-term equity/equity-based award, no participant will receive a combined equity/equity-based award and cash award greater than the targeted long-term incentive range for his position. Long-term incentive grants for our Named Executive Officers in 2012, if any, will be considered by

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the Human Resources Committee following DH s emergence from bankruptcy. See the table below for the minimum, target and maximum Award ranges for each Named Executive Officer.

Named Executive Officer	Target Long-Term Incentive Range	Minimum LTI-Cash Award %	Target LTI-Cash Award	Maximum LTI-Cash Award
Robert Flexon	200 to 400%	185%	200%	250%
Clint Freeland	100 to 200%	85%	100%	150%
Kevin Howell	100 to 200%	85%	100%	150%
Lynn Lednicky(1)	N/A	N/A	N/A	N/A
Kent Stephenson(1)	N/A	N/A	N/A	N/A

(1) Mr. Lednicky and Mr. Stephenson were not eligible for participation in the Program in 2012.

Tax and Accounting Treatment of the Elements of Executive Compensation

We account for stock-based compensation in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification Topic 718 (ASC 718).

Section 162(m) of the Internal Revenue Code generally disallows a tax deduction to public companies for individual compensation paid to the Chief Executive Officer and the other four highest compensated executive officers to the extent the compensation exceeds $1 million in any year. Performance-based compensation paid pursuant to a stockholder-approved incentive plan is not subject to the Section 162(m) limitations if certain requirements are met. As part of its role, the Human Resources Committee reviews and considers the financial reporting and income tax deductibility of the compensation of our executive officers. Our policy is to utilize available tax deductions whenever appropriate and consistent with our compensation philosophy and objectives. However, the Human Resources Committee retains the discretion to provide compensation to our executive officers that may not be fully deductible.

COMPENSATION AND HUMAN RESOURCES COMMITTEE REPORT

Our executive compensation program is administered and reviewed by the Human Resources Committee, which consists of Messrs. Embler (Chairman), Intrieri and Pardo, 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 report on Form 10-K/A.

This report is submitted by the members of the Human Resources Committee of the Board as of March 1, 2012:

Michael J. Embler, Chairman

Vincent J. Intrieri

Felix Pardo

COMPENSATION AND HUMAN RESOURCES COMMITTEE INTERLOCKS AND INSIDER PARTICIPATION

Messrs. Embler, Intrieri and Pardo currently serve on the Human Resources Committee. None of these members is a current or former officer or employee of Dynegy 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.

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EXECUTIVE COMPENSATION

Summary Compensation Table for 2009, 2010 and 2011

The following table sets forth certain information regarding the compensation earned by or awarded to our Named Executive Officers for 2009, 2010 and 2011 (with information only for the years during which each individual was named a Named Executive Officer):

Name and Principal Position	Year	Salary(1)	Bonus(2)	Stock Awards(3)	Option /SAR Awards(3)	Non-Equity Incentive Plan Comp (4)	Change in Pension Value and Nonqualified Deferred Compensation Earnings(5)	All Other Comp.(14)	Total
Bruce A. Williamson (6)	2009	$ 1,038,462	$	$ 4,800,000	$ 1,200,000	$ 850,000	$ 59,199	$ 233,791	$ 8,181,452
Former Chairman, President	2010	$ 1,000,000	$	$ 3,200,000	$ 800,000	$ 850,000	$ 70,562	$ 116,889	$ 6,037,451
& Chief Executive Officer	2011	$ 211,538	$	$	$	$	$ 65,153	$ 5,239,437	$ 5,516,128
David W. Biegler (7)	2009	$	$	$	$	$	$	$	$
Former interim President	2010	$	$	$	$	$	$	$	$
& Chief Executive Officer	2011	$	$	$	$	$	$	$ 8,300	$ 8,300
							$		
E. Hunter Harrison (8)	2009	$	$	$	$	$	$	$	$
Former interim President	2010	$	$	$	$	$	$	$	$
& Chief Executive Officer	2011	$ 250,000	$	$ 17,500	$	$	$	$	$ 267,500
Robert C. Flexon	2009	$	$	$	$	$	$	$	$
President & Chief	2010	$	$	$	$	$	$	$	$
Executive Officer	2011	$ 403,846	$ 1,000,000	$	$ 10,186,833	$ 315,000	$ 23,074	$ 148,921	$ 12,077,674
Holli C. Nichols (9)	2009	$ 519,231	$	$ 1,200,000	$ 300,000	$ 425,000	$ 27,738	$ 61,582	$ 2,533,551
Former Executive Vice	2010	$ 521,154	$	$ 840,000	$ 210,000	$ 525,000	$ 41,444	$ 61,203	$ 2,198,801
President & Chief Financial									
Officer	2011	$ 111,058	$	$	$	$	$ 43,500	$ 298,861	$ 453,419
Charles C. Cook (10)	2009	$ 415,385	$	$ 840,000	$ 210,000	$ 340,000	$ 21,905	$ 49,221	$ 1,876,511
Former Interim Chief Financial Officer &	2010	$ 429,616	$	$ 609,000	$ 152,250	$ 435,000	$ 34,415	$ 50,797	$ 1,711,178
Former Executive Vice President Commercial & Market Analytics	2011	$ 205,788	$	$ 761,250	$	$	$ 38,241	$ 68,755	$ 1,074,034
Clint C. Freeland	2009	$	$	$	$	$	$	$	$
Executive Vice President &	2010	$	$	$	$	$	$	$	$
Chief Financial Officer	2011	$ 214,615	$ 200,000	$	$ 1,023,043	$ 125,550	$ 11,838	$ 85,868	$ 1,660,914
Kevin T. Howell	2009	$	$	$	$	$	$	$	$
Executive Vice President &	2010	$	$	$	$	$	$	$	$
Chief Operating Officer	2011	$ 250,385	$ 300,000	$	$ 1,227,651	$ 146,475	$ 14,357	$ 25,378	$ 1,964,246
Lynn A. Lednicky (11)	2009	$ 441,346	$	$ 892,588	$ 223,125	$ 361,250	$ 45,239	$ 53,678	$ 2,017,226
Former Executive Vice	2010	$ 433,462	$	$ 609,000	$ 152,250	$ 435,000	$ 49,926	$ 52,214	$ 1,731,852
President Operations	2011	$ 435,000	$	$ 761,250	$	$ 435,000	$ 50,569	$ 809,662	$ 2,491,481

Kent R. Stephenson (12)	2009	$	$	$	$	$	$	$	$
Former Executive Vice	2010	$	$	$	$	$	$	$	$
President & General Counsel	2011	$ 330,068	$	$ 586,250	$	$ 257,453	$ 24,076	$ 42,368	$ 1,240,216
J. Kevin Blodgett (13)	2009	$ 441,346	$	$ 892,588	$ 233,125	$ 361,250	$ 23,673	$ 52,675	$ 1,994,657
Former General Counsel &	2010	$ 446,154	$	$ 630,000	$ 157,500	$ 382,500	$ 36,274	$ 52,266	$ 1,704,694
Executive Vice President Administration	2011	$ 51,923	$	$	$	$	$ 46,380	$ 471,708	$ 570,011

(1) Amounts include salary earned for a full 12 months. Actual salary earned in any calendar year may vary from the annual base salary due to timing of pay cycles and time of service.

(2) Amounts shown under Bonus for Messrs. Flexon, Freeland and Howell include: a) one time lump sum cash payment in the amount of $750,000, $150,000 and $225,000, respectively; and b) shares of our common stock with an aggregate fair market value of $250,000, $50,000 and $75,000, respectively, or the Private Placement Shares. Messrs. Flexon, Freeland and Howell received the following number of Private Placement Shares: 42,017, 8,306 and 12,605, respectively.

(3) On March 4, 2009, the Board adopted the Phantom Stock Plan in order to grant cash-settled phantom stock units. On July 8, 2011 the Phantom Stock Plan was amended to allow for the granting of cash-settled stock appreciation rights, or SARs. Even though the phantom stock units and SARs 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 column and the SARs are reported under the stock option/SARS column. Please see Security Ownership of Certain Beneficial Owners and Management below for each Named Executive Officer s beneficial ownership of our capital stock. The amounts shown under Stock Awards and Option / SAR Awards for 2009, 2010 and 2011 reflect the aggregate grant date fair value for restricted stock, phantom stock units, and performance units, in the case of Stock Awards, and for option awards and SARS (using the Black Scholes model), 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. 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 were met, for the performance units granted in 2009 for Messrs. Williamson, Blodgett, Lednicky and Cook were $6,000,000, $1,115,800, $1,115,800 and $1,050,000, respectively, and $1,500,000 for Ms. Nichols. The maximum payouts, if performance criteria were met, for the performance units granted in 2010 for Messrs. Williamson, Blodgett, Lednicky and Cook were $4,800,000, $945,000, $913,600 and $913,600, respectively, and $1,260,000 for Ms. Nichols. For 2009, the phantom stock units were valued at the closing price of our common stock on March 4, 2009, the award date, and under the Phantom Stock Plan payments were to be made based on the closing price on the vesting date of March 4, 2012 (1 unit equals 1 share). For 2010, the restricted stock awards were valued at the closing price of our common stock on March 3, 2010, the award date, and under the Phantom Stock Plan payments were to be made based on the closing price on the vesting date of March 3, 2013. For 2011, the phantom stock units granted to Messrs. Cook, Lednicky and Stephenson were valued at the closing price of our common stock on March 7, 2011 and under the Phantom Stock Plan the units were scheduled to ratably vest over the period of three years from the grant date. The phantom stock units granted to Mr. Harrison on June 30, 2011 for his service as interim President and Chief Executive Officer were valued at the closing price of our common stock on June 30, 2011. Mr. Harrison resigned as interim President and Chief Executive Officer effective July 10, 2011. Under the terms of his phantom stock unit grant agreement, the phantom stock units became payable in cash after Mr. Harrison incurred a separation of service in his capacity as an employee of Dynegy, which resulted in a payment of $18,714, reflecting the closing stock price as of July 8, 2011, the last trading day prior to Mr. Harrison s separation of service. The options and SARs granted to Messrs. Flexon, Freeland and Howell vest in four equal annual installments beginning on July 11, 2012 for Mr. Flexon and July 5, 2012 for Messrs. Freeland and Howell. The table does not include information regarding long-term cash or equity-based awards related to restructuring and 2011 performance that were or will be granted to certain of the Named Executive Officers in 2012.

(4) The amounts shown under Non-Equity Incentive Plan Compensation for 2009, 2010 and 2011 reflect cash bonuses awarded under the Dynegy Inc. Incentive Compensation Plan. The 2009 bonuses were earned in 2009 and paid in March 2010, the 2010 bonuses were earned in 2010 and paid in March 2011 and the 2011 bonuses were earned in 2011 and paid in March 2012, except for Mr. Lednicky.

(5) The amount shown for 2011 for Mr. Lednicky includes a change in pension value of $46,655 under our Retirement Plan and the Dynegy Restoration Pension Plan, or Restoration Pension Plan, and a change in Nonqualified Deferred Compensation Earnings of $3,914 under the Dynegy Inc. Deferred Compensation Plan, or Deferred Compensation Plan. On June 15, 2011, the Deferred Compensation Plan was terminated resulting in a distribution of $180,071 to Mr. Lednicky. The amount shown for 2010 for Mr. Lednicky includes a change in pension value of $36,208 under the Retirement Plan and the Restoration Pension Plan, and a change in nonqualified deferred compensation earnings of $13,718 under the Deferred Compensation Plan. 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 Deferred Compensation Plan. Mr. Lednicky was the only Named Executive Officer who participated in the Deferred Compensation Plan. The amounts shown for the other Named Executive Officers, with the exception of Messrs. Biegler and Harrison who did not participate in the retirement plans, reflect only changes in pension value under the Retirement Plan and Restoration Pension Plan.

(6) Mr. Williamson left his position as President and Chief Executive Officer effective March 11, 2011. See All Other Compensation below for payments in connection with Mr. Williamson s Offer of Severance and Release agreement, or Separation of Service Agreement. Please also see Corporate Governance Changes to Board of Directors and Executive Team During 2011 and 2012.

(7) Pursuant to the terms of Mr. Biegler s Independent Contractor Agreement, for his service as interim President and Chief Executive Officer he received a daily fee of $4,150 per day, plus expenses, for each day that he primarily devoted service to Dynegy during the period from March 12, 2011 to April 9, 2011. Mr. Biegler was not eligible to participate in any employee benefit plans or programs of Dynegy or any of its affiliates, with the exception of his continued participation in the Directors Deferred Compensation Plan (see Corporate Governance Changes to Board of Directors and Executive Team During 2011 and 2012).

(8) Pursuant to the terms of Mr. Harrison s employment, for his service as interim President and Chief Executive Officer he was paid at an annual salary rate of $1,000,000 for the period from April 9, 2011 to July 11, 2011. He also received a grant of phantom stock units in an amount equivalent to the amount of phantom stock he otherwise would have been eligible to receive as a non-employee director under the Directors Deferred Compensation Plan (see Stock Awards and Note 3 above concerning Mr. Harrison s phantom stock award). Mr. Harrison did not participate or receive benefits under any employee benefit plans or programs of Dynegy or any of its affiliates, with the exception of the Phantom Stock Plan (see Corporate Governance Changes to Board of Directors and Executive Team During 2011 and 2012).

(9) Ms. Nichols resigned from her position as Executive Vice President and Chief Financial Officer effective March 11, 2011. See Note 5 below for payments made to Ms. Nichols in connection with her Consulting Agreement and Release. Please also see Corporate Governance Changes to Board of Directors and Executive Team During 2011 and 2012 for more information.

(10) Mr. Cook s resignation as interim Chief Financial Officer and Executive Vice President, Commercial & Market Analytics was accepted on June 15, 2011. See Corporate Governance Changes to Board of Directors and Executive Team During 2011 and 2012 for more information.

(11) Mr. Lednicky left his position as Executive Vice President, Operations effective December 30, 2011. See Note 6 below for payments made to Mr. Lednicky in connection with his Transition Services Agreement. See Corporate Governance Changes to Board of Directors and Executive Team During 2011 and 2012 for more information.

(12) Mr. Stephenson left his position as Executive Vice President effective March 30, 2012. See Corporate Governance Changes to Board of Directors and Executive Team During 2011 and 2012 for more information.

(13) Mr. Blodgett left his position as General Counsel and Executive Vice President, Administration effective February 4, 2011. See Note XX below for payments made to Mr. Blodgett in connection with his departure. Please also see Corporate Governance Recent Events for more information.

(14) The amounts shown as All Other Compensation for 2009, 2010 and 2011 are identified in the following table:

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Name	Year	Perquisites and Other Personal Benefits($) (1)	Tax Reimbursements ($)(2)	401(k) Plan Contributions	Restoration 401(k) Savings Plan Contributions	Portable Retirement Plan Contributions	Restoration Pension Plan Contributions	Life Insurance Premiums	Resignation, Separation and Severance	Independent Contractor & Consulting Agreements	Total
Bruce A. Williamson(3)	2009	$ 70,086	$ 41,695	$ 12,250	$ 39,673	$ 14,700	$ 47,608	$ 7,779	$	$	$ 233,791
	2010	$	$	$ 12,250	$ 37,750	$ 14,700	$ 45,300	$ 6,889	$	$	$ 116,889
	2011	$	$	$ 11,346	$ 6,660	$ 14,700	$ 7,992	$ 1,072	$ 5,197,666	$	$ 5,239,436
David W. Biegler(4)	2009	$	$	$	$	$	$	$	$	$	$
	2010	$	$	$	$	$	$	$	$	$	$
	2011	$	$	$	$	$	$	$	$	$ 8,300	$ 8,300
E. Hunter Harrison	2009	$	$	$	$	$	$	$	$	$	$
	2010	$	$	$	$	$	$	$	$	$	$
	2011	$	$	$	$	$	$	$	$	$	$
Robert C. Flexon	2009	$	$	$	$	$	$	$	$	$	$
	2010	$	$	$	$	$	$	$	$	$	$
	2011	$ 91,354	$ 23,151	$ 0	$ 7,942	$ 14,700	$ 9,531	$ 2,243	$	$	$ 148,921
Holli C. Nichols(5)	2009	$	$ 1,052	$ 12,250	$ 13,712	$ 14,700	$ 16,454	$ 3,414	$	$	$ 61,582
	2010	$	$	$ 12,250	$ 13,808	$ 14,700	$ 16,569	$ 3,876	$	$	$ 61,203
	2011	$	$	$ 7,168							