DYNEGY INC.
Form DEF 14A
April 13, 2015

QuickLinks -- Click here to rapidly navigate through this document

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of
the Securities Exchange Act of 1934 (Amendment No.)

Filed by the Registrant ý

Filed by a Party other than the Registrant o

Check the appropriate box:

o Preliminary Proxy Statement

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

ý Definitive Proxy Statement

o Definitive Additional Materials

o Soliciting Material under §240.14a-12

Dynegy Inc.

(Name of Registrant as Specified In Its Charter)

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

Payment of Filing Fee (Check the appropriate box):

ý No fee required.

o Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

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

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

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

(4) Proposed maximum aggregate value of transaction:

(5) Total fee paid:

o Fee paid previously with preliminary materials.

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

(1) Amount Previously Paid:

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

(3) Filing Party:

(4) Date Filed:

Dynegy Inc.
601 Travis, Suite 1400
Houston, Texas 77002

Pat Wood III
Chairman of the Board

ANNUAL MEETING June 3, 2015

April 13, 2015

To our stockholders:

It is my pleasure to invite you to attend the 2015 Annual Meeting of stockholders of Dynegy Inc., which will be held on June 3, 2015, at 10:00 a.m., Central Time. You will be able to attend the 2015 Annual Meeting, vote, and submit your questions during the meeting via live webcast through the link ***www.virtualshareholdermeeting.com/DYN15***. You will need the 12-digit control number included with these proxy materials to attend the Annual Meeting. Only persons who were stockholders of record at the close of business on April 6, 2015 are entitled to notice of, and to vote at, the Annual Meeting.

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

As Dynegy stockholders, your vote is important; please vote your shares as soon as possible. You may vote your shares by internet or telephone (or, if you received a printed set of materials by mail, by returning the accompanying proxy card). Voting in advance of the meeting will not deprive you of your right to participate in the virtual meeting and to vote your shares during the live webcast if you so choose.

Sincerely,

Pat Wood III
Chairman of the Board

Dynegy Inc.
601 Travis, Suite 1400
Houston, Texas 77002

NOTICE OF 2015 ANNUAL MEETING OF STOCKHOLDERS

Meeting Date:	**June 3, 2015**
Time:	**10:00 a.m. (Central)**
Via live webcast:	***www.virtualshareholdermeeting.com/DYN15*** You will need the 12-digit control number provided on the Notice of Internet Availability of Proxy Materials or your proxy card (if applicable).

ITEMS OF BUSINESS:

1. To elect seven directors to serve until the 2016 Annual Meeting of Stockholders;

2. To approve, on an advisory basis, the compensation of Dynegy's named executive officers as described in this proxy statement; and

3. To act upon a proposal to ratify the appointment of Ernst & Young LLP as Dynegy's independent registered public accountants for the fiscal year ending December 31, 2015.

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

The close of business on April 6, 2015 has been fixed as the record date for the determination of stockholders entitled to receive notice of and to vote at the Annual Meeting and any reconvened meeting after an adjournment or postponement of the meeting.

You are cordially invited to attend the meeting. **PLEASE VOTE AS SOON AS POSSIBLE.**

By Order of the Board of Directors,

Kelly D. Tlachac
Corporate Secretary

April 13, 2015

PROXY SUMMARY INFORMATION

This summary is included to provide an introduction and overview of the information contained in this proxy statement. This is a summary only and does not contain all of the information we have included in our 2015 proxy statement. You should refer to the full Proxy Statement that follows for more information about us and the proposals you are being asked to consider.

2014 BUSINESS HIGHLIGHTS

Capital Allocation

Met or Exceeded 2014 Guidance range for Adjusted EBITDA and Free Cash Flow.

Announced the acquisitions of EquiPower Resources Corp. and Brayton Point Holdings, LLC from Energy Capital Partners, or EquiPower Acquisition, and also the acquisition of ownership interests in certain Midwest generation assets and a retail energy business from Duke Energy, or Duke Acquisition.

Completed $6.2 billion acquisition financing including common stock, mandatory convertible preferred stock and senior unsecured notes in October 2014.

Successfully cleared an 80 megawatt turbine uprate at the Kendall facility in the 2017/2018 PJM capacity auction, with the first 40 megawatts already installed during 2014 and the second 40 megawatts scheduled for installation in 2016.

Customer Focus

Moss Landing 6&7 tolling agreement for 2016 received final approval from the California Public Utilities Commission.

Forward bilateral capacity sales in MISO exceed 1,200 megawatts and Illinois Power Holdings, LLC ("IPH") annual long-term contracts for energy and capacity total 470 megawatts a contract for up to 120 megawatts was signed in July and IPH cleared 847 megawatts in the May PJM auction.

Initiated transmission project to reduce congestion at our Baldwin facility.

Created the operating model to manage the retail business as a profitable channel to market and effective hedge for generation while achieving high ratings from satisfied customers for service and new product offerings.

Continuous Improvement

PRIDE initiatives delivered $90 million in EBITDA for 2014. Over 100 cash cost reduction initiatives identified including efforts related to Marcellus gas sourcing, reliability improvements, refined coal, coal supplier diversity and optimizing plant performance.

Executive Compensation

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 the Company's and the individual executive's performance.

Pay for Performance Our total compensation for each individual provides reasonable upside potential for exceptional performance; as well as risk of no payment, with respect to incentive compensation, when performance objectives are not achieved. Our variable pay programs are designed as forward-looking incentives that reflect individual and corporate performance during the year under review.

Alignment with Stockholder Value Our LTI awards encourage share price improvement and a strong link to stockholder interests. Our compensation programs are designed and administered to maximize stockholder value.

Market Competiveness Our overall compensation strategy recognizes 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.

The mix of pay across base salary, short-term incentive and long-term incentive awards are most heavily weighted towards at-risk pay, aligning performance with stockholder value.

Corporate Governance Highlights

Our practices include a number of policies and structures that we believe are "best practices", including:

Separation of Chairman of the Board and Chief Executive Officer positions;

Regular meetings of our non-management and independent directors;

Policies prohibiting pledging and hedging transactions involving our common stock by directors and executive officers;

Stock ownership guidelines applicable to directors and officers;

Majority voting policy;

No excise tax gross-ups;

Change in control and severance benefits that are subject to "double trigger;"

An independent executive compensation consultant hired by and reporting to the Compensation and Human Resources Committee; and

Clawback mechanism in place for incentive awards.

CEO Total Target Compensation

All Other NEOs Total Target Compensation

PROPOSALS FOR STOCKHOLDER ACTION

	For More Information	***Board Recommendation***
Proposal 1: Election of Directors Pat Wood III Paul M. Barbas Richard L. Kuersteiner John R. Sult Hilary E. Ackermann Robert C. Flexon Jeffrey S. Stein	Page 16	ü **For**
Proposal 2: Advisory Vote on our 2014 Executive Compensation	Page 65	ü **For**
Proposal 3: Ratification of Independent Registered Public Accountants for 2015	Page 70	ü **For**

ANNUAL MEETING INFORMATION

Time and Date:	10:00 a.m. (CT) on Wednesday, June 3, 2015
Virtual Meeting:	Live webcast through the link ***www.virtualshareholdermeeting.com/DYN15*** — You will need the **12-digit control number** provided on the Notice of Internet Availability of Proxy Materials or your proxy card (if applicable).
Record Date:	April 6, 2015
Voting Methods:	

Attending the meeting via live webcast	Submitting your proxy by internet (***http://www.proxyvote.com***) or telephone 1-800-690-6903	If you request a printed copy of the proxy materials, completing, signing, dating and returning the proxy card in the envelope provided	Scanning this QR code to access the voting site from your mobile device

Requesting Copies of Materials: Current and prospective investors can also access or order free copies of our Annual Report, proxy statement, Notice and other financial information through the Investor Relations section of our web site at ***www.dynegy.com***, by calling 713-507-6400 or by writing to Investor Relations Department, Dynegy Inc., 601 Travis, Suite 1400, Houston, Texas 77002.

PROXY STATEMENT

GENERAL INFORMATION

Why am I receiving these materials?

The Board of Directors of Dynegy Inc., or the Board, has made these materials available to you over the internet, or has delivered printed versions of these materials to you by mail, in connection with the Board's solicitation of proxies for use at the 2015 Annual Meeting of Stockholders, or the Annual Meeting. The Annual Meeting is scheduled to be held on Wednesday, June 3, 2015 at 10:00 a.m., Central Time, via live webcast through the link ***www.virtualshareholdermeeting.com/DYN15***. You will need the 12-digit control number provided on the Notice of Internet Availability of Proxy Materials or your proxy card (if applicable). This solicitation is for proxies for use at the Annual Meeting or at any reconvened meeting after an adjournment or postponement of the Annual Meeting.

What is included with these materials?

These materials include our proxy statement for the Annual Meeting and our 2014 Annual Report to Stockholders, or Annual Report, which includes our audited consolidated financial statements. If you received printed versions of these materials, a proxy card for the Annual Meeting is also included.

What items will be voted on at the Annual Meeting?

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

1. The election of seven directors to serve until the 2016 Annual Meeting of Stockholders;
2. A proposal to approve, on an advisory basis, the compensation of Dynegy's named executive officers as described in this proxy statement; and
3. A proposal to ratify the appointment of Ernst & Young LLP as Dynegy's independent registered public accountants for the fiscal year ending December 31, 2015.

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

What are the Board's voting recommendations?

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

Proposal 1 **FOR** the election of seven directors to the Board;

Proposal 2 **FOR** approval of the compensation of Dynegy's named executive officers described in this proxy statement; and

Proposal 3 **FOR** ratification of the appointment of Ernst & Young LLP as our independent registered public accountants.

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

Pursuant to the rules adopted by the Securities and Exchange Commission, or SEC, we are providing electronic access to our proxy materials over the internet. Accordingly, we sent a Notice of Internet Availability of Proxy Materials, or Notice, to our stockholders of record and beneficial owners, which was first mailed on or about April 13, 2015. Instructions on how to access the proxy materials over the internet are included in the Notice.

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

Current and prospective investors can also access or order free copies of our Annual Report, proxy statement, Notice and other financial information through the Investor Relations section of our web site at ***www.dynegy.com***, by calling 713-507-6400 or by writing to Investor Relations Department, Dynegy Inc., 601 Travis, Suite 1400, Houston, Texas 77002.

How can I get electronic access to the proxy materials?

The Notice provides you with instructions regarding how to:

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

Choosing to receive your future proxy materials by email will save us the cost of printing and mailing documents to you and will reduce the impact of our Annual Meetings on the environment. If you choose to receive future proxy materials by email, you will receive an email next year with instructions containing a link to those materials and a link to the proxy voting site. Your election to receive proxy materials by email will remain in effect until you terminate it. Internet/telephone voting for the Annual Meeting will close at 11:59 p.m., Eastern Time, on June 2, 2015.

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

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

What is the quorum requirement for the Annual Meeting?

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

Where is the Annual Meeting?

You are invited to attend the Annual Meeting online through the link ***www.virtualshareholdermeeting.com/DYN15***. The 12-digit Control Number provided on your Notice or proxy card is necessary to access this site.

As of the record date, April 6, 2015, there were outstanding 128,139,664 shares of common stock.

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

Stockholder of Record. If your shares are registered in your name with our transfer agent, Computershare, you are considered the stockholder of record with respect to those shares, and the Notice was sent directly to you by us.

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

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

If you are a stockholder of record you may vote by proxy over the internet by following the instructions provided in the Notice, by telephone, or, if you received printed copies of the proxy materials, you may also vote by mail. You may also vote at the Annual Meeting through the link ***www.virtualshareholdermeeting.com/DYN15***. The 12-digit Control Number provided on your Notice or proxy card is necessary to access this site. **Please vote as soon as possible.**

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

If you are a beneficial owner of shares held in street name, please refer to the Notice, proxy card, or voting information form forwarded to you by your broker or other nominee to see what voting options are available to you. **Please vote as soon as possible.**

What happens if I do not give specific voting instructions?

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

- indicate when voting on the internet or by telephone that you wish to vote as recommended by our Board; or

- if you sign and return a proxy card without giving specific voting instructions,

then the proxy holders will vote your shares in the manner recommended by our Board on Proposals 1-3 in this proxy statement and as the proxy holders may determine in their discretion with respect to any other matters properly presented for a vote at the Annual Meeting.

Beneficial Owner of Shares Held in Street Name; "Broker Non-Votes." If you are a beneficial owner of shares held in street name and do not provide the organization that holds your shares with specific voting instructions, under the rules of the New York Stock Exchange, or NYSE, the organization that holds your shares may generally vote on routine matters but cannot vote on non-routine matters. If the organization that holds your shares does not receive instructions from you on how to vote your shares on a non-routine matter, the organization that holds your shares will inform our Inspector of Election that it does not have the authority to vote on this matter with respect to your shares. This is generally referred to as a "broker non-vote." When our Inspector of Election tabulates the votes for any particular matter, broker non-votes will be counted for purposes of determining whether a quorum is present for that matter, but will not otherwise be counted.

For example, please note that brokers may not vote your shares on the election of directors or the proposal regarding named executive officer compensation in the absence of your specific instructions as to how to vote. Please provide your broker with voting instructions as soon as possible so that your vote can be counted. We encourage you to provide voting instructions to the organization that holds your shares by carefully following the instructions provided in the Notice.

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

Proposal 3 (Ratification of Appointment of Independent Registered Public Accountants) involves a matter that we believe will be considered routine.

Proposal 1 (Election of Directors) and Proposal 2 (Approval of Compensation of our Named Executive Officers) involve matters that we believe will be considered non-routine.

How are abstentions and broker non-votes treated?

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

For each "non-routine" proposal, including whether the stockholders have elected the seven director nominees, broker non-votes are not counted. **Please note that brokers may not vote your shares on the election of directors or the proposal regarding named executive officer compensation in the absence of your specific instructions as to how to vote. Please provide your broker with voting instructions as soon as possible so that your vote can be counted.** You cannot abstain in the election of directors you can only vote FOR the director nominees or WITHHOLD VOTES for such nominees.

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

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

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

Proposal 1	Election of seven directors to serve until the 2016 Annual Meeting of Stockholders	Seven persons have been nominated by the Board for election to serve as directors for one-year terms. The holders of our common stock are entitled to vote on the election of the directors. The directors are elected by a plurality of the shares of common stock represented in person (through internet access) or by proxy and entitled to vote on the election of directors, subject to our majority voting policy discussed below. This means that the seven individuals nominated for election to the Board who receive the most FOR votes among votes properly cast in person (through internet access) or by proxy will be elected. Each holder of our common stock is entitled to one vote for each share held and does not have cumulative voting rights. Only FOR or WITHHELD votes are counted in determining whether a plurality has been cast in favor of a director nominee. You cannot abstain in the election of directors and broker non-votes are not counted. A WITHHELD vote will have the same effect as a vote AGAINST the election of a director nominee under our majority voting policy, which is described below. ***Majority voting policy:*** In an uncontested election, any director nominee who receives a greater number of votes WITHHELD for his or her election than votes FOR such election must offer his or her resignation to the Board promptly following certification of the stockholder vote. The Corporate Governance and Nominating Committee, or Nominating Committee, is required to recommend to the Board whether such offered resignation should be accepted or rejected. The Board will determine whether to accept or reject the resignation offer and will promptly disclose its decision making process and decision regarding an offered resignation in a document furnished to or filed with the SEC. Please read our Amended and Restated Corporate Governance Guidelines posted in the "Corporate Governance" section of our web site at ***www.dynegy.com*** for more information regarding our majority voting policy.

Proposal 2	Act upon a proposal to approve, on an advisory basis, the compensation of Dynegy's named executive officers as described in this proxy statement	The affirmative vote of a majority of the shares of common stock represented in person (through internet access) or by proxy at the meeting and entitled to vote is required to approve, on an advisory basis, the compensation of Dynegy's named executive officers. Each holder of our common stock is entitled to one vote for each share held. Abstentions will have the same effect as a vote AGAINST this proposal. Broker non-votes are not counted.
Proposal 3	Ratification of the appointment of Ernst & Young LLP as Dynegy's independent registered public accountants for the fiscal year ending December 31, 2015	The affirmative vote of a majority of the shares of common stock represented in person (through internet access) or by proxy at the meeting and entitled to vote is required to ratify the choice of independent registered public accountants. Each holder of our common stock is entitled to one vote for each share held. Abstentions will have the same effect as a vote AGAINST this proposal.

May I change my vote after I have voted?

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

Executing and submitting a revised proxy (including a telephone or internet vote, which must be received by 11:59 p.m., Eastern Time, on June 2, 2015);

Sending written notice of revocation to our Corporate Secretary at the address provided below (which must be received by 11:59 p.m., Eastern Time, on June 2, 2015); or

Voting at the Annual Meeting through the link ***www.virtualshareholdermeeting.com/DYN15***. The 12-digit Control Number provided on your Notice or proxy card is necessary to access this site.

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

Is my vote confidential?

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

As necessary to meet applicable legal requirements;

To allow for the tabulation and certification of votes; and

To facilitate a proxy solicitation.

Who is paying the cost of this proxy solicitation?

We will bear the cost of soliciting proxies. Proxies may be solicited by mail or facsimile, or by our directors, officers or employees, without extra compensation, in person or by telephone. We have retained Morrow & Co., LLC to assist in the solicitation of proxies for a fee of approximately $9,000 plus out-of-pocket expenses and telephone solicitation expenses. We will reimburse brokerage houses and other custodians, nominees and fiduciaries for their reasonable out-of-pocket expenses for forwarding solicitation material to the beneficial owners of our common stock.

What if I have questions about the proposals?

Questions concerning the proposals to be acted upon at the Annual Meeting should be directed to:

Dynegy Inc.
Attention: Investor Relations Department
601 Travis, Suite 1400, Houston, Texas 77002
713.507.6400

OR

Morrow & Co., LLC
470 West Ave.
Stamford, CT 06902
1.800.662.5200

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

For a period of at least ten days before the Annual Meeting, a complete list of stockholders of record entitled to vote at the Annual Meeting will be available during ordinary business hours at our principal executive office, 601 Travis Street, Suite 1400, Houston, TX 77002, for inspection by stockholders of record for proper purposes. The list of stockholders will also be available at the Annual Meeting through the link ***www.virtualshareholdermeeting.com/DYN15***. The 12-digit Control Number provided on your Notice or proxy card is necessary to access this site.

REFERENCES TO DYNEGY AND COMMON STOCK

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

INCORPORATION BY REFERENCE

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

CORPORATE GOVERNANCE

GOVERNANCE DOCUMENTS

The following governance documents are posted in the "Corporate Governance" section of our web site at ***www.dynegy.com*** and are available upon request to our Corporate Secretary:

- Third Amended and Restated Certificate of Incorporation;
- Sixth Amended and Restated Bylaws;
- Corporate Governance Guidelines;
- 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 Committee Charter;
- Compensation and Human Resources Committee Charter;
- Corporate Governance and Nominating Committee Charter; and
- Finance and Commercial Oversight 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:

- Our prohibition against directors and executive officers holding our securities in a margin account or pledging our securities, absent Company approval;
- Our prohibition against directors and executive officers engaging in any hedging transaction with respect to our securities held by them;

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 separation of Chairman of the Board, or Chairman, and Chief Executive Officer positions;

The regular meetings of our non-management and independent directors;

The nomination of persons for election to our Board;

The evaluation of performance of our Board and its committees;

Our expectation that our Board members will attend all annual stockholder meetings;

Compensation of our Board and stock ownership guidelines for non-management directors;

The approval of the compensation of the Chief Executive Officer;

The review of development and succession plans for the Chief Executive Officer and other executive officers; and

The review of performance based compensation of our senior executives following a restatement that impacts the achievement of performance targets relating to that compensation.

CODE OF BUSINESS CONDUCT AND ETHICS

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

CODE OF ETHICS FOR SENIOR FINANCIAL PROFESSIONALS

Our Code of Ethics for Senior Financial Professionals applies to our Chief Executive Officer, Chief Financial Officer, Chief Accounting Officer 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 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: Corporate Secretary, 601 Travis, Suite 1400, Houston, Texas 77002.

DIRECTOR ATTENDANCE AT ANNUAL MEETINGS

As detailed in our Corporate Governance Guidelines, Board members are requested and encouraged to attend the Annual Meeting. All of the members of the Board then in office attended last year's annual meeting held on May 29, 2014.

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, Risk Management and Insurance 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 meets regularly 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 control over financial reporting 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 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.

The Compensation and Human Resources Committee, or Compensation 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. As part of our ongoing formal process for assessing and monitoring risk related to our compensation programs and for reviewing certain policies to ensure that the appropriate controls exist to mitigate any identified risk, the Compensation Committee conducted a risk assessment in 2015 to reaffirm that our short-term incentive, or STI, programs, including specifically the lack of separate plans or incentives for individual functions, do not encourage excessive risk-taking. This involved a review of a set of risk assessment considerations related to our STI and long-term incentive, or LTI, programs.

Following this review, the Compensation Committee concluded that our STI programs collectively foster cooperation and focus award opportunities on measures that are aligned with our business strategy and the interests of our stockholders and do not encourage excessive risk-taking and risk-taking behaviors.

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. Additionally, the Nominating Committee evaluates the performance of the Board, its committees and management annually and considers risk management effectiveness as part of their evaluation.

The Finance and Commercial Oversight Committee, or Finance Committee, oversees risks primarily with respect to oversight of our capital structure, financing and treasury matters and oversight of management's process for the identification, evaluation and mitigation of our financial and commercial related risks. Further, as part of their risk assessment responsibility, the Finance Committee oversees our commodity risk monitored by our risk control group and receives regular reporting regarding commodity risk management effectiveness.

The full Board oversees risks primarily associated with our commercial and operating performance and our environmental, health and safety performance. The full Board also receives quarterly updates from all Board committees, and they provide guidance to individual committee activities as appropriate.

BOARD LEADERSHIP STRUCTURE; SEPARATION OF POSITIONS OF CHAIRMAN AND CHIEF EXECUTIVE OFFICER

As discussed in our Corporate Governance Guidelines, the Board believes the position of Chairman should be held by a non-management director and not the Chief Executive Officer. 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. Wood, as Chairman, provides overall leadership to the Board in its oversight function. As such, he serves as the presiding director of executive sessions of the non-management and independent directors.

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-management director is expected to own a meaningful amount of Dynegy common stock; specifically, it is expected that within three years of joining the Board, a non-management director shall own at least the number of shares equivalent to three times their annual cash retainer. For purposes of this guideline: (1) each share of common stock owned on any date (a "measuring date") by a director shall be deemed to have a value equal to the greater of (a) the trading price of a share of the Company's common stock as of the date the applicable share was granted to the director or (b) the trading price of a share of the Company's common stock as of the measuring date; and (2) shares owned outright, phantom stock units, shares or units of restricted stock and shares subject to deferred compensation shall be counted as shares of common stock owned by the director (with the value thereof determined in accordance with clause (1) above).

Officers

The shares counted for purposes of our officers' common stock ownership guidelines include shares owned outright, unvested restricted stock units, or RSUs, stock options (vested, in-the-money), and other share based equivalents that we may use from time to time. The holding requirements are expressed as a multiple of base salary and vary by level, specifically for the Chief Executive Officer and Executive Vice President levels they are as follows:

Chief Executive Officer	5 × annual base salary
Executive Vice President	3 × annual base salary

Upon our emergence from bankruptcy on October 1, 2012 (the "Effective Date") and pursuant to the terms of our Plan of Reorganization, all outstanding equity awards of the Company as of the Effective Date were cancelled. As such, the stock ownership guidelines for our executives are subject to a mandatory five-year compliance period that started on the Effective Date, and executives are encouraged to accumulate one-fifth of their holding requirement during each year of the five-year period and may not sell any shares until executives have successfully met the holding requirement. The Nominating Committee will monitor each executive's progress toward the required holding requirement on an annual basis. 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.

CHARITABLE CONTRIBUTIONS

During 2014, we did not make any contributions to any charitable organization in which an independent director served as an executive officer.

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

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 2014 and upon written representations that no Forms 5 were required, we believe that all persons subject to these reporting requirements filed the required reports on a timely basis.

REVIEW AND APPROVAL OF TRANSACTIONS WITH RELATED PERSONS

Our Board adopted a written policy relating to the approval of transactions with related parties. In general, for purposes of this policy, a related party transaction is a transaction to which we are a party, or a material amendment to any such transaction, and with respect to which a related party is directly, or to our knowledge, indirectly, a party. Under our policy, a "related party" is an executive officer, director or nominee for director of ours, a person known to us to be the beneficial owner of more than 5% of our voting securities, an immediate family member of an executive officer, director, nominee for director or 5% stockholder, and any entity owned or controlled by any of the foregoing individuals or in which any such individual serves as an executive officer or general partner or, together with any other such individuals, owns 10% or more of the equity interests of such an entity. Our policy requires the Audit Committee or, at the Board's discretion, a majority of directors disinterested from the transaction, to review and approve related party transactions. In reviewing and approving any related party transaction or material amendments to any such transaction, the Audit Committee must satisfy itself that it has been fully informed as to the related party's relationship and interest and as to the material facts of the transaction and must determine that the related party transaction is fair to us.

A copy of our related party transactions policy is available on our web site at ***http://www.dynegy.com/downloads/Dynegy_Corporate_Governance_Related _Party_Transactions.pdf***.

AFFIRMATIVE DETERMINATIONS REGARDING DIRECTOR INDEPENDENCE AND OTHER MATTERS

The Board previously determined that each of the following directors who served in 2014 is "independent" as such term is defined in the NYSE Listed Company Standards:

Pat Wood III
Hilary E. Ackermann
Paul M. Barbas
Richard L. Kuersteiner
Jeffrey S. Stein
John R. Sult

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

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

DIRECTOR NOMINATION PROCESS AND QUALIFICATION REVIEW OF DIRECTOR NOMINEES

Process

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

Our 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 seven, subject to adjustment by the Board in accordance with our 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 the Company would not be sufficiently meaningful to impact their judgment in reviewing matters coming before the Board. Finally, they must be able to work compatibly with the other members of the Board and otherwise have the experience and skills necessary to enable them to serve as productive members of the Board. Directors also must be willing to devote sufficient time to carrying out their fiduciary duties and other responsibilities effectively and should be committed to serve on the Board for an extended period of time. For additional information, please read our Corporate Governance Guidelines.

In connection with the director nominations for the 2015 Annual Meeting, the Nominating Committee also considered the nominees' (1) experience in the energy industry and understanding of the energy and commodity markets, (2) experience in finance and commercial risk management, (3) publicly traded company and board experience, (4) knowledge in the areas of laws and regulations related to environmental, health, safety, regulatory 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, wholesale power generation and marketing, commodities, risk management, strategic planning, legal, corporate governance and board service, executive management, regulatory and policy development, accounting and finance, operations, and economics. For information concerning each director's 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 as well as each nominee's principal occupation, directorships and additional biographical information, please see "Proposal 1 Election of Directors Information on Director Nominees."

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.

Future director nominations

For purposes of the 2016 Annual Meeting, the Nominating Committee will consider any director nominations from a stockholder received by the Corporate Secretary by the close of business on March 5, 2016, but not before the close of business on February 4, 2016. See "Future Stockholder Proposals" below for more information. Any such nomination must be accompanied in writing by all information relating to such person that is required under the federal securities laws, including such person's written consent to be named in the proxy statement as a nominee and to serve as a director if elected. The nominating stockholder must also submit its name and address, as well as that of the beneficial owner if applicable, and the number of shares of our common stock that are owned beneficially and of record by such stockholder and such beneficial owner. Finally, the nominating stockholder must discuss the nominee's qualifications to serve as a director as described in our Corporate Governance Guidelines.

PROPOSAL 1 ELECTION OF DIRECTORS

DIRECTORS

Seven directors are to be elected at the Annual Meeting by the holders of common stock to each serve a one-year term. The directors are elected by a plurality of the shares of common stock represented in person (through internet access) or by proxy and entitled to vote on the election of directors, subject to our majority voting policy discussed below. This means that the seven individuals nominated for election to the Board as directors who receive the most **FOR** votes among votes properly cast in person (through internet access) or by proxy will be elected. Only **FOR** or **WITHHELD** votes are counted in determining whether a plurality has been cast in favor of a director nominee. Under our Certificate of Incorporation, stockholders do not have cumulative voting rights. If you withhold authority to vote with respect to the election of some or all of the director nominees, your shares will not be voted with respect to those nominees indicated.

Under our majority voting policy, in an uncontested election, any director nominee who receives a greater number of votes **WITHHELD** for his or her election than votes **FOR** such election must offer his or her resignation to the Board promptly following certification of the stockholder vote.

Broker non-votes are not counted for purposes of election of directors. You cannot abstain in the election of directors.

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

INFORMATION ON DIRECTOR NOMINEES

All of the nominees for director are currently directors of Dynegy. Below is biographical information regarding the nominees, including their names, ages, business experience and qualifications to serve as a director, other directorships, if any, and the length of their service as a director of Dynegy.

Robert C. Flexon, 56,
Director since 2011

President and Chief Executive Officer

Prior Experience:

UGI Corporation Chief Financial Officer

Foster Wheeler AG Chief Executive Officer, Board Director

NRG Energy Chief Financial Officer, Chief Operating Officer

Hercules and ARCO various financial roles

Mr. Flexon, who oversaw Dynegy's turnaround in 2012, 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 expertise and management experience as a result of his service as a chief financial officer and other senior financial leadership positions.

Mr. Flexon has served as 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 from February 2011 to July 2011. Mr. Flexon was the Chief Executive Officer of Foster Wheeler AG from June to October 2010 and the President and Chief Executive Officer of Foster Wheeler USA from November 2009 to May 2010. Prior to joining Foster Wheeler, Mr. Flexon was Executive Vice President and Chief Financial Officer of NRG Energy, Inc. from February to November 2009. Mr. Flexon previously served as Executive Vice President and Chief Operating Officer of NRG Energy from March 2008 to 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 holds a Bachelor of Science degree in Accounting from Villanova University. Mr. Flexon served on the public board of directors of Foster Wheeler from 2006 until 2009 and from May to October 2010 and is currently serving on the Board of Neighborhood Centers, the largest not-for-profit in Texas.

Pat Wood III, 52,
Director since 2012

Chairman of the Board
Principal Wood3 Resources

Current Public Directorships:

Quanta Services Inc.; SunPower Corp. and Memorial Resources Development

Prior Experience:

Federal Energy Regulatory Commission Chairman

Public Utility Commission of Texas Chairman

Mr. Wood currently serves as our Board's non-executive Chairman. Mr. Wood brings significant strategic and operational management experience to the Board. Mr. Wood holds a Bachelor of Science in Civil Engineering and a Juris Doctor degree, and has demonstrated strong leadership skills through nearly ten years of regulatory leadership in the energy sector. Mr. Wood brings a unique perspective from and extensive knowledge with regard to the energy regulatory process and energy policy development at the government level, his years of service as a director of other public and private companies, and his energy infrastructure development expertise.

Mr. Wood is serving as the Board's non-executive Chairman and has served as a principal of Wood3 Resources, an energy infrastructure developer, since July 2005. From 2001 until July 2005, Mr. Wood served as chairman of the Federal Energy Regulatory Commission. From 1995 until 2001, he chaired the Public Utility Commission of Texas. Prior to 1995, Mr. Wood was an attorney with Baker & Botts, a global law firm, and an associate project engineer with Arco Indonesia, an oil and gas company, in Jakarta. Mr. Wood currently serves on the public boards of directors of Quanta Services Inc., SunPower Corp. and Memorial Resources Development.

Hilary E. Ackermann, 59,
Director since 2012

Prior Experience:

Goldman Sachs Bank USA Chief Risk Officer; Chaired Operational Risk, Credit Risk and Middle Market Loan Committees; Vice Chair of Bank Risk Committee; Chair GS Group level Operational Risk Committee

Goldman Sachs & Co Managing Director, Credit Risk Management & Advisory

Swiss Bank Corporation Assistant Department Head

Ms. Ackermann brings extensive experience assessing credit for major banking institutions, covering a variety of industries including the power generation, electrical utilities and natural resources sectors, as well as in depth coverage of commodities trading including, oil, natural gas and power as a risk manager. Ms. Ackerman currently serves as our Chair of the Finance and Commercial Oversight Committee and, as chair, she contributes significantly to the review and evaluation of our business strategy, capital structure and risk management goals.

Ms. Ackermann was Chief Risk Officer with Goldman Sachs Bank USA from October 2008 to 2011. In this role, she managed Credit, Market and Operational Risk for Goldman Sach's commercial bank; developed the bank's risk management infrastructure including policies and procedures and processes; maintained ongoing relationship with bank regulators including New York Fed, NY State Banking Department and the FDIC; chaired Operational risk, Credit risk and Middle Market Loan Committees; served as Vice Chair of Bank Risk Committee; was a member of Community Investment, Business Standards and New Activities Committees; was a member of GS Group level Credit Policy and Capital Committees; and chaired GS Group level Operational Risk Committee. Ms. Ackermann served as Managing Director, Credit Department of Goldman, Sachs & Co. from January 2002 until October 2008, as VP, Credit Department from 1989 to 2001, and as an Associate in the Credit Department from 1985 to 1988. Prior to joining Goldman, Sachs, Ms. Ackermann served as Assistant Department Head of Swiss Bank Corporation from 1981 until 1985.

Paul M. Barbas, 58,
Director since 2012

Current Public Directorship:

Pepco Holdings, Inc.

Prior Experience:

DPL Inc. and DP&L President and Chief Executive Officer; Board Director

Chesapeake Utilities Corporation Executive Vice President & Chief Operating Officer; Vice President;

Chesapeake Service Company President;

Allegheny Power Executive Vice President; President of Ventures unit

Mr. Barbas brings extensive utility, management and oversight experience, having served in executive management positions with various utility and other companies. He also has a broad background in finance and marketing and brings a strong understanding of power operations and energy markets. He contributes significantly to the oversight responsibilities on matters relating to executive compensation and compensation strategy and serves as our Compensation and Human Resources Committee chair.

Mr. Barbas was President and Chief Executive Officer of DPL Inc. and its principal subsidiary, The Dayton Power and Light Company (DP&L), from October 2006 until December 2011. He also served on the board of directors of DPL Inc. and DP&L. He previously served as Executive Vice President and Chief Operating Officer of Chesapeake Utilities Corporation, a diversified utility company engaged in natural gas distribution, transmission and marketing, propane gas distribution and wholesale marketing and other related services from 2005 until October 2006, as Executive Vice President from 2004 until 2005, and as President of Chesapeake Service Company and Vice President of Chesapeake Utilities Corporation, from 2003 until 2004. From 2001 until 2003, he was Executive Vice President of Allegheny Power, responsible for the operational and strategic functions of a $2.7 billion company serving 1.6 million customers with 3,200 employees. He joined Allegheny Energy in 1999 as President of its Ventures unit. Mr. Barbas also serves on the public board of Pepco Holdings, Inc.

Richard Lee Kuersteiner, 76,
Director since 2012

Prior Experience:

Franklin Templeton Investments Associate General Counsel; Director of Restructuring; Managing Corporate Counsel

Dex Media, Inc. Board Director

Mr. Kuersteiner has a broad background in corporate governance and complex restructuring transactions and has been a long-standing member of the Stanford Institutional Investors Forum. He has employed his more than 40 years of legal experience by facilitating the restructuring of over 100 major corporations and has served on, or chaired, numerous official creditors' committees, which provides the Board with a unique analytical view from the perspective of a large institutional investor. He leads the Board's corporate governance review and oversight processes and serves as our Corporate Governance and Nominating Committee chair.

Mr. Kuersteiner was a member of the Franklin Templeton Investments legal department in San Mateo, California from 1990 until May 2012. At Franklin he served in various capacities including as Associate General Counsel and Director of Restructuring and Managing Corporate Counsel. For many years he also was an officer of virtually all of the Franklin, Templeton and Mutual Series funds. In February 2010 when R H Donnelley Corporation emerged from Chapter 11 bankruptcy as Dex One Corporation, he joined its board of directors. On April 30, 2013, Dex One Corporation merged with Super Media, creating Dex Media, Inc. Mr. Kuersteiner stepped down as a director of Dex Media, Inc. upon completion of his term in May 2014.

Jeffrey S. Stein, 45,
Director since 2012

Co-Founder and Managing Partner of Power Capital Partners LLC

Current Public Directorship:

Ambac Financial Group, Inc. Chairman of the Board

Current Private Directorship:

Granite Ridge Holdings, LLC

Prior Experience:

Durham Asset Management LLC Co-Founder and Principal; Co-Director of Research

The Delaware Bay Company, Inc. Director

Shearson Lehman Brothers Associate in Capital Preservation & Restructuring Group

US Power Generating Company and KGen Power Corporation Board Director

Mr. Stein is an investment professional with over 21 years of experience in the high yield, distressed debt and special situations asset class. Further, he has substantial experience investing in the merchant power and regulated electric utility industries. Mr. Stein has invested in numerous power companies representing a broad array of power plants diversified by fuel source, position on the dispatch curve, geographical location and technology. He employs his finance skills by being actively involved in the hedging, refinancing, restructuring and sale of various power assets. He currently serves, or has served, on the private boards of other power producers, and in such capacity has focused on plant operating and financial performance, capital structure optimization, hedging and risk management.

Mr. Stein is a Co-Founder and Managing Partner of Power Capital Partners LLC, a private equity firm founded in January 2011. Previously Mr. Stein was a Co-Founder and Principal of Durham Asset Management LLC, a global event driven distressed debt and special situations asset management firm. From January 2003 through December 2009, Mr. Stein served as the Co-Director of Research at Durham responsible for the identification, evaluation and management of investments for the various Durham portfolios. From July 1997 to December 2002, Mr. Stein was a Director at The Delaware Bay Company, Inc., a boutique research and investment banking firm focused on the distressed debt and special situations asset class. From September 1991 to August 1995, Mr. Stein was an Associate at Shearson Lehman Brothers in the Capital Preservation & Restructuring Group. Mr. Stein currently serves on the public board as Chairman of the Board of Ambac Financial Group, Inc. (NASDAQ: AMBC) and as a director on the private board of Granite Ridge Holdings, LLC. Mr. Stein previously served as a director on the boards of US Power Generating Company and KGen Power Corporation.

John R. Sult, 55,
Director since 2012

Executive Vice President and Chief Financial Officer Marathon Oil Corporation

Current Private Directorship:

Melior Innovations Inc.

Prior Experience:

El Paso Corporation Executive Vice President and Chief Financial Officer; Senior Vice President and Chief Financial Officer; Senior Vice President and Controller; Chief Accounting Officer

El Paso Pipeline GP Company, L.L.C. Executive Vice President, Chief Financial Officer and Director; Senior Vice President and Chief Financial Officer; Senior Vice President, Chief Financial Officer and Controller

El Paso Pipeline Group Senior Vice President, Chief Financial Officer and Controller

Halliburton Energy Services Vice President and Controller

Arthur Andersen LLP Audit Partner

Mr. Sult, through his experience in executive financial positions with large public companies, brings significant knowledge of accounting, capital structures, finance, financial reporting, strategic planning and forecasting. Mr. Sult has extensive knowledge of the energy industry. Further, he has served as an audit partner at a major accounting firm, which, in addition to his other experience, qualifies him as an "audit committee financial expert." He currently serves as the chair of the Audit Committee and, as the chair, he contributes significantly to the oversight of the integrity of our financial statements, internal controls and ethics and compliance functions.

Mr. Sult has served as Executive Vice President and Chief Financial Officer of Marathon Oil Corporation since September 2013. He was Executive Vice President and Chief Financial Officer of El Paso Corporation from March 2010 until May 2012. He previously served as Senior Vice President and Chief Financial Officer from November 2009 until March 2010, and as Senior Vice President and Controller from November 2005 until November 2009. Mr. Sult served as Executive Vice President, Chief Financial Officer and director of El Paso Pipeline GP Company, L.L.C., the general partner of El Paso Pipeline Partners, L.P., from July 2010 until May 2012, as Senior Vice President and Chief Financial Officer from November 2009 until July 2010, and as Senior Vice President, Chief Financial Officer and Controller from August 2007 until November 2009. Mr. Sult also served as Chief Accounting Officer of El Paso Corporation and as Senior Vice President, Chief Financial Officer and Controller of El Paso's Pipeline Group from November 2005 to November 2009. Prior to joining El Paso, Mr. Sult served as Vice President and Controller of Halliburton

Energy Services from August 2004 until October 2005. Prior to joining Halliburton, Mr. Sult managed an independent consulting practice that provided a broad range of finance and accounting advisory services and assistance to public companies in the energy industry. Prior to private practice, Mr. Sult was an audit partner with Arthur Andersen LLP. Mr. Sult currently serves on the private board of directors of Melior Innovations Inc.

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

DIRECTORS' MEETINGS AND COMMITTEES OF THE BOARD

Our Board held 13 meetings during 2014. Each director attended at least 92% 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 during 2014.

Name	*Audit*	*Compensation & Human Resources*	*Corporate Governance & Nominating*	*Finance & Commercial Oversight*
Robert C. Flexon				
Pat Wood III(1)			X	
Hilary E. Ackermann	X			
Paul M. Barbas	X			
Richard L. Kuersteiner		X		
Jeffrey S. Stein		X	X	X
John R. Sult(2)				X
Number of Meetings	**8**	**7**	**2**	**4**

(1) As Chairman of the Board, Mr. Wood is an ex officio member of the Audit, Compensation and Finance committees and has a standing invitation to attend all such committee meetings. He also serves as the presiding director of executive sessions of the non-management and independent directors.

(2) Designated Audit Committee Financial Expert.

Committee Chair

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 Committee. The Audit Committee, which is comprised of Messrs. Sult (Chairman) and Barbas and Ms. Ackermann, met a total of 8 times during 2014. Each member of the Audit Committee is independent as such term is defined in the NYSE and SEC rules. The Board has determined that each member of the Audit Committee possesses the necessary level of financial literacy required to enable him or her to serve effectively as an Audit Committee member, and all members qualify as Audit Committee Financial Experts, including our designated Financial Expert, Mr. Sult, our Audit Committee Chair. No Audit Committee member serves on more than three audit committees of public companies, including our Audit Committee. The Audit Committee operates under a written charter adopted by the Board on October 30, 2012. The charter is reviewed annually and is available in the "Corporate Governance" section of our web site at ***http://www.dynegy.com/downloads/Dynegy_Audit_Committee_Charter.pdf***.

We maintain an Internal Audit department to provide management and the Audit Committee with ongoing assessments of our risk management processes, system of internal controls and our internal control over financial reporting compliance activities. The Audit Committee, among other duties, assists the Board in its oversight of: the integrity of our financial statements, including a discussion of the quality of the accounting principles, the reasonableness of significant judgments and the clarity of disclosures in the financial statements; recommending to the Board the filing of our audited financial statements; our disclosure controls and procedures and internal control over financial reporting; our compliance with legal and regulatory requirements and Code of Business Conduct and Ethics; the evaluation, appointment and retention of our independent registered public accountant, including a review of their qualifications, services, independence, fees and performance; the performance of our internal audit function; the performance of our business ethics and compliance function; and enterprise risk management process, policies and procedures. The Audit Committee reviews in advance and pre-approves, explicitly, audit and permissible non-audit services provided to us by our independent registered public accountant. For more information regarding the Audit Committee's approval procedures, please read "Audit Committee Pre-Approval Policy" below. Further, the Audit Committee provides an open venue of communication between management, the internal audit function, ethics and compliance function, independent registered public accountants and Board. The Audit Committee meets with the Internal Audit department, Ethics and Compliance Office and Ernst & Young LLP, or EY, with and without management present, to discuss the results of their examinations and evaluations.

Our independent registered public accountants, EY are responsible for auditing our consolidated financial statements and the effectiveness of our internal control over financial reporting in accordance with standards of the Public Company Accounting Oversight Board (United States) and issuing their reports based on that audit.

Compensation and Human Resources Committee. The Compensation Committee, which is comprised of Messrs. Barbas (Chairman), Kuersteiner and Stein, met a total of 7 times during 2014. Each member of the Compensation Committee is independent as such term is defined in the NYSE and SEC rules. The Compensation Committee operates under a written charter adopted by the Board. The charter is available in the "Corporate Governance" section of our web site at ***http://www.dynegy.com/downloads/Dynegy_Compensation_and_Human_Resources_Committee_Charter.pdf***. The purpose of the Compensation Committee is to, among other duties, 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 Compensation Committee report required by SEC rules and review and discuss with our management the Compensation Discussion and Analysis to be included in our annual proxy statement to stockholders. The Compensation Committee does not assist the Board with respect to director compensation, which is the responsibility of the Nominating Committee. For more information regarding the role and scope of authority of the Compensation Committee in determining executive compensation, please read "Compensation Discussion and Analysis" below.

The Compensation Committee may delegate specific responsibilities to one or more subcommittees to the extent permitted by law, NYSE listing standards and our governing documents. The Compensation Committee has retained Meridian Compensation Partners, LLC, or Meridian, as its independent compensation consultant. Meridian reports directly to the Compensation Committee. For a discussion of the role of the independent compensation consultant retained by the Compensation 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 is comprised of Messrs. Kuersteiner (Chairman), Stein and Wood, met a total of 2 times during 2014. Each member of the Nominating Committee is independent as such term is defined in the NYSE rules. The Nominating Committee operates under a written charter adopted by the Board. The charter is available in the "Corporate Governance" section of our web site at ***http://www.dynegy.com/downloads/Dynegy_Corporate_Governance_and_Nominating_Committee_Charter.pdf***. The Nominating Committee is responsible for identifying director nominees, assisting the Board with respect to director compensation, developing and reviewing our Corporate Governance Guidelines, succession planning and overseeing the evaluation of the Board and management.

Finance and Commercial Oversight Committee. The Finance Committee, which is comprised of Ms. Ackermann (Chairman) and Messrs. Stein and Sult, met a total of 4 times during 2014. The Finance Committee operates under a written charter adopted by the Board. The charter is available in the "Corporate Governance" section of our web site at ***http://www.dynegy.com/downloads/Dynegy_Finance_and_Commercial_Oversight_Committee_Charter.pdf***. The Finance Committee is responsible for oversight of the Company's capital structure, financing and treasury matters and oversight of management's process for the identification, evaluation and mitigation of financial and commercial related risks to the Company.

DIRECTOR COMPENSATION

DIRECTOR COMPENSATION FOR 2014

The key terms of our non-management director compensation include the following:

Board Annual Retainer (paid in cash)	$75,000; paid in quarterly installments.	
Committee Annual Retainers (paid in cash)	*Chair* (paid in quarterly installments)	*Members* (paid in quarterly installments)
	Audit $25,000	Audit $10,000
	Human Resources $20,000	Human Resources $10,000
	Finance & Commercial Oversight $20,000	Finance & Commercial Oversight $10,000
	Nominating $15,000	Nominating $5,000
Annual Equity Award	Annual award value of $100,000 to be granted in RSUs using the closing stock price on the grant date. Beginning at the Annual Meeting for 2015, the Annual Equity Award value will be increased to $110,000 to be granted in RSUs using the closing stock price on the grant date.	
	Annual awards to be granted on the date of Dynegy's Annual Stockholder Meeting with one year vesting from the date of grant.	
Non-Executive Chairman Annual Retainer	Additional retainer of $150,000.	
	Deliver through a mix of cash (50%), paid in quarterly installments, and RSUs (50%).	
	RSUs to be granted on the date of Dynegy's Annual Stockholder Meeting with one year vesting from the date of grant.	
Other	Reimbursement for reasonable out-of-pocket expenses incurred in connection with travel to and from, and attendance at, meetings of the Board or its committees and related activities, including director education courses and materials.	

The following table sets forth certain information regarding the compensation earned by or awarded to each non-management director who served on our Board in 2014. Directors who were also employees of Dynegy were not compensated for their services as directors.

Name	*Fees Earned or Paid in Cash*	*Stock Awards(1)*	*Option Awards*	*Non-Equity Incentive Plan Compensation*	*Change in Pension Value and Nonqualified Deferred Compensation Earnings*	*All Other Compensation*	*Total*
Pat Wood III(2)(3)	$155,000	$175,000	$	$	$	$	$330,000
Hilary E. Ackermann	$105,000	$100,000	$	$	$	$	$205,000
Paul M. Barbas	$105,000	$100,000	$	$	$	$	$205,000
Richard L. Kuersteiner	$100,000	$100,000	$	$	$	$	$200,000
Jeffrey S. Stein(3)	$100,000	$100,000	$	$	$	$	$200,000
John R. Sult	$110,000	$100,000	$	$	$	$	$210,000

(1) Directors received an annual award granted under the Dynegy Inc. 2012 Long Term Incentive Plan, or 2012 Long Term Incentive Plan, in RSUs on May 29, 2014 with a vesting date of May 29, 2015. The values shown under "Stock Awards" reflect the aggregate grant date fair value computed in accordance with FASB ASC Topic 718.

(2) Mr. Wood is serving as our non-executive Chairman of the Board.

(3) Mr. Wood has deferred receipt of the amount realized from the vesting of the RSUs granted on May 29, 2014 until the earlier of (1) July 4, 2019, or (2) his separation from service as a director of Dynegy. Mr. Stein has deferred receipt of the amount realized from the vesting of the RSUs granted on May 29, 2014 until his separation from service as a director of Dynegy.

CERTAIN TRANSACTIONS AND OTHER MATTERS

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

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following table sets forth information as of April 6, 2015 regarding the beneficial ownership of our common stock by: (1) each of our current directors; (2) each of our current executive officers; (3) all of our directors and executive officers as a group; and (4) each person or entity we know to beneficially own more than 5% of our outstanding shares of common stock.

Beneficial ownership for the purposes of this table is determined in accordance with the rules and regulations of the SEC. Under such rules, beneficial ownership includes any shares as to which a person has sole or shared voting power or investment power and any shares which the person has the right to dispose or acquire within 60 days of April 6, 2015. Common stock subject to options and warrants, regardless of whether such arrangement is currently in the money, that are currently exercisable or exercisable within 60 days of April 6, 2015 are deemed to be outstanding and beneficially owned by the person holding the options or warrants, and common stock issuable upon vesting of RSUs that is vested or will vest within 60 days of April 6, 2015 is deemed to be outstanding and beneficially owned by the person holding the RSUs. These shares, however, are not deemed outstanding for the purposes of computing the percentage ownership of any other person. Percentage of beneficial ownership is based on 128,139,664 shares of common stock outstanding as of April 6, 2015. Except as disclosed in the footnotes to this table, we believe that each stockholder identified in the table possesses sole voting and investment power over all shares of common stock shown as beneficially owned by the stockholder.

All percentages and share amounts are approximate based on current information available to us. The information available to us may be incomplete.

Unless otherwise noted, the address for each person listed on the table is c/o Dynegy Inc., 601 Travis, Suite 1400, Houston, Texas 77002. The address for Franklin Advisers, Inc. is One Franklin Parkway, San Mateo, California 94403.

	Amount and Nature of Shares Beneficially Owned(1)	
Name	***Number***	***Percent of Class***
5% Stockholders		
Franklin Advisers, Inc.(2)	15,460,910	11.9%
Fidelity Management & Research Company	11,181,646	8.7%
Oaktree Capital Management, LP	10,149,712	7.9%
Blackrock Inc.	9,507,748	7.4%
Massachusetts Financial Services Co.	7,315,652	5.7%
Luminus Management, LLC.	7,188,553	5.6%
Vanguard Group Inc.	6,950,024	5.4%
Integrated Core Strategies (US) LLC.	6,407,042	5.0%
Executive Officers and Directors		
Robert C. Flexon(3)	394,575	*
Clint C. Freeland(4)	108,739	*
Catherine B. Callaway(5)	102,187	*
Carolyn J. Burke(6)	100,384	*
Henry D. Jones(7)	83,780	*
Mario E. Alonso(8)	23,191	*
Julius Cox(9)	15,958	*
Martin W. Daley(10)	23,983	*
Daniel P. Thompson(11)	26,150	*
Sheree M. Petrone(12)	11,375	*
Pat Wood III(13)	29,416	*
Hilary E. Ackermann(14)	11,096	*
Paul M. Barbas(15)	14,679	*
Richard L. Kuersteiner(16)	18,596	*

John R. Sult(17)	11,096	*
Jeffrey S. Stein(18)	11,096	*
All executive officers and directors as a group (16 persons)	986,301	*

*
Percentage ownership of less than one percent.

(1)
Shares shown in the table above include shares held in the beneficial owner's name or jointly with others, or in the name of a bank, nominee or trustee for the beneficial owner's account.

(2)
The number of shares is as of March 25, 2015 and includes 1,533,887 shares issuable on the exercise of the Warrants. Notwithstanding the foregoing, a holder may not exercise any Warrant if it would cause such holder's beneficial ownership of our common stock and any other of our equity securities on parity (with respect to dividends) with such common stock (when aggregated with that of any of the holder's affiliates) to require the prior permission (including the expiration of applicable waiting periods) of any governmental or regulatory authority applicable to us, unless we and such holder have made all filings and registrations with, and obtained such permission (including the expiration of any such waiting periods) from, any such governmental and regulatory authorities, as are necessary or advisable.

FAV, an indirectly wholly owned subsidiary of Franklin Resources, Inc. ("FRI"), is deemed to be the beneficial owner of these shares for purposes of Rule 13d-3 under the Exchange Act in its capacity as the investment adviser to various investment companies registered under Section 8 of the Investment Company Act of 1940 and other accounts. When an investment management contract (including a sub-advisory agreement) delegates to FAV investment discretion or voting power over the securities held in the investment advisory accounts that are subject to that agreement, FRI treats FAV as having sole investment discretion or voting authority, as the case may be, unless the agreement specifies otherwise. Accordingly, FAV reports for purposes of section 13(d) of the Exchange Act that it has sole investment discretion and voting authority over the securities covered by any such investment management agreement, unless otherwise specifically noted.

(3)

Includes for Mr. Flexon, 5,337 and 296,140 shares issuable upon the exercise of our warrants and options, respectively. Amount shown does not include: 1) 35,093 RSUs and 91,019 options, each granted on October 29, 2012, pursuant to our 2012 Long Term Incentive Plan, which vest on October 29, 2015; 2) 21,645 RSUs and 33,784 options, each granted on March 18, 2013, pursuant to the 2012 Long Term Incentive Plan, and vest ratably over three years with the third vesting period taking place on March 18, 2016; 3) 38,211 RSUs and 93,062 options, each granted on March 3, 2014, pursuant to the 2012 Long Term Incentive Plan, and vest ratably over three years, with the second vesting period taking place on March 3, 2016; and 4) 60,261 RSUs and 148,984 options, each granted on March 3, 2015, pursuant to the 2012 Long Term Incentive Plan, and vest ratably over three years, with the first vesting period taking place on March 3, 2016.

(4)

Includes for Mr. Freeland, 1,055 and 80,966 shares issuable on the exercise of our warrants and options, respectively. Amount shown does not include: 1) 9,024 RSUs and 23,405 options, each granted on October 29, 2012, pursuant to the 2012 Long Term Incentive Plan, which vest on October 29, 2015; 2) 7,215 RSUs and 11,262 options, each granted on March 18, 2013, pursuant to the 2012 Long Term Incentive Plan, and vest ratably over three years with the third vesting period taking place on March 18, 2016; 3) 9,553 RSUs and 23,266 options, each granted on March 3, 2014, pursuant to the 2012 Long Term Incentive Plan, and vest ratably over three years, with the second vesting period taking place on March 3, 2016; and 4) 14,134 RSUs and 34,943 options, each granted on March 3, 2015, pursuant to the 2012 Long Term Incentive Plan, and vest ratably over three years, with the first vesting period taking place on March 3, 2016.

(5)

Includes for Ms. Callaway, 1,158 and 76,110 shares issuable on the exercise of our warrants and options, respectively. Amount shown does not include: 1) 9,024 RSUs and 23,405 options, each granted on October 29, 2012, pursuant to the 2012 Long Term Incentive Plan, which vest on October 29, 2015; 2) 5,772 RSUs and 9,010 options, each granted on March 18, 2013, pursuant to the 2012 Long Term Incentive Plan, and vest ratably over three years with the third vesting period taking place on March 18, 2016; 3) 9,263 RSUs and 22,560 options, each granted on March 3, 2014, pursuant to the 2012 Long Term Incentive Plan, and vest ratably over three years, with the second vesting period taking place on March 3, 2016; and 4) 11,564 RSUs and 28,590 options, each granted on March 3, 2015, pursuant to the 2012 Long Term Incentive Plan, and vest ratably over three years, with the first vesting period taking place on March 3, 2016.

(6)

Includes for Ms. Burke, 1,016 and 74,983 shares issuable on the exercise of our warrants and options, respectively. Amount shown does not include: 1) 9,024 RSUs and 23,405 options, each granted on October 29, 2012, pursuant to the 2012 Long Term Incentive Plan, which vest on October 29, 2015; 2) 5,411 RSUs and 8,446 options, each granted on March 18, 2013, pursuant to the 2012 Long Term Incentive Plan, and vest ratably over three years with the third vesting period taking place on March 18, 2016; 3) 9,263 RSUs and 22,560 options, each granted on March 3, 2014, pursuant to the 2012 Long Term Incentive Plan, and vest ratably over three years, with the second vesting period taking place on March 3, 2016; and 4) 11,564 RSUs and 28,590 options, each granted on March 3, 2015, pursuant to the 2012 Long Term Incentive Plan, and vest ratably over three years, with the first vesting period taking place on March 3, 2016.

(7)

Includes for Mr. Jones, 5 and 58,799 shares issuable on the exercise of warrants and options, respectively. Amount shown does not include: 1) 15,202 RSUs and 23,759 options, each granted on April 1, 2013, pursuant to the 2012 Long Term Incentive Plan, and vest ratably over three years with the third vesting period taking place on April 1, 2016; 2) 9,263 RSUs and 22,560 options, each granted on March 3, 2014, pursuant to the 2012 Long Term Incentive Plan, and vest ratably over three years, with the second vesting period taking place on March 3, 2016; and 4) 11,564 RSUs and 28,590 options, each granted on March 3, 2015, pursuant to the 2012 Long Term Incentive Plan, and vest ratably over three years, with the first vesting period taking place on March 3, 2016.

(8)

Includes for Mr. Alonso, 421 and 17,044 shares issuable on the exercise of our warrants and options, respectively. Amount shown does not include: 1) 1,357 RSUs and 3,519 options, each granted on October 29, 2012, pursuant to the 2012 Long Term Incentive Plan, which vest on October 29, 2015; 2) 1,623 RSUs and 2,534 options, each granted on March 18, 2013, pursuant to the 2012 Long Term Incentive Plan, and vest ratably over three years with the third vesting period taking place on March 18, 2016; 3) 4,053 RSUs and 9,870 options, each granted on March 3, 2014, pursuant to the 2012 Long Term Incentive Plan, and vest ratably over three years, with the second vesting period taking place on March 3, 2016; and 4) 7,710 RSUs and 19,060 options, each granted on March 3, 2015, pursuant to the 2012 Long Term Incentive Plan, and vest ratably over three years, with the first vesting period taking place on March 3, 2016.

(9)

Includes for Mr. Cox, 12,133 shares issuable on the exercise of our options. Amount shown does not include: 1) 2,651 RSUs and 6,877 options, each granted on October 29, 2012, pursuant to the 2012 Long Term Incentive Plan, which vest on October 29, 2015; 2) 1,515 RSUs and 2,365 options, each granted on March 18, 2013, pursuant to the 2012 Long Term Incentive Plan, and vest ratably over three years with the third vesting period taking place on March 18, 2016; 3) 2,374 RSUs and 5,781 options, each granted on March 3, 2014, pursuant to the 2012 Long Term Incentive Plan, and vest ratably over three years, with the second vesting period taking place on March 3, 2016; 4) 7,003 RSUs and 17,313 options, each granted on March 3, 2015, pursuant to the 2012 Long Term Incentive Plan, and vest ratably over three years, with the first vesting period taking place on March 3, 2016; and 5) 16,502 RSUs granted on April 1, 2015, pursuant to the 2012 Long Term Incentive Plan, and vest ratably over three years, with the first vesting period taking place on April 1, 2016.

(10)

Includes for Mr. Daley 18,589 shares issuable on the exercise of options and 232 shares held indirectly. Amount shown does not include: 1) 2,258 RSUs and 5,856 options, each granted on October 29, 2012, pursuant to the 2012 Long Term Incentive Plan, which vest on October 29, 2015; 2) 1,299 RSUs and 2,027 options, each granted on March 18, 2013, pursuant to the 2012 Long Term Incentive Plan, and vest ratably over three years with the third vesting period taking place on March 18, 2016; 3) 2,316 RSUs and 5,640 options, each granted on March 3, 2014, pursuant to the 2012 Long Term Incentive Plan, and vest ratably over three years, with the second vesting period taking place on March 3, 2016; 4) 7,067 RSUs and 17,472 options, each granted on March 3, 2015, pursuant to the 2012 Long Term Incentive Plan, and vest ratably over three years, with the first vesting period taking place on March 3, 2016; and 5) 721 RSUs held indirectly.

(11)

Includes for Mr. Thompson 20,152 shares issuable on the exercise of options. Amount shown does not include: 1) 2,470 RSUs and 6,406 options, each granted on October 29, 2012, pursuant to the 2012 Long Term Incentive Plan, which vest on October 29, 2015; 2) 1,335 RSUs and 2,083 options, each granted on March 18, 2013, pursuant to the 2012 Long Term Incentive Plan, and vest ratably over three years with the third vesting period taking place on March 18, 2016; 3) 2,605 RSUs and 6,345 options, each granted on March 3, 2014, pursuant to the 2012 Long Term Incentive Plan, and vest ratably over three years, with the second vesting period taking place on March 3, 2016; and 4) 7,067 RSUs and 17,472 options, each granted on March 3, 2015, pursuant to the 2012 Long Term Incentive Plan, and vest ratably over three years, with the first vesting period taking place on March 3, 2016.

(12)

Includes for Ms. Petrone 9,221 shares issuable on the exercise of options. Amount shown does not include: 1) 4,291 RSUs and 12,672 options, each granted on August 20, 2013, pursuant to the 2012 Long Term Incentive Plan, and vest ratably over three years with the second vesting period taking place on August 20, 2015; 2) 2,258 RSUs and 5,499 options, each granted on March 3, 2014, pursuant to the 2012 Long Term Incentive Plan, and vest ratably over three years, with the second vesting period taking place on March 3, 2016; and 4) 5,782 RSUs and 14,295 options, each granted on March 3, 2015, pursuant to the 2012 Long Term Incentive Plan, and vest ratably over three years, with the first vesting period taking place on March 3, 2016.

(13)

Includes for Mr. Wood, 5,329 RSUs granted pursuant to the 2012 Long Term Incentive Plan, which vest on May 29, 2015.

(14)

Includes for Ms. Ackermann, 3,046 RSUs granted pursuant to the 2012 Long Term Incentive Plan, which vest on May 29, 2015.

(15)

Includes for Mr. Barbas, 3,046 RSUs granted pursuant to the 2012 Long Term Incentive Plan, which vest on May 29, 2015.

(16)

Includes for Mr. Kuersteiner, 7,500 shares issuable upon the exercise of our warrants and 3,046 RSUs granted pursuant to the 2012 Long Term Incentive Plan, which vest on May 29, 2015.

(17)

Includes for Mr. Sult, 3,046 RSUs granted pursuant to the 2012 Long Term Incentive Plan, which vest on May 29, 2015.

(18)

Includes for Mr. Stein, 3,046 RSUs granted pursuant to the 2012 Long Term Incentive Plan, which vest on May 29, 2015.

EXECUTIVE OFFICERS

The following table sets forth the name and positions of our executive officers as of April 6, 2015, except as otherwise noted, together with their ages and period of service with us.

Executive Officer	*Position*	*Age as of April 6, 2015*	*Served with Dynegy Since*
Robert C. Flexon	President and Chief Executive Officer	56	2011
Mario E. Alonso	Executive Vice President, Strategic Development	44	2001
Carolyn J. Burke	Executive Vice President and Chief Integration Officer	47	2011
Catherine B. Callaway	Executive Vice President, General Counsel and Chief Compliance Officer	49	2011
Julius Cox	Executive Vice President and Chief Administrative Officer	43	2004
Martin W. Daley	Executive Vice President, Plant Operations Gas	59	2001
Clint C. Freeland	Executive Vice President and Chief Financial Officer	46	2011
Henry D. Jones	Executive Vice President and Chief Commercial Officer	55	2013
Sheree M. Petrone	Executive Vice President, Retail	58	2013
Daniel P. Thompson	Executive Vice President, Plant Operations Coal	61	2001

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

Robert C. Flexon has served as 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 from February to July 2011. Mr. Flexon was the Chief Executive Officer of Foster Wheeler AG from June to October 2010 and the President and Chief Executive Officer of Foster Wheeler USA from November 2009 to May 2010. Prior to joining Foster Wheeler, Mr. Flexon was Executive Vice President and Chief Financial Officer of NRG Energy, Inc. from February to November 2009. Mr. Flexon previously served as Executive Vice President and Chief Operating Officer of NRG Energy from March 2008 to 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 holds a Bachelor of Science degree in Accounting from Villanova University. Mr. Flexon served on the public board of directors of Foster Wheeler from 2006 until 2009 and from May to October 2010 and is currently serving on the Board of Neighborhood Centers, the largest not-for-profit in Texas.

Mario E. Alonso

Mario E. Alonso has served as Executive Vice President, Strategic Development since February 2014 and Vice President, Strategic Development from June 2012 to February 2014. Mr. Alonso is responsible for leading Dynegy's strategic planning and corporate development activities. Mr. Alonso served as Vice President and Treasurer from July 2011 to June 2012, Vice President Strategic Planning from December 2008 to July 2011 and Managing Director Strategic Planning from June 2007 to December 2008. Prior to June 2007, Mr. Alonso served in various roles within the Company's Strategic Planning and Treasury Departments. Prior to joining Dynegy in 2001, Mr. Alonso was with Enron Corporation.

Carolyn J. Burke

Carolyn J. Burke has served as Executive Vice President and Chief Integration Officer since October 2014. Ms. Burke is responsible for acquisition integrations, information technology and Dynegy's project management office. Ms. Burke served as Executive Vice President and Chief Administrative Officer from August 2011 to October 2014. Prior to joining Dynegy, Ms. Burke served as Global Controller for J.P. Morgan's Global Commodities business from March 2008 to August 2011. Ms. Burke served as NRG Energy Inc.'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

Catherine B. Callaway has served as Executive Vice President, General Counsel and Chief Compliance Officer 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 in 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 Energy, Inc., Ms. Callaway held various key legal roles at Calpine Corporation, Reliant Energy, The Coastal Corporation and Chevron.

Julius Cox

Julius Cox has served as Executive Vice President and Chief Administrative Officer since October 2014. Mr. Cox is responsible for Dynegy's corporate functions including Human Resources, Investor Relations, Communications, Regulatory Affairs and Business Services. Mr. Cox served as Vice President, Human Resources & Business Services from May 2012 to October 2014, Vice President, Human Resources from January 2006 to May 2012 and Managing Director HR Business Services from May 2004 to January 2006. Prior to 2004, Mr. Cox served in various roles in Dynegy's HR Business Partner and Compensation functions. Prior to joining Dynegy in 2001, Mr. Cox was a consultant at Arthur Andersen LLP and has also held various roles in human resources at Shell Oil and Neiman Marcus.

Martin W. Daley

Martin W. Daley has served as our Executive Vice President Plant Operations, Gas since April 2015. Mr. Daley is responsible for the management and operation of Dynegy's fleet of gas generating facilities and its Brayton Point coal fired facility. Mr. Daley served as Vice President and General Manager, Gas Operations from July 2011 to April 2015, Managing Director, Asset Management Eastern Region from March 2007 to June 2011, and as Senior Director, Regulatory Affairs & Administrative Services from February 2001 to March 2007. Prior to joining Dynegy in February 2001, Mr. Daley held various positions within Central Hudson Gas & Electric, including Superintendent General Plant Services, Plant Services Supervisor, Production facilities, and Corporate Environmental Affairs.

Clint C. Freeland

Clint C. Freeland has served as Executive Vice President and Chief Financial Officer since July 2011. Mr. Freeland is responsible for Dynegy's 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, Inc. from February 2009 to July 2011. Mr. Freeland served as NRG'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.

Henry D. Jones

Henry D. Jones has served as Executive Vice President and Chief Commercial Officer since April 2013. Mr. Jones is responsible for Dynegy's commercial and asset management functions for its power generation business. In addition, Mr. Jones leads a team that develops and executes both hedging and term contracting options for the entire fleet. Prior to joining Dynegy, Mr. Jones served as Managing Director, North American Power and Gas Sales, and Origination at Deutsche Bank starting in May 2010, and managed Deutsche Bank's North American Power and Gas trading activity starting in August 2012. Prior to joining Deutsche Bank, Mr. Jones was the Chief Operating Officer and Head of Trading at EDF Trading North America from August 2009 to February 2010, Head of Electricity Trading at EDF Trading Markets Limited from August 2008 to July 2009, and Director of Renewable Fuels Trading from July 2007 to July 2008. Mr. Jones was an investor, co-founder and chairman of Renewable Fuel Supply Limited from December 2003 to July 2007. Prior to 2003, Mr. Jones served in a variety of commercial positions with several domestic and international energy companies, including AEP Energy Services Ltd. and Duke Energy Corporation.

Sheree M. Petrone

Sheree M. Petrone has served as our Executive Vice President, Retail since April 2015. Ms. Petrone is responsible for leading and overseeing all aspects of Dynegy's retail electric sales business, including business development, customer care and operations. Ms. Petrone also serves as President of Illinois Power Marketing Company (d/b/a Homefield Energy) and Dynegy Energy Services, LLC, Dynegy's power marketing and energy entities, since December 2013. Ms. Petrone served as Vice President, Retail from August 2013 to April 2015. Prior to joining Dynegy in August 2013, Ms. Petrone held various positions within Exelon Corporation from March 1999 to June 2013, including Vice President, Commercial Integration, Energy Trading & Marketing, Vice President, Fuels, Environmental Trading and Marketing, Vice President, Retail Energy Company (Exelon Energy), and Director of Finance and Planning (PECO Energy). Ms. Petrone also held business development roles with Trigen, a cogeneration project developer majority owned by Suez Lyonnaise des Eaux from May 1987 to March 1999.

Daniel P. Thompson

Daniel P. Thompson has served as our Executive Vice President Plant Operations, Coal since April 2015. Mr. Thompson is responsible for the safe and efficient operation of our fleet of coal generating facilities. Mr. Thompson served as Vice President and General Manager Coal Operations from October 2011 to April 2015, Vice President, Operations West Region from April 2007 to September 2011, and Vice President, Operations Northeast Region from March 2001 to March 2007. Prior to joining Dynegy in March 2001, Mr. Thompson held various positions within Illinois Power Company, including Vice President, Engineering Generation and Plant Manager, and held various maintenance management positions with both Pfizer, Inc. and Kilngas R&D (an Allis Chalmers subsidiary).

COMPENSATION DISCUSSION AND ANALYSIS

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

INTRODUCTION

This section explains our executive compensation program, including philosophy, policies, practices and key compensation decisions for 2014 as it relates to our following named executive officers (the "Named Executive Officers"). Compensation for our Named Executive Officers is further described in the Summary Compensation Tables and other compensation tables contained in this proxy statement.

2014 Named Executive Officers

Name	***Title in 2014***
Robert C. Flexon	President and Chief Executive Officer
Clint C. Freeland	Executive Vice President and Chief Financial Officer
Carolyn J. Burke	Executive Vice President and Chief Integration Officer
Catherine B. Callaway	Executive Vice President, General Counsel and Chief Compliance Officer
Henry D. Jones	Executive Vice President and Chief Commercial Officer

These Named Executive Officers, together with our other senior executives whose compensation is determined by the Compensation Committee and our Board, are referred to as our "Executive Management Team".

BUSINESS HIGHLIGHTS AND PERFORMANCE

Dynegy's transformative performance in 2014 was driven by our talented and dedicated employees that executed our business strategy centered on capital allocation, customer focus and continuous improvement. As we entered the year, our focus was integrating the assets obtained from the Ameren Energy Resources acquisition and positioning us to pursue strategic opportunities to further grow the business. Consistent with our continuous improvement strategy we safely and reliably operated our Midwest and Eastern region assets during the Polar Vortex that impacted much of the country. As part of our capital allocation strategy, in the second half of 2014, we simultaneously announced two acquisitions of approximately 12,500 megawatts of coal and gas generation, from Duke Energy and Energy Capital Partners, which increased our generation capacity to nearly 26,000 megawatts. These transactions have transformed Dynegy into the third largest independent power producer with added scale in the structured markets of PJM and ISO NE. The high quality of these acquired assets, combined with their favorable locations and strong capacity factors are expected to result in significant accretive earnings and cash flows which may be used to further strengthen our balance sheet and liquidity position, make investments in existing assets, pursue additional growth opportunities and support other high value capital allocation opportunities. These transactions have been favorably received in the equity market as evidenced by our 2014 stock price increasing over 40%, significantly outperforming our peer group.

2014 Business Highlights

Capital Allocation

- Met or Exceeded 2014 Guidance range for Adjusted EBITDA(1) and Free Cash Flow.(2)
  - $351 million in consolidated Adjusted EBITDA for 2014 which exceeded the midpoint of 2014 Adjusted EBITDA guidance range ($330-360 million).
  - $104 million in Free Cash Flow from operations in 2014, which exceeded the 2014 FCF guidance range ($45-75 million).
- Announced the EquiPower Acquisition and the Duke Acquisition.
- Completed $6.2 billion acquisition financing including common stock, mandatory convertible preferred stock and senior unsecured notes in October 2014.
- Successfully cleared an 80 megawatt turbine uprate at the Kendall facility in the 2017/2018 PJM capacity auction, with the first 40 megawatts installed during 2014 and the second 40 megawatts scheduled for installation in 2016.

Customer Focus

- Moss Landing 6&7 tolling agreement for 2016 received final approval from the California Public Utilities Commission.
- Forward bilateral capacity sales in MISO exceed 1,200 megawatts and IPH annual long-term contracts for energy and capacity total 470 megawatts a contract for up to 120 megawatts was signed in July and IPH cleared 847 megawatts in the May PJM auction.
- Initiated transmission project to reduce congestion at our Baldwin facility.
- Created the operating model to manage the retail business as a profitable channel to market and effective hedge for generation while achieving high ratings from satisfied customers for service and new product offerings.

Continuous Improvement

- PRIDE initiatives delivered $90 million in EBITDA for 2014. Over 100 cash cost reduction initiatives identified including efforts related to Marcellus gas sourcing, reliability improvements, refined coal, coal supplier diversity and optimizing plant performance. Of particular note:
  - Refined Coal All Coal segment and IPH plants on line with a 2014 benefit of ~$17 million and annualized benefit of ~$30 million.
  - Independence Gas Supply Sourced 97% of fuel from Marcellus in 2014 contributing a benefit of $20 million versus 2013, including $8 million of transportation optimization benefit.

Balance Sheet Initiatives Delivered $93 million of improvement in 2014. This includes the Newton scrubber contract restructuring from a target price to a fixed price, which reduced total cost to complete by $30 million, emissions inventory monetization and MISO collateral optimization, which provides a benefit of $8 million.

(1) We define Adjusted EBITDA as EBITDA adjusted to exclude (i) gains or losses on the sale of certain assets, (ii) the impacts of mark-to-market changes on derivatives related to our generation portfolio, as well as interest rate swaps and warrants, (iii) the impact of impairment charges and certain other costs such as those associated with the acquisition of Ameren Energy Resources, (iv) income or expense on up front premiums received or paid for financial options in periods other than the strike periods and (v) income or losses attributable to noncontrolling interest.

(2) We define Free Cash Flow as cash flow from operations less maintenance and environmental capital expenditures, the cash impact of the AER acquisition and debt refinance costs plus return on restricted cash. Free Cash Flow also includes receipts or payments related to interest rate swaps and excludes the impact of changes in collateral.

Key Features of our Executive Compensation Program

We Do...	***We Do Not...***
ü Pay for Performance via a compensation structure that includes a competitive base salary and performance based STI and LTI awards that are aligned with stockholder interests	× Offer supplemental executive retirement plan benefits
ü Provide LTI that include Performance Share Units based on Total Stockholder Return ("TSR") and cap these awards when TSR outperforms the peer group but is negative	× Engage in option backdating or re-pricing
ü Have change in control cash severance benefits that are subject to "double trigger" provisions which require both the occurrence of a change in control event and involuntary termination	× Permit hedging or pledging of Company Stock by Directors or Officers
ü Enforce stock ownership requirements for all officers that require attainment of ownership levels before equity transactions can occur	× Provide excise tax assistance upon a change in control
ü Have an independent compensation consultant that reports directly to the Compensation Committee	× Provide any material perquisites, other than reimbursement for financial planning and tax advice
ü Conduct an annual incentive risk assessment to ensure that the structure and design of our compensation programs are not reasonably likely to result in excessive risk-taking that could have a material adverse impact on the Company	× Encourage excessive risk or inappropriate risk taking though our incentive programs; our plans focus on aligning our compensation policies with the long-term interests of our stockholders
ü Have a claw-back mechanism in place for incentive awards	× Guarantee bonuses
ü Establish a performance-based bonus pool	

EXECUTIVE COMPENSATION PROGRAM OVERVIEW

Philosophy and Objectives of our Executive Compensation Programs

The executive compensation program, administered by the Compensation Committee, is primarily designed to attract, motivate and retain a highly qualified Executive Management Team capable of effectively managing and growing our 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 the Company's and the individual executive's performance.

Pay for Performance Our total compensation for each individual provides reasonable upside potential for exceptional performance; as well as risk of no payment, with respect to incentive compensation, when performance objectives are not achieved. Our variable pay programs are designed as forward-looking incentives that reflect individual and corporate performance during the year under review.

Alignment with Stockholder Value Our LTI awards encourage share price improvement and a strong link to stockholder interests. Our compensation programs are designed and administered to maximize stockholder value.

Market Competiveness Our overall compensation strategy recognizes 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.

Elements of our Executive Compensation Program

In 2014, the Compensation Committee refined our executive compensation program as detailed below. The Compensation Committee and the Executive Management Team strive to promote a pay for performance culture. The executive compensation program was designed to incorporate three primary elements: base salary, STI, and LTI awards.

Element	***Key Characteristics***	***Pay at risk***
Base Salary		No
	Base Salaries reflect the Named Executive Officer's scope, experience, qualifications, and impact to the outcomes of the organization	
	The Compensation Committee considers job responsibilities, budget for annual merit increases, external benchmark data, internal pay equity, and individual performance to determine the level of base salary for each Named Executive Officer	
Short-Term Incentive Awards		Yes; payout based on achievement of pre-established company goals and individual performance factors
	STI awards are based on annual performance against specific identified financial, strategic, and operational goals and are designed to motivate Named Executive Officers to achieve short-term outcomes critical to our success and that provide sustainable long-term total return to our stockholders	
	STI performance period is January 1 through December 31 of each year and are paid out on or before March 15 following the performance period	
	The annual STI opportunity (percent of annual base salary) for each Named Executive Officer have remained unchanged since each was hired	
	A funding gate must be achieved before any payout occurs	
	Payout may range from zero to two times target	
Long-Term Incentive Awards		Yes; payout strongly linked to share price performance
	LTI awards are structured to achieve a variety of objectives. including attracting and retaining executives, aligning	

executives' financial interests with the interest of stockholders; and rewarding the achievement of long-term strategic goals

LTI Awards for our Named Executive Officers are awarded with a mix of Performance Share Unit Awards, Restricted Stock Unit Awards and Stock Options	
Performance Share Unit Awards ("PSU's")	Yes; value linked to TSR
Significant portion of LTI mix	
PSUs reward for performance relative to our peer group of companies	
Award payouts capped if our Total Stockholder Return or TSR, is negative	
Restricted Stock Unit Awards	Yes, value linked to share price
Subject to three-year vesting	
Stock Option Awards	Yes, value present only when share price increases above the strike price (stock price on the day of grant)
Subject to three-year vesting	

The mix of pay across base salary, STI, and LTI awards for the CEO and the Named Executive Officers are most heavily weighted towards at-risk pay, aligning performance with stockholder value.

CEO Total Target Compensation

All Other NEOs Total Target Compensation

Peer Group and Benchmarking

The Compensation Committee uses compensation benchmarking data to provide a competitive market context to its decisions regarding compensation for the Named Executive Officers. To assist the Compensation Committee with setting 2014 target compensation levels, Meridian prepared a benchmarking review to assess the competitiveness of each element of compensation for the Named Executive Officers, and to provide information regarding incentive plan designs and pay practices within the energy industry.

The Committee reviewed and discussed the benchmarking data, and used the data to inform its compensation decisions. The Committee believes the combination of these two data perspectives offers an appropriate and credible basis for benchmarking the compensation of the Named Executive Officers. The Committee will continue to evaluate this approach and available data sources, and make changes as appropriate.

Compensation data in the benchmarking review are based primarily on public disclosures of the compensation of executives among a selected group of peer companies, and are supplemented by information in surveys specific to the energy industry. The Compensation Committee believes the peer group companies are indicative of the competitive market for executive talent.

Selection of the peer companies presents certain challenges, due to the limited number of directly-comparable companies. Therefore, the Committee elected to include companies from three segments of the energy industry independent power producers, electric utilities and multi-utilities (i.e., electric and gas) that are comparable to Dynegy. Specific factors considered in selection of the peer group include:

Financial and Operational Metrics assets, revenues, market capitalization, enterprise value;

Operational Scope merchant generation capacity, industry segment, commercial, retail and commodity focus;

Market-Based Factors labor market requirements (e.g., finance, operations, commercial), competition for executive talent, comparability of pay data; and

External stockholder and governance evaluations of Dynegy's pay levels and practices.

The Compensation Committee reviews the composition of the peer group annually and considers changes as warranted. For 2014, the peer group consisted of the following twelve companies, which is the same set of companies that comprised our peer group in 2013, or our selected peer group.

Peer Companies

AES Corporation	Entergy Corporation
Ameren Corporation	First Energy Corporation
Atlantic Power Corporation	NRG Energy Inc.
Calpine Corporation	PPL Corporation
DTE Energy Company	Public Service Enterprise Group Inc.
Edison International	TransAlta Corporation

Survey data used in the benchmarking review were from the Towers Watson 2014 CDB Energy Services Executive Compensation survey and the AonHewitt 2014 Energy Marketing and Trading survey, or the energy industry survey data. Please see the table in Annex A for a complete listing of the companies included in the energy industry survey data. Position matches are developed for each of the Named Executive Officers to positions with similar roles and responsibilities at both the peer companies and in the surveys.

2014 COMPENSATION

Base Salary

The Compensation Committee considers job responsibilities, external benchmark data, internal pay equity, and individual performance to determine the level of base salary for each Named Executive Officer. In early 2014, the Compensation Committee reviewed these factors and base salaries for the Named Executive Officers and approved increases as indicated below:

Named Executive Officer	***Base Salary as of December 2013***	***Base Salary as of December 2014***	***Percentage Increase from 2013***
Robert Flexon	$900,000	$1,000,000	11%
Clint Freeland	$500,000	$520,000	4%
Carolyn Burke	$475,000	$500,000	5%
Catherine Callaway	$475,000	$495,000	4%
Henry Jones	$475,000	$495,000	4%

The Compensation Committee recommended competitive increases for Mr. Freeland, Ms. Burke, Ms. Callaway, and Mr. Jones comparable to the peer market levels, job complexity, and individual performance. Mr. Flexon's salary increase was based on benchmark data from our selected peer group, the Company's performance, and his individual contribution to the organization's success. His base salary prior to the 2014 increase was positioned nearly 20% below the 50^{th} percentile and 12% below the 25^{th} percentile of the selected peer group. Given Mr. Flexon's performance and contributions, the Compensation Committee sought to bring Mr. Flexon's salary closer to competitive benchmark levels. As such, the Committee recommended, and the full Board approved, an adjustment that positioned his salary between the 25^{th} percentile and median of the selected peer group.

Short-term Incentive Plan

The Dynegy Inc. Incentive Compensation Plan, or STI Plan, serves as a variable, at-risk mechanism to reward our Named Executive Officers and other eligible employees for the achievement of short-term performance objectives critical to our success. The STI Plan contains a number of components established to emphasize pay for performance by providing cash awards for the achievement of pre-determined levels of Company performance.

Performance-Based Bonus Pool

Annual bonus awards are paid from a performance-based bonus pool designed to fund bonus awards paid to our Named Executive Officers and other executives as determined through the STI Plan, and to allow for full tax deductibility of such bonuses. Each year, the Compensation Committee identifies executives covered under the bonus pool for that year, the performance-based formula used to fund the bonus pool, and the individual share of the bonus pool for each employee covered under the bonus pool.

To comply with Section 162(m) of the Internal Revenue Code, bonus awards that may be paid from the bonus pool are subject to the Compensation Committee's authority to reduce, but not increase, the amount of each covered executive's share of the bonus pool. The Compensation Committee may, in its sole discretion, increase or decrease individual bonus awards calculated under the STI Plan (as discussed below), provided that the resulting bonus award does not exceed the executive's individual share of the pool. Further, the exercise of negative discretion with respect to one covered executive may not result in an increase in the amount payable to another covered executive; and the sum of all covered executives' allocable shares of the pool may not exceed 100% of the total bonus pool.

In early 2014, the Compensation Committee established that the 2014 bonus pool will be funded in an amount equal to 5% of the Company's forecasted Adjusted EBITDA for the year. The Compensation Committee also identified the executives covered under the bonus pool, which included our Named Executive Officers, and assigned to the covered executives individual shares of the bonus pool. As discussed below, the design of the STI Plan provides each of our Named Executive Officers with the opportunity to earn up to a maximum of 200% of their individual bonus target, based on the Company's performance relative to pre-established performance components and levels of achievement. Provided that bonus award payouts to each executive covered under the pool does not exceed their individual share, the award will be fully-deductible.

How Bonus Awards are Determined

Once a minimum performance level is achieved, STI awards are determined through the following calculation.

Individual Bonus Targets. The STI target opportunity for each Named Executive Officer was set within their respective employment agreements upon hire and has remained unchanged. The Compensation Committee, in conjunction with the external compensation consultant, reviews the STI targets each year for competitive alignment. The Compensation Committee believes the target opportunities are appropriately positioned within the energy industry survey data and selected peer group. Current bonus targets for the Named Executive Officers, expressed as a percentage of base salary, are as follows:

Named Executive Officer	***Target Bonus (percent of base pay)***
Robert Flexon	100%
Clint Freeland	75%
Carolyn Burke	75%
Catherine Callaway	75%
Henry Jones	75%

STI Award Funding. Performance objectives for the STI program are approved annually by the Compensation Committee and Board. Each year the Compensation Committee establishes a minimum performance funding gate. If the funding gate metric is not achieved, no STI awards are paid to any employee, including the Named Executive Officers. The Compensation Committee established a funding gate for 2014 as Operating Cash Flow of $25 million.

Individual funding for the STI awards is based on performance relative to Compensation Committee-approved Critical Success Factors and related performance metrics, which represent specific financial, strategic, operational and safety goals that are important indicators of our overall performance. The attainment of these goals directly relates to the achievement of sustainable long-term total returns for our stockholders. Each of the Critical Success Factors is weighted, and performance is measured against overall year-end performance to determine the overall funding of the STI program. In early 2014, the Board reviewed and the Compensation Committee approved the Critical Success Factors and associated objectives and metrics to be used in determining STI awards for the 2014 performance year, as follows:

Capital Allocation (weighted 50%)

- Financial Performance
- Financial Optimization
- Strategic Growth

Customer Focus (weighted 25%)

- Commercial
- Retail
- Regulatory

Continuous Improvement (weighted 25%)

- Operations and Ops Support
- PRIDE/Integration
- Corporate Support

Individual Performance Adjustment. In addition to the formulaic calculation of overall Company results, individual performance adjustments are made to determine bonus awards under the STI Plan. The individual performance adjustment is designed to adjust for each Named Executive Officer's individual achievements for the respective performance year and may result in STI award payouts above or below actual funding percentage determined through the formulaic calculation.

2014 STI Results. In February 2015, the Compensation Committee determined that the 2014 funding gate of $25 million in Operating Cash Flow had been achieved. The Compensation Committee also reviewed the

Company's performance relative to the 2014 Critical Success Factors and approved funding of the STI Plan at 122% of target, as summarized in the table below:

Critical Success Factors	***Earned Payout***
Capital Allocation (50%)	74.2%
Adjusted EBITDA: Achieved $350 million vs. Target of $241 million	
Free Cash Flow for Dynegy Inc.: Achieved $244 million vs. Target of $36 million	
Free Cash Flow for IPH: Achieved $(57.5) million vs. Target of $(95) million	
Secured $25 million receivable-backed line of credit for Illinois Power Marketing Company vs. Target of $50 million	
Announced the EquiPower Acquisition and the Duke Acquisition in 2014	
Permitting processes underway at key facilities to position sites for possible combined cycle gas turbine installation	
Customer Focus (25%)	31.3%
Secured several bilateral and multi-year capacity agreements either meeting or exceeding target megawatts	
Entered and signed 3 ultra-low sulfur coal contracts	
Supplied 97% of natural gas supply needs at Independence from Marcellus vs. Target of 90%	
Achieved a capacity factor of 25% at Casco Bay	

Demand Side Management pilot program completed and demonstrated estimated capacity PLC reduction from previous year

Improved retail customer satisfaction score to 61% compared to 57% since 2011

Implemented refined coal at all coal facilities with annual ongoing benefit of $30 million

Continuous Improvement (25%)	16.6%

Safety targets not met for employee and contractor recordable/lost time injuries: Employee Recordables Actual 34 vs. Target <13; Employee Lost Time Injuries Actual 7 vs. Target 0; Contractor Recordables Actual 16 vs. Target of <9, Contractor Lost Time Injuries Actual 5 vs. Target 0

Equivalent Availability Factor for Coal segment was 84.6% vs. Target of 87%

In Market Availability for Gas segment was 98.7% vs. Target of 98%

PRIDE program captured $568.7 million fixed cash, $90.3 million balance sheet improvements, and $64.4 million in gross margin gains vs. target of $560 million, $58 million and $55 million, respectively

Investor relations outreach shifted investor base to 61% of long-only core investors vs. 44% in 2013

Ethics and compliance training was completed by 100% of the organization

Total STI Funding	122%

Approved 2014 STI Bonus Awards. In March 2015, the Compensation approved the following bonus awards for our Named Executive Officers, based on the Company's overall performance relative to the 2014 Critical Success Factors and assessments of their individual performance during the year.

Named Executive Officer	***Bonus Target***	***STI Funding***	***Individual Performance Factor***	***2014 STI Award Value***
Robert Flexon	100%	119%	120%	$1,428,000