

DYNEGY INC.
AMENDED AND RESTATED
COMPENSATION AND HUMAN RESOURCES COMMITTEE
CHARTER

NOVEMBER 2005

Charter and Scope

The Compensation and Human Resources Committee (the "Committee") of the Board of Directors (the "Board") of Dynegy Inc. (the "Company") is responsible for the following:

- (a) reviewing and approving corporate goals and objectives relevant to compensation of the Company's Chief Executive Officer ("CEO"), evaluating the CEO's performance in light of the aforementioned goals and objectives and, either as a committee or together with the other independent directors (as directed by the Board), determining and approving the CEO's compensation level based on this evaluation;
- (b) making recommendations to the Board with respect to non-CEO executive officer compensation and incentive compensation and equity-based plans that are subject to Board approval; and
- (c) producing a Committee report on executive officer compensation as required by the SEC to be included in the Company's annual proxy statement or annual report on Form 10-K filed with the SEC.

At regularly scheduled Board meetings, a report to the Board shall be made by the Committee chairperson or a designee regarding the Committee's activities, such report to be accompanied by any recommendations to the Board approved by the Committee.

The Committee is directly responsible for approving, in advance, the total remuneration and employment agreements for the Company's "executive officers" (as that term is defined under the Securities Exchange Act of 1934, as amended); reviewing, in the aggregate, the compensation, benefit and equity-based plans, programs and payments for all other employees; and recommending changes to all equity-based plans to the Board as appropriate, subject to shareholder approval as required.

Authority

The Committee was formed by Board Resolution pursuant to Article IV, Section 4 of the Bylaws and its authority is delegated by the Board. The Committee may form and delegate authority to subcommittees as appropriate. Additionally, the Committee has sole authority to retain and terminate external legal counsel, compensation consultants or other experts to assist it in carrying out the duties set forth in this Charter, including sole authority to approve the fees and other retention terms relating thereto.

Membership and Tenure

The Committee shall have a minimum of three members and shall be comprised solely of directors who meet the independence criteria of the New York Stock Exchange and any other applicable governmental or regulatory bodies. The members of the Committee, including the chairperson, shall be appointed by the Board on the recommendation of the Corporate Governance and Nominating Committee. Committee members may be replaced by the Board.

Meetings

The Committee shall meet at least three times annually. All meetings of the Committee shall be held pursuant to the Company's Bylaws, as amended from time to time, with regard to notice and waiver thereof, and written minutes shall be taken and maintained. The Committee members will have sole discretion in determining the meeting attendees; provided, however, that unless prohibited by applicable rules or regulations, all directors may attend the Committee meetings.

Authority and Responsibilities

1. In carrying out its responsibility regarding CEO compensation, and particularly the long-term incentive component of such compensation, the Committee should consider the Company's performance and relative shareholder return, the value of similar incentive awards to CEOs at comparable companies and the awards given to the CEO in past years.
2. Establish, in conjunction with executive management, the overall compensation strategy of the Company and review such strategy at least annually for alignment with the Company's business strategy and with similar programs offered by the Company's competitors.
3. Adopt, amend or terminate corporate incentive compensation programs (including short-term and long-term incentive and other similar programs), including establishment of performance standards, and validate the funding of such programs relative to previously established performance standards.
4. Review the Company's employee benefit plans, including retirement and savings plans, and either recommend plan changes to the Board or amend such plans as appropriate. Review at least annually the Company's investment strategies around and performance of the Company's 401(k) plans and retirement trusts. Routine oversight of the Company's retirement and benefits plans has been allocated to management in the form of the Benefit Plans Committee, whose actions should be periodically reviewed by the Committee.
5. Annually review the human resource strategies for recruitment, development and retention of employees.
6. Review executive development and executive succession plans, including succession planning strategies for the Company's top officer positions.
7. Review and reassess the adequacy of this Charter annually and recommend any proposed changes to the Board for approval. Review annually the Committee's performance.