

Dynergy Inc.

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DYNERGY

DYNERGY INC.
AMENDED AND RESTATED
CORPORATE GOVERNANCE AND NOMINATING COMMITTEE CHARTER
NOVEMBER 2004

Charter and Scope

The Corporate Governance and Nominating Committee (the "Committee") of the Board of Directors (the "Board") of Dynergy Inc. ("Dynergy" or the "Company") is responsible for the following:

- (a) identifying individuals qualified to become Board members, consistent with criteria approved by the Board, and recommending that the Board select the director nominees for each annual meeting of shareholders;
- (b) developing and recommending to the Board a set of corporate governance principles applicable to the Company; and
- (c) overseeing the evaluation of the Board and management.

At each regularly scheduled Board meeting, 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.

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, director search firms or other experts to

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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

Membership shall include a minimum of four independent directors, all of which shall be appointed by the Board and shall meet the independence requirements of the New York Stock Exchange and any other applicable government or regulatory bodies. Committee members may be replaced by the Board. The Board shall appoint the chairperson and other members, including any employee representatives, as it deems appropriate.

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 they may be 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.

Mandates

Following is a list of responsibilities to guide the Committee in fulfilling its purpose as set forth above under "Charter and Scope":

1. Review annually the size and composition of the Board and all Board committees, including the relevant skills and attributes of Board members. Recommend to the Board at least annually director nominees and committee slates.
2. Maintain compliance with requirements for Board members as set forth in the Dynegy Inc. Corporate Governance Guidelines.
3. Review Board compensation annually in relation to peer group and competitors. Recommend changes to the Board if necessary. Approve the remuneration of Directors and oversee the administration of such plans. Monitor the Dynegy common stock ownership of Class A Directors in accordance with the Dynegy Inc. Corporate Governance Guidelines.
4. Oversee the Company's policies for providing Director orientation, including educating new Directors on the Company's business, structure, management, and director responsibilities.

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5. Oversee the Company's policies for communicating, coordinating and monitoring opportunities for continuing education for all Directors.
6. Review annually this Charter and recommend any proposed changes to the Board for approval.
7. Review annually the Committee's performance.
8. Review annually the charters of the other Board committees, as well as the performance of each such committee, and recommend any proposed changes to the appropriate committee chairperson.
9. Review and reassess the adequacy of the Company's Corporate Governance Guidelines and recommend any proposed changes to the Board for approval. Review at least annually the Company's compliance with these guidelines.
10. Administer a procedure to consider stockholder recommendations for director nominees.