

DYNEGY INC.  
Form DEF 14A  
March 30, 2017

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

Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material 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):

- No fee required.
- 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:

Edgar Filing: DYNEGY INC. - Form DEF 14A

- 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:
-

Edgar Filing: DYNEGY INC. - Form DEF 14A

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

Pat Wood III  
Chairman of the Board

**ANNUAL MEETING May 18, 2017**

March 30, 2017

To our stockholders:

It is my pleasure to invite you to attend the 2017 Annual Meeting of stockholders of Dynegy Inc., which will be held on May 18, 2017, at 10:00 a.m., Central Time. You will be able to attend the 2017 Annual Meeting, vote, and submit your questions during the meeting via live webcast through the link [www.virtualshareholdermeeting.com/DYN17](http://www.virtualshareholdermeeting.com/DYN17). You will need the 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 March 20, 2017 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*

---

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

## NOTICE OF 2017 ANNUAL MEETING OF STOCKHOLDERS

Meeting Date: **May 18, 2017**  
Time: **10:00 a.m. (Central)**  
Via live webcast: [www.virtualshareholdermeeting.com/DYN17](http://www.virtualshareholdermeeting.com/DYN17)  
You will need the control number provided on the Notice of Internet Availability of Proxy Materials or your proxy card (if applicable).

### ITEMS OF BUSINESS:

1. To elect eight directors to serve until the 2018 Annual Meeting of Stockholders;
2. To approve, on an advisory basis, the compensation of Dynergy's named executive officers as described in this proxy statement;
3. To act upon a resolution, on an advisory basis, regarding whether the stockholder vote on the compensation of Dynergy's named executive officers should occur every one, two or three years; and
4. To act upon a proposal to ratify the appointment of Ernst & Young LLP as Dynergy's independent registered public accountants for the fiscal year ending December 31, 2017.

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

The close of business on March 20, 2017 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*

March 30, 2017

---

## 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 2017 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.*

### 2016 BUSINESS HIGHLIGHTS

Expanded the Company's portfolio by acquiring the Engie US Fossil facilities.

Achieved \$1 billion in Adjusted EBITDA in 2016 with 76% of that total coming from our gas fleet.

Completed the Illinois Power Generating, or Genco, subsidiary financial restructuring, eliminating \$825 million of unsecured Genco bonds.

Repriced the \$2 billion Engie Acquisition term loan, resulting in approximately \$100 million in interest savings over the next seven years.

Continued improvements in safety, with our gas-fired facilities continuing to perform in the top decile for Total Recordable Incident rates, our coal-fired facilities improving by 25% and as of year-end 2016, 70% of our plants (pre-Engie) have either attained the OSHA Voluntary Protection Program, or VPP, certification or are working towards the VPP evaluation and application process.

Strong reliability performance across the portfolio including setting new production records at four of our six Combined Cycle Gas Turbine facilities in the PJM market.

Our self-improvement program, PRIDE (Producing Results through Innovation by Dynegy Employees) exceeded the pre-established targets set for 2016, achieving \$422 million in balance sheet improvements and \$150 million in EBITDA enhancements.

### 2016 COMPENSATION HIGHLIGHTS

Based on results relative to our pre-established goals, our short-term incentive, or STI, plan achieved a quantitative result equal to 97% of target.

While the Company met the financial guidance range for Adjusted EBITDA and Free Cash Flow, the range for both metrics was narrowed from the initial range that was established. As a result, the Compensation and Human Resources Committee exercised negative discretion and funded the STI program at 90% below the quantitative result.

The Compensation and Human Resources Committee remains committed to performance-based long-term incentive, or LTI, awards, and have maintained the use of performance shares as the largest component of LTI awards for our Named Executive Officers.

## Edgar Filing: DYNEGY INC. - Form DEF 14A

The PSUs granted in 2013 and 2014 (covering the 2013-2016 and 2014-2016 performance periods respectively) both resulted in no payment, because the Company's total stockholder return, or TSR, performance thresholds were not achieved.

PSUs granted in 2016 and 2017, include a second performance metric cumulative Free Cash Flow. This second metric was added to enhance the line of sight for our management team, to further align pay for performance and in response to feedback we received from some of our largest stockholders.

Our outreach efforts with several of our largest stockholders covered updates to our strategic focus, executive compensation and overall governance practices.

**2017 Proxy  
Statement** i

---

**STOCKHOLDER ENGAGEMENT**

**Commitment to Stockholder Engagement**

**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;

Elimination of employment agreements, except for the CEO;

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.

**DIRECTOR EXPERTISE**

Our Directors collectively represent a deep, diverse mix of skills and experiences that are well-suited to our business.



**PAY FOR PERFORMANCE**

For 2016, the mix of pay across base salary, STI, and LTI for the CEO and the other Named Executive Officers was heavily weighted towards at-risk pay. As the two charts below illustrate a total of 86% of total compensation allocated to Mr. Flexon, and 72% of the total compensation allocated to the other NEOs, was at-risk.

The Compensation and Human Resources Committee believes that both the mix and design of LTI award vehicles delivered to the Named Executive Officers establish strong alignment with stockholders.

**CEO Total 2016 Compensation**

**Grant Value of LTI Previously  
Awarded to the CEO vs. Realizable Value  
(as of Dec 31, 2016)**

**All Other NEOs Total 2016 Compensation**

**Average Grant Value of LTI  
Previously Awarded to the other NEOs vs.  
Realizable Value (as of Dec 31, 2016)**



**PROPOSALS FOR STOCKHOLDER ACTION**

	<i>For More Information</i>	<i>Board Recommendation</i>
<b>Proposal 1: Election of Directors</b> Pat Wood III Paul M. Barbas Richard L. Kuersteiner Jeffrey S. Stein Hilary E. Ackermann Robert C. Flexon Tyler G. Reeder John R. Sult	Page 21	ü For
<b>Proposal 2: Advisory Vote on our 2016 Executive Compensation</b>	Page 69	ü For
<b>Proposal 3: Advisory Vote on Say-on-Pay Frequency</b>	Page 75	ü For Annually
<b>Proposal 4: Ratification of Independent Registered Public Accountants for 2017</b>	Page 80	ü For

**ANNUAL MEETING INFORMATION**

Time and Date: 10:00 a.m. (CT) on Thursday, May 18, 2017

Virtual Meeting: Live webcast through the link  
[www.virtualshareholdermeeting.com/DYN17](http://www.virtualshareholdermeeting.com/DYN17)

Record Date: March 20,  
2017

Voting Methods:

Attending the meeting via live webcast	Submitting your proxy by internet ( <a href="http://www.proxyvote.com">http://www.proxyvote.com</a> ) 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](http://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 2017 Annual Meeting of Stockholders, or the Annual Meeting. The Annual Meeting is scheduled to be held on Thursday, May 18, 2017 at 10:00 a.m., Central Time, via live webcast through the link [www.virtualshareholdermeeting.com/DYN17](http://www.virtualshareholdermeeting.com/DYN17). You will need the 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 2016 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 four items that will be voted on at the Annual Meeting:

1. The election of eight directors to serve until the 2018 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;
3. An advisory resolution regarding whether the stockholder vote on the compensation of Dynegy's named executive officers should occur every one, two or three years; and
4. A proposal to ratify the appointment of Ernst & Young LLP as Dynegy's independent registered public accountants for the fiscal year ending December 31, 2017.

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 eight directors to the Board;

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

Proposal 3 **FOR** the stockholder vote regarding the compensation of Dynegy's named executive officers to occur **ANNUALLY**; and

Proposal 4 **FOR** ratification of the appointment of Ernst & Young LLP as our independent registered public accountants.

**2017 Proxy  
Statement 1**

---

***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 March 30, 2017. 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](http://www.proxyvote.com), by sending an email to [sendmaterial@proxyvote.com](mailto: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](http://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 u