

RRI ENERGY, INC.

COMPENSATION COMMITTEE CHARTER

(as amended and restated as of November 18, 2009)

The Board of Directors of RRI Energy, Inc. (the "Company") has established the Compensation Committee of the Board and has adopted this Charter, which is dated July 7, 2003 as most recently amended and restated effective May 2, 2009, and reflects the Company's current circumstances and current "best practices." It is the intention of the Board that this Charter be a dynamic document, to be regularly reviewed and updated to ensure that it represents evolving "best practices" on a basis consistent with the RRI Energy, Inc. Statement of Objectives, as set forth below:

The objective of the Board of Directors (the "Board") is to govern the affairs of the Company for the benefit of our shareholders and other constituencies, including our employees, customers and the communities in which we do business. The Board strives to ensure the success and continuity of the Company's business by electing qualified management and fostering an environment in which the Company's activities are conducted in a legally-compliant, responsible and ethical manner.

Strong principles of corporate governance are critical to achieving these objectives. Accordingly, the Board has committed to:

- ***High Corporate Governance Standards*** -- Engaging in conduct that conforms to current corporate governance standards and monitoring evolving standards of corporate governance in an effort to substantially exceed the consensus view of the minimally-acceptable standards;
- ***Responsible Decision Making*** -- Acting in the best interests of the Company and its shareholders, taking into account the effect of its actions on the Company's employees, customers, the environment and the communities in which it operates;
- ***Transparency in Reporting*** -- Ensuring transparency in the Company's reporting of its financial condition and results of operations, business activities and other disclosure by the Company to regulatory authorities, shareholders and other constituencies; and
- ***Ethical Behavior*** -- Conducting the Company's business in a fashion consistent with the highest standards of ethical conduct and in such a fashion that complies with both the letter and the spirit of the applicable laws, rules and regulations.

I. Purposes

The purposes of the Compensation Committee are:

1. To review, evaluate, and approve the agreements, plans, policies and programs of the Company to compensate the officers and directors of the Company;
2. To oversee plans, policies and programs of the Company to compensate the employees of the Company;
3. To review and discuss with the Company's management the Compensation Discussion and Analysis required by Securities and Exchange Commission Regulation S-K, Item 402 and, based on such review and discussion, to determine whether to recommend to the Board that the Compensation Discussion and Analysis be included in the Company's annual report or proxy statement for the annual meeting of shareholders;
4. To produce a report required by Securities and Exchange Commission Regulation S-K, Item 407 and to publish the report in the Company's proxy statement for its annual meeting of shareholders.
5. In consultation with the non-management members of the Board, to evaluate the performance of the Chief Executive Officer; in consultation with the Chief Executive Officer, to evaluate the Company's executive management; to set the compensation of the Chief Executive Officer and such other members of the Company's executive management as it deems appropriate; and otherwise to discharge the Board's responsibilities relating to compensation of the Company's officers and directors;
6. To perform such other functions as the Board may assign to the Compensation Committee from time to time; and
7. To encourage stock ownership by executive management, including through the use of equity compensation programs.

II. Composition

The Compensation Committee shall consist of at least two directors. Each Compensation Committee member shall be qualified to serve on the Compensation Committee pursuant to the requirements of the New York Stock Exchange (the "NYSE"), and shall also satisfy any additional requirements deemed appropriate by the Board. Members of the Compensation Committee shall also qualify as "outside directors" within the meaning of Section 162(m) of the Internal Revenue Code of 1986, as amended, and shall satisfy any other necessary standards of independence under the federal tax laws.

The Board shall appoint the members of the Compensation Committee based on the recommendation of the Nominating & Governance Committee. Any vacancy on the

Compensation Committee shall be filled by majority vote of the Board. Members may be removed only by a majority vote of the independent directors of the Board then in office. The chairperson of the Compensation Committee shall be designated by the Board based on the recommendation of the Nominating & Governance Committee. The chairperson shall be responsible for leadership of the Compensation Committee, including developing the agenda with the assistance of and in consultation with appropriate members of the Compensation Committee and management, presiding over the meetings, making assignments and reporting to the Board. The agenda for each Compensation Committee meeting shall provide for a meeting of the members of the Compensation Committee in executive session.

III. Authority and Responsibilities

The Compensation Committee is delegated all authority of the Board as may be required or advisable to fulfill the purposes of the Compensation Committee. The Compensation Committee may form, and delegate some or all of its authority to, subcommittees as it deems appropriate; provided, however, that it shall not delegate to a subcommittee any power or authority required by any law, regulation or listing standard to be exercised by the Compensation Committee as a whole. Without limiting the generality of the preceding statements, the Compensation Committee shall have authority, and is entrusted with the responsibility, to do the following actions.

1. ***Executive Compensation.*** The Compensation Committee shall:
 - Exercise oversight of all matters of executive compensation policy;
 - Annually review, modify if necessary, and approve the Company's goals and objectives relevant to the compensation of the Chief Executive Officer and the other executive management;
 - Annually review, modify if necessary, and approve the Company's executive compensation programs in light of the Company's goals and objectives relevant to executive compensation and to ensure that the executive compensation programs yield payments and benefits that are reasonable related to executive and corporate performance and comparable to programs of peer companies as determined from time to time.
 - Annually evaluate the Chief Executive Officer's performance and, in consultation with the Chief Executive Officer, the other executive management, in light of those goals and objectives. The Compensation Committee shall determine annually in advance of the Compensation Committee's final action on CEO compensation the appropriate process to solicit views of the Chief Executive Officer's performance and compensation;
 - Annually set the compensation of the Chief Executive Officer and, in consultation with the Chief Executive Officer, such other members of executive management as the Compensation Committee deems appropriate based on this evaluation, including the annual base salary, annual incentive opportunity level, long-term incentive opportunity level and special or supplemental benefits; in doing so, the Compensation Committee should exercise independent judgment in determining compensation levels and types,

and should be mindful of differences in compensation levels and the Company's policy not to extend personal loans to executive officers. In determining the long-term incentive component of compensation, the Compensation Committee shall consider such factors as it deems appropriate, including the Company's performance and relative shareholder return, the value of similar incentive awards to chief executive officers and senior executives at comparable companies, and the awards given to the Chief Executive Officer and the other members of executive management in past years;

- Annually review policies in the area of senior management and director perquisites and recommend any changes to the Board;
 - Review and approve for the Chief Executive Officer and such other members of executive management as the Compensation Committee deems appropriate, all employment agreements, severance arrangements, and change-in-control agreements and provisions;
 - Review and discuss with the Company's management the Compensation Discussion and Analysis required by Securities and Exchange Commission Regulation S-K, Item 402 and based on that review and discussion determine whether to recommend to the Board that the Compensation Discussion and Analysis be included in the Company's annual report or annual proxy statement; and
 - Produce a report required by Securities and Exchange Commission Regulation S-K, Item 407 and publish the report in the Company's annual proxy statement.
 - To review the description of the Compensation Committee's processes and procedures for the consideration and determination of executive and director compensation to be included in the Company's annual proxy statement.
2. ***Director Compensation.*** Each year, the Compensation Committee shall review director compensation and make a recommendation to the Board regarding the form and amount of director compensation, taking into account the Company's belief that director compensation should encourage ownership of the Company's stock and should be competitive with comparable companies.
3. ***Incentive and Equity Compensation Plans.***
- The Compensation Committee shall make recommendations to the Board with respect to incentive-compensation plans and equity-compensation plans.
 - The Compensation Committee shall ensure that shareholders are given the opportunity to vote on equity-compensation plans, as required by law, applicable listing standards, the Company's certificate of incorporation or bylaws (as amended from time to time), or the Company's Corporate Governance Guidelines, and, as required under the NYSE listing standards, the Compensation Committee shall approve any equity compensation plan for which shareholder approval is not so required.
 - The Company's policy is to price stock options on the date of the Compensation Committee or Board meeting at which the grants are approved. Stock options granted

as inducement awards are priced on the first business day of the month after the hire date. The Company does not time stock option grants in connection with the release of material non-public information.

- It is the Company's policy not to reprice stock options.
4. **Section 16 Matters.** The Compensation Committee shall review and approve, or review and recommend to the Board for its approval, any transaction in equity securities of the Company, or derivatives of those equity securities, between the Company and any officer or director of the Company who is subject to the SEC's reporting and short-swing liability provisions.
 5. **Outside Advisors.** The Compensation Committee shall have the sole authority to retain, amend the engagement with, and terminate any compensation consultant to be used to assist in the evaluation of director, Chief Executive Officer, executive management or other senior executive compensation. The Compensation Committee shall have the sole authority to approve the consultant's fees and other retention terms and shall have authority to cause the Company to pay the fees and expenses of such consultants, and it has authority to obtain advice and assistance from internal or external legal, accounting or other advisors and to approve and have the Company pay the fees and expenses of such outside advisors.

IV. Procedures

1. **Meetings.** The Compensation Committee shall meet at least two times per year. Members are expected to attend every meeting of the Compensation Committee, and to spend the time needed to properly discharge their responsibilities. A Compensation Committee member who is unable to attend a Compensation Committee meeting is expected to notify the chairperson of the Compensation Committee prior to the meeting. The schedule for each Compensation Committee meeting shall be furnished to all directors, and the agenda for each Compensation Committee meeting shall be furnished to the members of the Compensation Committee as well as to the chairperson of each other committee of the Company's Board.

Information and data important to the Compensation Committee's understanding of the business to be conducted at each meeting should be distributed in writing to the attendees before the meeting (taking into account that there may be exigent circumstances in which it is not possible to do so), and Compensation Committee members are expected to review these materials prior to the meeting. It is the Compensation Committee's expectation that materials should be physically delivered at least five calendar days prior to the meeting in question.

All non-management directors are invited to attend every meeting of the Compensation Committee and receive copies of all materials distributed at such meetings, with the understanding that non-management directors that do not sit on the Compensation Committee will have only observer status. The Compensation Committee may meet in person, by telephone conference call, or in any other manner in which the Board is permitted to meet under law or the Company's bylaws.

The Compensation Committee may ask management or other employees to attend its meetings and to provide pertinent information and/or recommendations for the Compensation Committee's consideration as necessary.

2. ***Quorum and Approval.*** A majority of the members of the Compensation Committee shall constitute a quorum. The Compensation Committee shall act on the affirmative vote of a majority of members present at a meeting at which a quorum is present. The Compensation Committee may also act by unanimous written consent in lieu of a meeting.
3. ***Reports.*** The Compensation Committee shall maintain minutes of its meetings and shall make regular reports to the Board on its activities, as appropriate, directly or through the chairperson.
4. ***Performance and Charter Review.*** The Compensation Committee shall conduct an annual self-evaluation to determine whether it and its members are functioning effectively. The evaluation shall include a review and assessment of the adequacy of the Compensation Committee's charter. The Compensation Committee shall develop an evaluation process and solicit evaluations from all members regarding the functioning of the committee at the end of each fiscal year. The Compensation Committee shall report the results of the review to the Board and, if necessary, make recommendations to the Board to amend the Compensation Committee's charter. The Compensation Committee also shall submit itself to the review and evaluation of the Board.

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While the members of the Compensation Committee have the duties and responsibilities set forth in this Charter, nothing contained in this Charter is intended to create, or should be construed as creating, any responsibility or liability of members of the Compensation Committee, except to the extent otherwise provided under applicable federal or state law.