

RRI ENERGY, INC.

CORPORATE GOVERNANCE GUIDELINES

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

The Board of Directors of RRI Energy, Inc. (the "Board") has adopted the following corporate governance guidelines to assist the Board in carrying out its responsibilities. The guidelines reflect the Board's goal of building long-term value for the Company's shareholders and the Board's commitment to monitor its own performance and the performance of the Company and of the Board. The guidelines reflect the Company's current circumstances and current "best practices." It is the intention of the Board that the guidelines and the Charters of the Company's various committees be dynamic documents, to be regularly reviewed and updated to ensure that they represent evolving "best practices" on a basis consistent with the RRI Energy, Inc. Statement of Objectives, as set forth below:

The objective of 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. The Board of Directors

Director Qualifications and Independence

The Board shall be composed of a substantial majority of directors who meet the criteria for independence established by the New York Stock Exchange ("NYSE"). The Nominating & Governance Committee must annually review relationships between each director and the Company and report the results of its review to the Board, which will then determine which directors satisfy the applicable independence standards.

The Nominating & Governance Committee must establish criteria for selecting new directors and seeking out qualified candidates. The Board directs the Nominating & Governance Committee to consider the following factors as it evaluates the qualifications of potential candidates: a candidate's experience, independence (as defined by applicable NYSE and Securities and Exchange Commission ("SEC") rules and regulations), knowledge, commitment to the Company's core values, skills, expertise, independence of mind, integrity, relationships with the Company that could potentially compromise the integrity of such a candidate, service on the boards of directors of other companies, openness, ability to work as part of a team, willingness to commit the required time, and familiarity with the Company and its industry. To ensure that Directors are able to devote sufficient time to their service on the Board, no Director shall serve on the boards of more than three other public companies. The Nominating & Governance Committee also shall consider the diversity of, and the optimal enhancement of the current mix of talent and experience on, the Board. Additionally, the Nominating & Governance Committee may take into account the candidate's prior employment, including service as Chief Executive Officer of the Company. There is no categorical prohibition against a former Chief Executive Officer serving as a director. The Nominating & Governance Committee also shall consider whether the Audit Committee includes an "audit committee financial expert" and the results of the Board's annual self-evaluation in selecting appropriate candidates to the Board. The Nominating & Governance Committee shall maintain a current biographic profile of potential director candidates. Consistent with its Charter, the Nominating & Governance Committee shall recommend potential nominees to the full Board. The invitation to join the Board should be extended, on behalf of the Board, jointly by the Chairperson of the Nominating & Governance Committee and the Chairman of the Board.

Service on Other Boards

Prior to accepting an invitation to serve as a member of the board of another company (other than a non-profit institution), a Director shall inform the Chairman of the Board (or in the case of the Chairman of the Board, the Lead Director) and the Chairperson of the Nominating & Governance Committee in order to allow for an assessment to be made of, among other things, the potential impact of such service on the Director's time and availability, potential conflict of interest issues and his or her status as an independent director.

Size of the Board

The Board has determined that the optimal size for the Board is seven to ten members. The Nominating & Governance Committee must review and report to the Board annually on the advisability of or need for any change in the size of the Board.

Director Tenure

The Board has considered the appropriateness of limits on directors' age, length of term, and membership on other boards, and has determined that rather than imposing arbitrary limits on a director's ability to serve, the Board's evaluation process will serve to ensure that the Company has a properly constituted and functioning Board.

From time to time there may be material changes in the professional or personal circumstances of a Director existing at the time that the Director was originally invited to join the Board. In some cases, such changes may reasonably be expected to diminish the Director's ability to effectively function as a member of Board, such as a Director's principal occupation or business association changes substantially from the position he or she held when originally invited to join the Board or a Director's ability to devote the time necessary to effectively serve on the Board is diminished as a result of professional or personal circumstances. In such cases, the Director shall advise the Chairman of the Board (or in the case of the Chairman of the Board, the Lead Director) and the Chairperson of the Nominating & Governance Committee, and in the event the Director's principal occupation or business association changes substantially from the position he or she held when originally invited to join the Board, the Director shall submit to the Board his or her letter of resignation. In evaluating whether or not to accept such a letter of resignation, the Board shall consider whether such change in occupation or association is reasonably expected to diminish the affected Director's ability to effectively function as a member of the Board.

Director Resignation

The Board expects a Director to tender his or her resignation if he or she fails to receive the required number of votes for election or re-election in accordance with the Company's Bylaws. If an incumbent Director fails to receive the required vote for election or re-election, the Nominating & Governance Committee will determine whether to accept the Director's resignation and will submit such recommendation for consideration by the Board, and the Board will take action with respect to the resignation within 90 days following the date of the stockholders' meeting at which the election occurred. The Board expects the Director whose resignation is under consideration to abstain from participating in any decision regarding that resignation. The Nominating & Governance Committee and the Board may consider any factors they deem relevant in deciding whether to accept a Director's resignation.

Following the Board's decision, the Company, within four (4) business days after such decision is made, will publicly disclose in a Form 8-K filed with the Securities and Exchange Commission the Board's decision whether to accept the resignation, together with a full explanation of the process by which the decision was reached and, if applicable, the Board's reason or reasons for rejecting the tendered resignation.

If a majority of the members of the Board fail to receive the required number of votes for election or re-election, then an ad hoc committee comprised of the independent directors then serving on the Board who were elected (the "Ad Hoc Committee") shall serve in place of the Nominating & Governance Committee and the Board and perform the Nominating & Governance Committee's and the Board's duties for purposes of this guideline. Notwithstanding the foregoing, if there are fewer than three directors eligible to serve on an Ad Hoc Committee, then all of the independent members of the Board (other than the individual director whose resignation is being considered) will make the determination to accept or reject an individual tendered resignation.

The Board shall nominate for election or re-election as Director only candidates who agree to tender, promptly following the annual meeting at which they are elected or re-elected as Director, irrevocable resignations that will be effective upon (i) the failure to receive the required vote at the next annual meeting at which they face re-election and (ii) Board acceptance of such resignation. In addition, the Board shall fill Director vacancies and new directorships only with candidates who agree to tender, promptly following their appointment to the Board, the same form of resignation tendered by other Directors in accordance with the above practice.

Director Responsibilities

The basic responsibility of the directors is to exercise their business judgment to act in what they reasonably believe to be in the best interests of the Company and its shareholders. Directors are expected to regularly attend meetings of the Board and the committees on which they serve, and to spend the time needed to properly discharge their responsibilities. A director who is unable to attend a meeting is expected to notify the Chairman of the Board (or in the case of the Chairman of the Board, the Lead Director) or the chairperson of the appropriate committee prior to the meeting. The Nominating & Governance Committee must consider attendance and participation at Board and committee meetings when assessing each member's performance. Information and data important to the Board's understanding of the business to be conducted at a Board or committee 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 directors are expected to review these materials prior to the meeting. It is the Company's expectation that materials should be physically delivered at least six calendar days prior to the meeting in question.

Separation of Chairman of the Board and CEO Positions

The Board will at least annually determine whether the roles of Chairman and Chief Executive Officer should be separated or combined. The Nominating & Governance Committee shall review at least annually, and make appropriate recommendations for final Board action regarding, whether combining or separating the dual roles of Chairman and Chief Executive Officer is in the best interest of the Company and its shareholders. This review shall be conducted in light of the Nominating & Governance Committee's evaluation of the continuing ability of the incumbent Chairman and Chief Executive Officer to simultaneously execute the dual roles of Chief Executive Officer and Chairman of the Board.

The Lead Director

Based on the recommendation of the Nominating & Governance Committee, the Board shall designate an independent Lead Director to preside over the meetings of independent directors if the Board determines that it is appropriate to have, and appoints, a Chairman of the Board that is not independent, or otherwise in its discretion.

Meetings of the Board

The Board shall have four regularly-scheduled meetings and such other meetings as may be necessary and appropriate. The agenda for each Board meeting shall be prepared by the Chairman in consultation with the Lead Director, after actively soliciting input regarding appropriate agenda matters from the Board as a whole.

Meetings of Non-Management Directors

The agenda for every Board meeting shall provide for a meeting of non-management directors in executive session. The Chairman of the Board shall preside over meetings of non-management directors as a whole, assist in the preparation of the agenda for each such meeting, and review each such agenda in advance of the meeting for which it was prepared. Interested parties desiring to communicate directly with the Lead Director, the Chairman of the Board or the non-management directors as a group regarding the Company may send mail to the Lead Director, or the Chairman of the Board care of the Corporate Secretary, and such communications will be forwarded to him or her. To the extent that any such communication involves financial or accounting matters, the Lead Director or the Chairman of the Board shall forward such communication to the chairperson of the Audit Committee, and they shall coordinate with each other with respect to responding to such communication. In the event that the non-management directors include directors who are not independent under the NYSE listing standards, at least once a year there should be an executive session including only independent directors.

Board Interaction with External Constituencies

Because of the importance of the Company communicating consistently and appropriately with all of its key constituencies, the Board has determined that questions regarding the Company's financial information, personnel matters, policies, plans and procedures, strategic issues or other similar matters should as a general rule be referred to the Chief Executive Officer. Directors should generally not speak with external constituencies about the Company unless requested to do so by the Chief Executive Officer or after consultation with the Chief Executive Officer.

Director Compensation

The Compensation Committee shall conduct an annual review of 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. A Director who also is an employee of the Company shall not receive any additional compensation for service on the Board.

Director Stock Ownership

The Board believes that encouraging equity ownership in the Company is an appropriate means of helping to ensure a proper alignment of the interests of Directors and shareholders. To this end, Directors must meet a target level of ownership of RRI Energy common stock (or common stock equivalents) of 30,000 shares. Each Director is expected to achieve the ownership target within five years of the later of (i) March 7, 2006 or (ii) the date on which the Director was elected to the Board. The number of shares held by each Director for purposes of calculating the ownership target shall be the number of shares beneficially owned (as defined by the SEC's rules and regulations).

Director Orientation and Continuing Education

The Nominating & Corporate Governance Committee shall develop a general education and orientation program for directors, which it shall review and evaluate annually.

Guidelines for Director Orientation and Continuing Education

At least annually, in connection with a regularly scheduled Board meeting, the Company will offer a seminar on current issues relating to the responsibilities of corporate directors. Recognizing that directors may obtain continuing education from a variety of sources, attendance at the seminar will be optional.

Additionally, individual Board members are encouraged to attend one outside seminar per year relating to the responsibilities of corporate directors. The seminar will be at the discretion of the individual director subject to the prior approval of the Chairman of the Nominating & Governance Committee. Each director will be reimbursed by the Company for his/her reasonable domestic travel expenses relating to attendance at the outside seminar.

The Company will provide Board members with regular updates on significant issues, trends, and changes relating to public company corporate governance.

Annual Performance Evaluation of the Board

The Board shall conduct an annual self-evaluation to determine whether it and its committees and members are functioning effectively. The Nominating & Governance Committee shall develop an evaluation process and proactively solicit evaluations from all directors regarding the functioning of the Board and its committees on an annual basis. The evaluation will focus on the Board's contribution to the Company and on areas that the Board or management believes could be improved. The Nominating & Governance Committee shall also use such evaluations in identifying appropriate candidates for election to the Board.

Review of Corporate Governance Guidelines

The Nominating & Governance Committee shall, at least annually, review these Corporate Governance Guidelines and report to the Board the results of its review, including any recommended changes. In particular, the Nominating & Governance Committee shall include in its annual review of corporate governance guidelines:

- Emerging practices in corporate governance; and
- Factors and criteria identified by shareholders and other groups that may be relevant to corporate governance.

Independent Advisors

The Board and each committee has the power to retain independent legal, financial or other advisors as it deems necessary, without consulting or obtaining advance approval of any officer of the Company (and in the case of a committee, without approval of the full Board). The Audit Committee, however, is responsible for hiring the Company's independent public accountants. A committee that retains an independent advisor must notify the Board and, if the Chief Executive Officer is not a member of the Board at such time, the Chief Executive Officer.

II. Committees of the Board

Committees

The Board must have at all times an Audit Committee, a Compensation Committee and a Nominating & Governance Committee, each composed solely of members who are qualified to serve pursuant to the requirements of the NYSE, the SEC and any additional requirements deemed appropriate by the Board. The Board may establish and/or disband other standing or ad hoc committees. Committee members are appointed by the Board upon recommendation of the Nominating & Governance Committee, which shall consult with the Chief Executive Officer and Chairman, with consideration given to the desires and expertise of individual directors.

Committee Charters

Each committee shall have its own charter, to be approved by the Board. The charters shall set forth the purposes, goals and responsibilities of the committees as well as qualifications for committee membership, procedures for committee member appointment and removal, committee structure and operations and committee reporting to the Board. The charters shall also provide that each committee shall annually evaluate its performance.

Committee Meetings

The chairperson of each committee, in consultation with the committee members, shall determine the frequency and length of the committee meetings, consistent with any requirements set forth in the committee's charter; in no event, however, shall the Audit Committee meet fewer than four times per year, the Compensation Committee meet fewer than two times per year, or the Nominating & Governance Committee meet fewer than three times per year. The chairperson of each committee, with the assistance of and in consultation with appropriate members of the committee and management, shall develop the committee's agenda. The agenda for each committee meeting shall provide for a meeting of that committee's members in executive session. The schedule for each committee's meetings will be furnished to all directors, and the agenda for each committee meeting shall be furnished to the members of such committee as well as to the chairperson of each other committee. Additionally, all non-management directors are invited to attend every meeting of all committees of the Board and receive copies of

all materials distributed at such meetings, with the understanding that non-management directors attending the meeting of a committee on which they do not sit will have only observer status.

III. Management and Certain Policies of the Company

Director Access to Management

Directors have full and free access to officers and employees of the Company and to the Company's outside advisers. It is expected that Board members will use their judgment to ensure that any such contact is not disruptive to the business operation of the Company.

Management Attendance at Board Meetings

Executive management may attend Board meetings at the invitation of the Board. The Corporate Secretary and Assistant Corporate Secretary may attend all meetings of the Board. If the Chief Executive Officer wishes to have additional employees regularly attend Board meetings, he or she should obtain the prior approval of the Board.

Evaluation and Compensation of Chief Executive Officer and Executive Management

As a general matter, the non-management members of the Board will on a regular basis evaluate the performance of the Chief Executive Officer and advise the Compensation Committee of their views of his or her performance on an ongoing basis.

The Compensation Committee shall annually review and approve corporate goals and objectives relevant to the compensation of the Chief Executive Officer and the Company's executive management, evaluate the performance of the Chief Executive Officer and, in consultation with the Chief Executive Officer, the other executive management in light of those goals and objectives and set the compensation of the Chief Executive Officer and such other members of the Company's executive management as it deems appropriate based on this evaluation. 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. It is the Company's policy not to extend personal loans to executive officers, as encompassed by Section 402 of the Sarbanes-Oxley Act of 2002.

Management Succession and Development

The non-management members of the Board shall evaluate at least annually potential successors to the Chief Executive Officer and senior management and review development plans for candidates, based upon reports and recommendations from the Chief Executive Officer. The non-management members of the Board may invite the Chief Executive Officer to participate in discussions regarding management succession and development as appropriate. The Chief Executive Officer is responsible for development and succession of senior management, and the Chief Executive Officer and the non-management directors shall be responsible for assuring such succession and development plans are in the best interests of the Company.

The Board shall review and evaluate the Emergency Succession Policy at least annually in conjunction with the Board's review of succession planning.

Long-Term Planning

The Chief Executive Officer and senior management shall also develop, and annually report to the Board regarding, the Company's long-term strategic plans and the principle issues that the Company will face in the future. The Board shall be involved in strategic discussions concerning such long-term planning, and the Chief Executive Officer shall create a forum for such discussion to occur.

Disclosure

The Company shall post the Corporate Governance Guidelines, the Charters of each of the Audit, Compensation and Nominating & Governance Committees and the Company's Business Ethics Policy on the Company's website and provide copies to the public upon request. It is the Company's policy that the Company's annual proxy statement to shareholders shall contain a separately-captioned section that summarizes and discusses the Company's corporate governance practices.

Provision of Services to the Company by Independent Public Accountants

The Company shall comply with all applicable laws regarding the provision of services by independent public accountants. The Company shall not allow its independent public accountants to provide any services prohibited by law. The Company also shall carefully evaluate and continually reevaluate those permitted services provided by its accountants to ensure that they remain within the scope of services allowed by applicable laws and that they otherwise are consistent with and do not compromise the auditor's independence. It shall be against the Company's policy to allow the provision of tax services by the Company's independent public accountants to members of the Company's executive management. The Committee shall review and approve in advance any services provided by the Company's independent public accountants to members of the Company's executive management or members of their immediate family.

Stock Options

It is the Company's policy not to reprice stock options.

Executive Officer Stock Ownership Guidelines and Mandatory Holding Periods

To emphasize the importance of linking executive and shareholder interests, the Board has adopted the following stock ownership guidelines for executive officers. The target level of ownership of RRI Energy common stock (or common stock equivalents) is established as a fixed number of shares. The target level for the Chief Executive Officer is 120,000 shares. The target level for the executive officers that hold the title of Executive Vice President is 60,000 shares. The target level for the executive officers that hold the title of Senior Vice President is 30,000 shares. Each executive officer is expected to achieve the ownership target within five years of the later of (i) March 7, 2006 or (ii) the date such executive officer became subject to these

guidelines (the "Target Date"). The number of shares held by each executive officer for purposes of calculating the ownership target shall be the number of shares beneficially owned (as defined by the SEC's rules and regulations). Each executive officer is expected to retain at least 50% of the after-tax value of earned restricted or performance shares until twelve months after the vesting date. The Nominating & Governance Committee may review, on a case-by-case basis, requests for exclusions to the retention expectation, for purposes of estate planning, gifts to charity, education and the purchase of a primary residence. Additionally, effective upon the Target Date, an executive officer is prohibited from selling shares of RRI Energy common stock acquired through the exercise of stock options if such executive officer has not achieved the applicable ownership target. An executive officer may, in any event, sell common stock acquired through an option exercise for the limited purpose of paying the exercise price of the stock option and any applicable tax liability.