



Notice of 2017 Annual Meeting of Stockholders and Proxy Statement

**2017 Annual Meeting of Stockholders:
Tuesday, May 16, 2017, at 9:00 a.m.
Energy Plaza
1601 Bryan Street
Dallas, Texas 75201**

**Whether or not you will be able to attend the 2017 annual meeting,
please vote your shares promptly so that you may be represented at the meeting.**



**1601 Bryan Street
Dallas, Texas 75201**

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

April 7, 2017

To the Stockholders of Vistra Energy Corp.:

The 2017 Annual Meeting of Stockholders (the "2017 Annual Meeting") of Vistra Energy Corp. will be held at Energy Plaza, 1601 Bryan Street, 11th Floor, Dallas, Texas on Tuesday, May 16, 2017 at 9:00 a.m. for the following purposes:

1. To elect two directors to serve until the 2020 annual meeting of Stockholders;
2. To approve, on an advisory basis, named executive officer compensation;
3. To ratify the selection of Deloitte & Touche LLP as our independent registered public accounting firm for the year ending December 31, 2017; and
4. To transact such other business as may properly come before the Annual Meeting of Stockholders or any adjournment or postponement thereof.

The Board of Directors has fixed the close of business on March 24, 2017 as the time as of which stockholders entitled to notice of, and to vote at, the meeting and any adjournments thereof shall be determined.

Whether or not you will be able to attend the meeting, PLEASE VOTE YOUR SHARES PROMPTLY BY EITHER SIGNING AND RETURNING THE ACCOMPANYING PROXY CARD OR CASTING YOUR VOTE VIA TELEPHONE OR THE INTERNET AS DIRECTED ON THE PROXY CARD. No postage need be affixed to the enclosed reply envelope if it is mailed from within the United States.

Cecily Small Gooch
*Senior Vice President, Associate General Counsel,
Chief Compliance Officer and Corporate Secretary*



**1601 Bryan Street
Dallas, Texas 75201**

PROXY STATEMENT

April 7, 2017

GENERAL INFORMATION

A proxy in the accompanying form is solicited by the Board of Directors (the "Board") of Vistra Energy Corp. (the "Company") on behalf of the Company for use at the 2017 Annual Meeting of Stockholders (the "2017 Annual Meeting") to be held at Energy Plaza, 1601 Bryan Street, 11th Floor, Dallas, Texas on Tuesday, May 16, 2017 at 9:00 a.m. and any adjournments thereof for the purposes set forth in the accompanying Notice.

The close of business on March 24, 2017 has been fixed as the time as of which stockholders entitled to notice of, and to vote with respect to, the 2017 Annual Meeting and any adjournments thereof shall be determined. At such date there were outstanding and entitled to vote 427,587,401 shares of Company common stock. Except as indicated below, each share is entitled to one vote on all matters submitted to a vote of the stockholders at the 2017 Annual Meeting.

This Notice, Proxy Statement and form of proxy are being mailed or given to stockholders on or about April 7, 2017. The Company will bear the costs of such solicitation. The Company's 2017 annual report is accessible to stockholders free of charge on the Company's website at www.vistraenergy.com. Electronic delivery of the 2017 annual report saves the Company the cost of producing and mailing the annual report to stockholders' homes or businesses and eliminates the amount of paper documents stockholders maintain in their personal files. Hard copies of the notice of annual meeting of stockholders, proxy statement and annual report are available upon request to the Secretary of the Company, 1601 Bryan Street, 11th Floor, Dallas, Texas 75201.

Stockholders of record may vote by one of the following methods: (i) completing and signing the proxy card and mailing it to the Company in the enclosed postage-paid envelope; (ii) calling the toll-free telephone number (1-866-829-5001) provided on the proxy card; (iii) voting on the Internet at the website www.proxypush.com/VSTE; or (iv) in person at the 2017 Annual Meeting. Voting by telephone is not available to stockholders outside of the United States. Complete instructions for voting by any of the above methods are included on the proxy card. Stockholders who hold their shares in street name should refer to information forwarded to them by the bank, broker, or other holder of record of their shares for their voting options.

The shares represented by any proxy duly given as a result of this request will be voted in the manner directed by the stockholder giving such proxy. If no direction is given, the proxy will be voted FOR Items 1 through 3. The proxy will be voted in the discretion of the persons named in the proxy on any other matters which may come before the 2017 Annual Meeting. Any proxy given pursuant to this solicitation is revocable at the option of the person executing the same, before its exercise at the 2017 Annual Meeting, by (i) calling the toll-free telephone number listed above, (ii) accessing the Internet website www.proxypush.com/VSTE, or (iii) providing written notice to the Secretary of the Company at 1601 Bryan Street, 11th Floor, Dallas, Texas 75201.

The Company has adopted a confidential voting policy. Accordingly, tabulation of proxies and votes cast at the meeting will be conducted by an independent agent and the votes of individual stockholders will generally be kept private and not disclosed to the Company.

The presence in person or by proxy of the holders of a majority of the shares of the Company common stock entitled to vote shall constitute a quorum necessary to transact business at the 2017 Annual Meeting. Directors are elected by plurality of the votes cast at the 2017 Annual Meeting; abstentions, withholds and non-votes will have no effect. The ratification of our independent registered public accounting firm and the approval (on an advisory basis) of named executive officer compensation shall be authorized by the affirmative vote of at least a majority of the voting power represented in person or by proxy at the 2017 Annual Meeting and entitled to vote thereon.

STOCKHOLDERS' PROPOSALS FOR THE 2018 ANNUAL MEETING

All proposals from stockholders for inclusion in the Company's 2018 proxy statement relating to the 2018 annual meeting of stockholders must be received by the Secretary of the Company at 1601 Bryan Street, 11th Floor, Dallas, Texas 75201, not later than the close of business on December 8, 2017.

The Company's restated bylaws require advance notice for any business to be brought before a meeting of stockholders. For business to be properly brought before the 2018 annual meeting of stockholders by a stockholder, written notice of the stockholder proposal must be received by the Secretary of the Company between January 16, 2018 and February 15, 2018. The stockholder's notice to the Secretary must contain a brief description of the business to be brought before the 2018 annual meeting of stockholders and the reasons for conducting such business at the meeting, as well as certain other information. Additional information concerning the advance notice requirement may be obtained from the Secretary of the Company at the address provided above or on the Company's website.

MANAGEMENT

The following table sets forth information regarding our current executive officers and directors as of the date hereof. Ages are as of April 7, 2017.

Name	Age	Position
Curtis A. Morgan	56	President, Chief Executive Officer and Director
James A. Burke	48	Executive Vice President and Chief Operating Officer
J. William Holden	56	Executive Vice President and Chief Financial Officer
Stephanie Zapata Moore	43	Executive Vice President and General Counsel
Carrie Lee Kirby	49	Executive Vice President and Chief Administrative Officer
Sara Graziano	34	Senior Vice President of Corporate Development and Strategy
Gavin R. Baiera	41	Director
Jennifer Box	35	Director
Jeff Hunter	51	Director
Cyrus Madon	51	Director
Geoff Strong	42	Director

Executive Officers

The executive officers of Vistra Energy Corp. consist of the following executives.

Curtis A. Morgan, *President, Chief Executive Officer and Director*, has served as the President, Chief Executive Officer and Director of Vistra Energy Corp. since October 3, 2016. Prior to joining Vistra Energy Corp., he served as an Operating Partner with Energy Capital Partners, and prior to this position Mr. Morgan served as the Chief Executive Officer and President of EquiPower Resources Corp., a power generation company, since May 2010. Prior to joining EquiPower Resources Corp., he served as an Operating Partner of Energy Capital Partners from May 2009 to May 2010. Prior to joining Energy Capital partners, he served as President and Chief Executive Officer of FirstLight Power Enterprises from November 2006 to April 2009. Mr. Morgan has also held various leadership roles at NRG Energy, Mirant Corporation, Reliant Energy and Amoco Corporation.

James A. Burke, *Executive Vice President and Chief Operating Officer*, has served as the Executive Vice President and Chief Operating Officer of Vistra Energy Corp. since October 3, 2016. Prior to joining Vistra Energy Corp., he served as Executive Vice President of Energy Future Holdings Corp. since February 2013 and President and Chief Executive of TXU Energy, a subsidiary of Vistra Energy Corp., since August 2005. Previously, Mr. Burke was Senior Vice President Consumer Markets of TXU Energy. Mr. Burke started his career with Deloitte Consulting, and held a variety of roles with The Coca-Cola Company, Reliant Energy and Gexa Energy prior to TXU Energy. Mr. Burke also serves on the board of directors of Marucci Sports.

J. William Holden, *Executive Vice President and Chief Financial Officer*, has served as the Executive Vice President and Chief Financial Officer of Vistra Energy Corp. since December 5, 2016. Prior to joining the Company, Mr. Holden served as an Executive Vice President and Senior Advisor at The Taffrail Group, LLC, an international strategic-advisory firm, from February 2013 until December 2016, where he advised a range of domestic and overseas clients on mergers, acquisitions and post-merger integration. From December 2010 until January 2013, Mr. Holden served as the Executive Vice President and Chief Financial Officer of GenOn Energy, Inc., where he was responsible for overseeing the accounting, finance, tax, risk control, human resources and information technology groups. Prior to serving in that role, he held various treasury, risk, operational, business development and international positions during his tenure at GenOn Energy, Inc./Mirant Corporation. Mr. Holden started his career with Southern Company and held various corporate finance roles over almost a decade at Southern.

Stephanie Zapata Moore, *Executive Vice President and General Counsel*, has served as Executive Vice President and General Counsel of Vistra Energy Corp. since October 3, 2016. Prior to joining Vistra Energy Corp., she served as Vice President and General Counsel of Luminant, since April 2012. Previously, Ms. Moore was Senior Counsel of Luminant from March 2007 to April 2012 and Counsel of a predecessor to Luminant from November 2005 to March 2007. Prior to joining Luminant, she was an attorney at Gardere Wynne Sewell where she engaged in a corporate practice.

Carrie Lee Kirby, *Executive Vice President and Chief Administrative Officer*, has served as the Executive Vice President and Chief Administrative Officer of Vistra Energy Corp. since October 3, 2016. Prior to joining Vistra Energy Corp., she served as Executive Vice President of Human Resources of Energy Future Holdings Corp. since February 2013. Previously, Ms. Kirby was Senior Vice President of Human Resources from April 2012 to February 2013 and Vice President of Human Resources of TXU Energy, a subsidiary of Vistra Energy Corp., from October 2008 to April 2012.

Sara Graziano, *Senior Vice President of Corporate Development and Strategy*, has served as the Senior Vice President of Corporate Development and Strategy of Vistra Energy Corp. since October 3, 2016. Prior to joining Vistra Energy Corp., she served as a Principal at Energy Capital Partners, a private equity firm focused on investing in North American energy infrastructure, where she worked since September 2011. Her experience prior to Energy Capital Partners includes leading the Strategies & Analysis group at FirstLight Power Enterprises and working as a consultant in the Energy & Environment practice at Charles River Associates.

Directors

Listed below is biographical information for each person who is currently a member of the Board, except for Mr. Morgan, whose information is listed above.

Gavin R. Baiera has served as a director since the October 3, 2016. Mr. Baiera is a managing director at Angelo, Gordon & Co. where he is the global head of the firm's corporate credit activities and portfolio manager for its distressed funds. Mr. Baiera is also a managing director and member of the firm's executive committee. Prior to joining Angelo, Gordon in 2008, Mr. Baiera was the co-head of the strategic finance group at Morgan Stanley, which was responsible for all origination, underwriting, and distribution of restructuring transactions. Prior to that, Mr. Baiera worked at General Electric Capital Corporation concentrating on underwriting and investing in restructuring transactions. Mr. Baiera began his career at GE Capital in its financial management program. Mr. Baiera has served on numerous boards of directors including, most recently, MACH Gen, Orbitz Worldwide, and Travelport Worldwide.

Jennifer Box has served as a director since October 3, 2016. Ms. Box is a managing director at Oaktree Capital Management where she is focused on investments in the shipping, power, energy, media and technology sectors. Prior to joining Oaktree in 2009, Ms. Box spent three and a half years as an investment analyst in the distressed debt group at The Blackstone Group. Prior to Blackstone, she was an associate consultant at the Boston Consulting Group. Ms. Box is a CFA charterholder. She serves on the board of Star Bulk Carriers.

Jeff Hunter has served as a director since October 3, 2016. Mr. Hunter is currently Managing Director of Quinbrook Infrastructure Partners ("Quinbrook") and a member of the Quinbrook Investment Committee where he is responsible for deal origination and asset management in North America. Between 2013 and 2016, he was a Managing Partner of Power Capital Partners, an energy focused investment firm. Prior to this, Mr. Hunter was the Executive Vice President and Chief Financial Officer of US Power Generating Company. Mr. Hunter has also held leadership positions at PA Consulting Group and El Paso Merchant Energy and was a consultant for MRP Generating Company, LLC. Mr. Hunter currently serves as the non-executive director on the board of directors of Texas Transmission Holdings.

Cyrus Madon has served as a director since October 3, 2016. Mr. Madon is a senior managing partner and head of Brookfield's private equity group and chief executive officer of Brookfield Business Partners. Mr. Madon joined Brookfield in 1998 as chief financial officer of Brookfield's real estate brokerage business. During his tenure he has held a number of senior roles across the organization, including head of Brookfield's corporate lending business. Mr. Madon began his career at PricewaterhouseCoopers where he worked in corporate finance and recovery, both in Canada and the United Kingdom. Mr. Madon is on the board of the Junior Achievement of Canada Foundation.

Geoffrey Strong has served as a director since October 3, 2016. Mr. Strong has been with Apollo Management Holdings, a investment management firm, since 2012, where he is a partner. Prior to that time, Mr. Strong was a principal in the private equity group at Blackstone, where he focused primarily on investments in the energy sector. Before joining Blackstone, Mr. Strong was a vice president of Morgan Stanley Capital Partners, the private equity business within Morgan Stanley. Mr. Strong serves of the boards of directors of Caelus Energy, Apex Energy and Double Eagle Energy.

PROPOSAL 1 – ELECTION OF DIRECTORS

Director Selection

The Board has been divided into three classes. At each annual meeting of stockholders, one class of directors will be elected to serve a three-year term. Directors are elected by plurality of the votes cast at the meeting. This means that, at the 2017 Annual Meeting, the two individuals nominated for election to the Board who receive the most FOR votes among votes properly cast in person, through internet or phone access, or by proxy will be elected to serve on the Board for a term that will expire at the 2020 annual meeting of stockholders. Each holder of our common stock is entitled to one vote for each share held and no such holder has cumulative voting rights.

The Nominating and Governance Committee of the Board (the “Nominating and Governance Committee”) is responsible for identifying individuals qualified to become Board members and recommending to the Board nominees for election as directors of the Company. The Nominating and Governance Committee’s policy is to consider recommendations for such nominees, including those submitted by stockholders, on the bases described below. In this regard, stockholders may recommend nominees by writing to the Nominating and Governance Committee c/o the Secretary of the Company, 1601 Bryan Street, 11th Floor, Dallas, Texas 75201. Any such recommendations received by the Secretary of the Company will be promptly provided to the Nominating and Governance Committee. Recommendations to be considered by the Nominating and Governance Committee for inclusion in the Company’s proxy for the 2018 annual meeting of stockholders must be received by the Secretary of the Company not later than the close of business on December 8, 2017.

In identifying and evaluating director nominees, the Nominating and Governance Committee may consult with members of the Board, Company management, consultants, and other individuals likely to possess an understanding of the Company’s business and knowledge of suitable candidates. In making its recommendations, the Nominating and Governance Committee assesses the requisite skills and qualifications of nominees and the composition of the Board as a whole in the context of the Board’s criteria and needs. Such assessments will be consistent with the Board’s criteria for membership, including: (i) not less than a majority of directors shall satisfy the New York Stock Exchange (“NYSE”) independence requirements; (ii) all directors shall possess strong judgment, character, expertise, skills and knowledge useful to the oversight of the Company’s business; diversity of experience and viewpoints; business, governmental, civic or other relevant experience; and (iii) consideration will be given to the extent to which the interplay of the nominee’s qualifications with those of other Board members will build a Board that is effective, in light of the Company’s business and structure.

In February 2017, Mr. Michael S. Liebelson resigned from the Board. Pursuant to the Company’s Restated Bylaws, the resulting vacancy will be filled by the members of the Board.

The policy of the Board is that directors are strongly encouraged to attend the Company’s annual meetings of stockholders.

Nominees

It is the intent of the Board that the persons named in the proxy will vote your shares in favor of the nominees for directors listed hereinafter, unless such authority is affirmatively withheld. All of the nominees are current members of the Board.

The names of the nominees for the two Class I director positions to serve until the 2020 annual meeting of stockholders are set forth below:

<u>Name</u>	<u>Served as director since</u>
Gavin R. Baiera	2016
Curtis A. Morgan	2016

<p>The Board of Directors recommends that stockholders vote <u>FOR</u> the election of these director nominees to the Board.</p>

INDEPENDENCE OF DIRECTORS

In order for a director to be considered independent under NYSE regulations, the Board must determine that such director has no material relationship with the Company, either directly, or as a partner, shareholder or officer of an organization that has such a relationship. To assist it in its determinations regarding the independence of its members, the Board utilizes the following categorical standards, which reflect and give effect to the independence requirements of the NYSE:

1. When assessing the materiality of a director's relationship with the Company, the Board will consider the issue not only from the standpoint of the director, but also from the standpoint of persons and organizations with whom the director has an affiliation. In each case, the Board will consider all the relevant facts and circumstances. Trivial or *de minimis* affiliations or connections to the Company generally will not cause the Board to determine that the director is not independent. For relationships that are either not covered by, or do not satisfy these standards, the determination of whether the relationship is material or not, and therefore whether the director would be independent or not, will be made by the directors satisfying the independence standards.
2. A director is not independent if the director is, or has been within the last three years, an employee, or has an immediate family member (as defined below) that is, or has been within the last three years, an executive officer, of the Company. Employment as an interim Chairman, Chief Executive Officer or other executive officer shall not disqualify a director from being considered independent immediately following such interim employment.
3. A director is not independent if the director has received, or has an immediate family member who has received, during any twelve-month period within the last three years, more than \$120,000 in direct compensation from the Company, other than Board and committee fees and deferred compensation for prior service (provided such deferred compensation is not contingent in any way on continued service). In determining independence under this test, the Board may also consider any consulting arrangement between the Company and a director. Compensation received by a director for former service as an interim Chairman, Chief Executive Officer or other executive officer will not be considered in determining independence under this test. Also, compensation received by an immediate family member for service as an employee of the Company (other than an executive officer) will not be considered in determining independence under this test.
4. A director is not independent if (a) the director or an immediate family member is a current partner of a firm that is the Company's internal or external auditor; (b) the director is a current employee of such a firm; (c) the director has an immediate family member who is a current employee of such a firm and who participates in the firm's audit, assurance or tax compliance (but not tax planning) practice; or (d) the director or an immediate family member was within the last three years (but is no longer) a partner or employee of such a firm and personally worked on the Company's audit within that time.
5. A director is not independent if the director or an immediate family member is, or has been within the last three years, employed as an executive officer of another company where any of the Company's present executives at the same time serves or served on that company's compensation committee.
6. A director is not independent if the director is a current employee, or an immediate family member is a current executive officer, of a company that has made payments to, or received payments from, the Company for property or services in an amount which, in any of the last three fiscal years, exceeds the greater of \$1 million, or 2% of such other company's consolidated gross revenues. In applying this test, both the payments and consolidated gross revenues to be measured shall be those reported in the last completed fiscal year. The look-back provision for this test applies solely to the financial relationship between the Company and the director or immediate family member's current employer; former employment of the director or immediate family member will not be considered. Also, relationships involving a director's affiliation with another company that account for lesser amounts than those specified in this item 6 will not be considered to be material relationships that would impair the director's independence, provided that the related payments for goods or services or in connection with other contractual arrangements (i) are made in the ordinary course of business and on substantially the same terms as those prevailing at the time for comparable transactions with non-affiliated parties, or (ii) involve the rendering of services as a public utility at rates or charges fixed in conformity with law or governmental authority.

7. Contributions to tax exempt organizations will not be considered “payments” for purposes of item 6 above, provided, however, that the Company shall disclose in its annual proxy statement any such contributions made by the Company to any tax exempt organization in which any independent director serves as an executive officer if, within the preceding three years, contributions in any single fiscal year from the Company to the organization exceeded the greater of \$1 million, or 2% of such tax exempt organization’s consolidated gross revenues. The Board will also consider that a director’s independence may be jeopardized if the Company makes substantial contributions to tax exempt organizations with which a director is affiliated.

For purposes of these standards, an “immediate family member” includes a person’s spouse, parents, children, siblings, mothers and fathers-in-law, sons and daughters-in-law, brothers and sisters-in-law, and anyone (other than domestic employees) who shares such person’s home. The term “immediate family member” does not include stepchildren who do not share a stepparent’s home or the in-laws of such stepchildren. When applying the three-year look back provisions provided for in items 2 through 6 above, the Board will not consider individuals who are no longer immediate family members as a result of legal separation or divorce, or those who have died or become incapacitated. In addition, references to the “Company” in this Independence of Directors section include any subsidiary of the Company.

In addition to satisfying the above independence requirements, a director who serves as a member of the audit committee of the Board (the “Audit Committee”) may not (i) accept directly or indirectly any consulting, advisory or compensatory fee from the Company, other than in that director’s capacity as a member of the Board or any of the Board’s committees or (ii) be an affiliated person of the Company apart from the affiliation occasioned by the director’s service as a member of the Board or any of the Board’s committees. Compensatory fees do not include the receipt of fixed amounts of compensation under a retirement plan (including deferred compensation) for prior service with the Company provided that such compensation is not contingent in any way on continued service. A director would be deemed an affiliated person of the Company if that director, directly or indirectly, through one or more intermediaries, controls, or is controlled by, or is under common control with, the Company. The beneficial ownership of 10% or less of the voting equity stock of the Company does not constitute control for this purpose.

Based on the application of the foregoing standards and pursuant to the requirements of the NYSE and the Securities and Exchange Commission (the “SEC”), the Board has determined that:

- (i) The following directors are independent: Messrs. Baiera, Hunter, Madon and Strong and Ms. Box.
- (ii) The Board has determined that Mr. Hunter is an “Audit Committee Financial Expert” as defined in Item 401(h) of Regulation S-K promulgated under the Securities Act.
- (iii) The Board has determined that both members of the Audit Committee (Mr. Hunter and Ms. Box) possess the necessary level of financial literacy required to enable him or her to serve effectively as an Audit Committee member.

MEETINGS OF THE BOARD AND ITS COMMITTEES

The standing committees of the Board and the membership of each committee are shown below. The Board has adopted a written charter for each standing committee. These charters are maintained on the Company’s website at www.vistraenergy.com.

Board of Directors

Between the Company’s emergence from bankruptcy (“Emergence”) on October 3, 2016 and December 31, 2016, the directors attended a total of 100% of the meetings of the Board and the committees on which they serve. Between October 3, 2016 and December 31, 2016, the Board held a total of three meetings.

Audit Committee

The Audit Committee is a separately-designated standing audit committee as required by SEC regulations and NYSE rules. Mr. Hunter and Ms. Box serve on the Audit Committee, and Mr. Hunter serves as the Chair of the Audit Committee. The Board has determined that Mr. Hunter and Ms. Box are independent as such term is defined in the NYSE rules, and Mr. Hunter is independent as required by Rule 10A-3 of the Securities and Exchange Act of 1934. The Board has determined that each member of the Audit Committee possesses the necessary level of financial literacy required to enable him or her to serve effectively as an Audit Committee member. The Board has also determined that Mr. Hunter qualifies as an Audit Committee Financial Expert. No Audit Committee member serves on more than three audit committees of public companies, including the Audit Committee. The Audit Committee assists the Board in fulfilling its oversight responsibilities relating to (i) the integrity of the financial statements of the Company; (ii) the compliance by the Company with legal and regulatory requirements; (iii) the independent registered public accountant's qualifications and independence; (iv) the performance of the Company's internal audit function and independent registered public accountant; and (v) the Company's system of internal controls over financial reporting, accounting, legal compliance and ethics, including the effectiveness of disclosure controls and controls over processes that could have a significant impact on the Company's financial statements. The Audit Committee held two meetings between October 3, 2016 and December 31, 2016.

Nominating and Governance Committee

Mr. Madon and Mr. Strong serve on the Nominating and Governance Committee, and the Board has determined that they are both independent as such term is defined in the NYSE rules. The Nominating and Governance Committee (i) identifies individuals qualified to become directors and recommends to the Board the nominees to stand for election as directors; (ii) oversees, and assumes a leadership role in, the governance of the Company including recommending Corporate Governance Guidelines for the Board's consideration; (iii) leads the Board in its annual evaluation of its performance; and (iv) recommends to the Board nominees for each committee of the Board. The Nominating and Governance Committee held no meetings between October 3, 2016 and December 31, 2016.

Compensation Committee

Mr. Baiera serves on the compensation committee of the Board (the "Compensation Committee"), and the Board has determined that he is independent as such term is defined in the NYSE rules. The Compensation Committee (i) reviews and approves corporate goals and objectives relevant to the compensation of the Chief Executive Officer ("CEO"), evaluates the CEO's performance in light of those goals and objectives, and determines and recommends to the Board the CEO's compensation based on this evaluation; (ii) oversees the evaluation of executive officers (and other senior officers and key employees) other than the CEO and reviews, determines and approves their compensation levels, (iii) oversees and makes recommendations to the Board with respect to the adoption, amendment or termination of incentive compensation, equity-based and other executive compensation and benefits plans, policies and practices; (iv) reviews and discusses with the Board executive management succession planning; (v) makes recommendations to the Board with respect to the compensation of the Company's outside directors; and (vi) produces the Compensation Committee's report on executive compensation as required by the SEC to be included in the Company's annual proxy statement. The Compensation Committee held one meeting between October 3, 2016 and December 31, 2016.

COMPENSATION OF DIRECTORS

Members of the Board who are not officers of the Company and not Chair of the Audit Committee receive an annual board retainer of \$80,000 and an annual committee retainer of \$15,000. Members of the Board who are not officers of the Company receive an annual equity award in the amount of \$100,000. Certain members of the Board have elected to be paid in cash in lieu of their equity award. The Chair of the Audit Committee receives an annual board retainer of \$90,000 and an annual committee retainer of \$25,000. For Messrs. Baiera, Madon, and Strong, and Ms. Box, director fees are paid directly to entities affiliated with the employer of such director for firm use and are not redirected to the individual directors. All directors are reimbursed for reasonable expenses incurred in connection with their services as directors. Please see the Compensation Discussion and Analysis below for more information.

CORPORATE GOVERNANCE DOCUMENTS

The Company maintains certain corporate governance documents on its website at www.vistraenergy.com. The Company's Corporate Governance Guidelines and charters of the committees of the Board, including the Audit Committee, the Nominating and Governance Committee and the Compensation Committee, in each case as currently in effect, can be accessed by selecting the tab labeled "Investor Relations" on the home page of the Company's website. The Company's Code of Conduct that applies to the Company's employees, officers, including the CEO and Chief Financial Officer, and directors, is also available on the Company's website. In accordance with SEC regulations, any amendments to the Code of Conduct will be posted on the Company's website. The Board has adopted a written policy regarding transactions with related parties. It is included in the Corporate Governance Guidelines available on the Company's website. Printed copies of the corporate governance documents that are posted on the Company's website are also available to any stockholder upon request to the Secretary of the Company, 1601 Bryan Street, 11th Floor, Dallas, Texas 75201.

COMMUNICATIONS WITH DIRECTORS

Stockholders and other interested parties may communicate with the Board by writing to them c/o the Secretary of the Company, 1601 Bryan Street, 11th Floor, Dallas, Texas 75201.

BENEFICIAL OWNERSHIP OF COMMON STOCK OF THE COMPANY

The following table sets forth information, as of March 24, 2017, regarding the beneficial ownership of our common stock by: (1) each of our current directors and nominees for director, (2) each of our current named executive officers, (3) all of our directors and executive officers as a group, and (4) each person or entity we know that beneficially owns more than 5% of our outstanding shares of common stock.

Beneficial ownership for the purposes of this table is determined in accordance with the rules and regulations of the SEC. Under such rules, beneficial ownership includes any shares as to which a person has sole or shared voting power or investment power and any shares that the stockholder has the right to dispose of or acquire within 60 days of March 24, 2017. Common stock subject to options, regardless of whether such arrangement is currently in the money, that are currently exercisable within 60 days of March 24, 2017, are deemed to be outstanding and beneficially owned by the holder of the options, and common stock issuable upon vesting of restricted stock units (“RSUs”) that are vested, or will vest within 60 days of March 24, 2017, is deemed to be outstanding and beneficially owned by the holder of such RSUs. The shares underlying any outstanding options or RSUs, however, are not deemed outstanding for the purposes of computing the percentage ownership of any other stockholder. Percentages of beneficial ownership are based on 427,587,401 shares of common stock outstanding as of March 24, 2017. Except as disclosed in the footnotes to this table, we believe that each stockholder identified in the table possesses sole voting and investment power over all shares of common stock shown as beneficially owned by the stockholder.

All percentages and share amounts are approximate based on current information available to us. The information available to us may be incomplete.

<u>Name</u>	<u>Amount and Nature of Shares Beneficially Owned</u>	
	Number	Percent of Class
5% Stockholders		
Apollo Management Holdings L.P. (1)	52,922,793	12.38%
Brookfield Asset Management Private Institutional Capital Adviser (Canada), L.P. (2)	66,370,568	15.52%
Oaktree Capital Management, L.P. (3)	49,485,715	11.57%
HBK Master Fund L.P. (4)	26,676,615	6.24%
Seismic Holding LLC (5)	22,880,381	5.35%
Directors and Named Executive Officers		
Gavin R. Baiera (6)	18,320,311	4.28%
Jennifer Box (7)	49,485,715	11.57%
Jeff Hunter (8)	10,000	*
Cyrus Madon (9)	66,370,568	15.52%
Curtis A. Morgan (10)	80,231	*
Geoffrey Strong (11)	52,922,793	12.38%
James A. Burke	0	0%
Sara Graziano	0	0%
J. William Holden	0	0%
Carrie Lee Kirby	0	0%
Stephanie Zapata Moore	0	0%
All Directors and current Executive Officers as a group (11 persons).....	187,189,618	43.78%

* Percentage ownership of less than one percent.

- (1) Represents shares of our common stock held of record by various entities (collectively, the Apollo Funds) for which affiliates of Apollo Principal Holdings II, L.P. (Principal Holdings II), Apollo Principal Holdings III, L.P. (Principal Holdings III), and Apollo Principal Holdings VII, L.P. (Principal Holdings VII), respectively, serve as investment advisors, and in some cases as general partners of certain of the Apollo Funds. Apollo Principal Holdings II GP, LLC (Principal Holdings II GP) is the general partner of Principal Holdings II, Apollo Principal Holdings III GP, Ltd. (Principal Holdings III GP) is the general partner of Principal Holdings III and Apollo Principal Holdings VII GP, Ltd. (Principal Holdings VII GP) is the general partner of Principal Holdings VII. Also includes shares of our common stock held of record by certain of the Apollo Funds for which affiliates of Apollo Management Holdings, L.P. (Management Holdings) serve as investment managers. The general partner of Management Holdings is Apollo Management Holdings GP, LLC (Management Holdings GP). Leon Black, Joshua Harris and Marc Rowan are the managers of Principal Holdings II GP and the directors of Principal Holdings III GP and Principal Holdings VII GP, and the managers, as well as executive officers, of Management Holdings GP, and as such may be deemed to have voting and dispositive control over the shares of common stock held by the Apollo Funds. The address of Principal Holdings II and Principal Holdings II GP is One Manhattanville Road, Suite 201, Purchase, New York 10577. The address of each of Principal Holdings III, Principal Holdings III GP, Principal Holdings VII and Principal Holdings VII GP is c/o Intertrust Corporate Services (Cayman) Limited, 190 Elgin Street, George Town, KY1-9005 Grand Cayman, Cayman Islands. The address of each of Management Holdings and Management Holdings GP, and Messrs. Black, Harris and Rowan, is 9 West 57th Street, 43rd Floor, New York, New York 10019.
- (2) Reflects shares of common stock held by entities affiliated with and/or with accounts managed by affiliates of Brookfield Asset Management Inc. The registered holders of shares include BCP Titan Aggregator, L.P., BCP Titan Sub Aggregator, L.P., Brookfield Titan Holdings LP, 11 co-investment limited partnership vehicles of which Titan Co-Investment GP, LLC is the general partner, Longhorn Capital GS LP and Seismic Holding LLC (collectively, the investment vehicles).

The following Brookfield entities, which do not themselves hold any shares of common stock but which are controlling entities of certain of the investment vehicles, may be deemed to constitute a “group” with the investment vehicles within the meaning of Section 13(d)(3) under the Exchange Act and Rule 13d-5(b)(1) thereunder and each member of the “group” may be deemed to beneficially own all shares of common stock held by all members of the “group” set forth in the table above: Brookfield Asset Management Inc., Partners Limited, Brookfield Private Equity Inc., Brookfield US Corporation, Brookfield Private Equity Holdings LLC, Brookfield Private Equity Direct Investments Holdings LP, Titan Co-Investment GP, LLC, Brookfield Private Equity Group Holdings LP, Brookfield Capital Partners Ltd., Brookfield Holdings Canada Inc., Brookfield Private Funds Holdings Inc., Brookfield Canada Adviser and Brookfield Asset Management Private Institutional Capital Adviser (Canada), L.P. (BAMPIC).

By virtue of various agreements and arrangements with Seismic Holding LLC, Brookfield Asset Management Inc. and certain of the investment vehicles share beneficial ownership of shares beneficially owned by Seismic Holding LLC. See footnote (5) to this table.

Each of the investment vehicles expressly disclaims, to the extent permitted by applicable law, beneficial ownership of any shares of common stock held by each of the other investment vehicles and the existence of a “group” involving the other investment vehicles or other Brookfield affiliates set forth in this footnote.

The number above includes certain shares held in reserve by the Company’s transfer agent upon Emergence, pending release following the resolution of intercreditor arrangements in connection with the Plan of Reorganization.

The address of each Brookfield-managed entity (other than Seismic Holding LLC) is c/o BAMPIC, 250 Vesey Street, 15th Floor, New York, New York 10281.

- (3) The managing member of Opps VIIb TCEH Holdings, LLC is OCM Opportunities Fund VIIb Delaware, L.P. The general partner of OCM Opportunities Fund VIIb Delaware L.P. is Oaktree Fund GP, LLC. The managing member of Oaktree Fund GP, LLC is Oaktree Fund GP I, L.P. The general partner of Oaktree Fund GP I, L.P. is Oaktree Capital I, L.P. The general partner of Oaktree Capital I, L.P. is OCM Holdings I, LLC. The managing member of OCM Holdings I, LLC is Oaktree Holdings, LLC.

Includes 34,719,812 common shares of the Issuer directly held by certain funds, accounts and special purpose entities managed by Oaktree Capital Management, L.P. or its affiliates. The general partner of Oaktree Capital Management, L.P. is Oaktree Holdings, Inc. The sole shareholder of Oaktree Holdings, Inc. and the managing member of Oaktree Holdings, LLC is Oaktree Capital Group, LLC. The duly

elected manager of Oaktree Capital Group, LLC is Oaktree Capital Group Holdings GP, LLC (OCGH GP). OCGH GP is managed by an executive committee consisting of Howard S. Marks, Bruce A. Karsh, Jay S. Wintrob, John B. Frank, David M. Kirchheimer and Sheldon M. Stone. The address for all of the entities and individuals identified above is 333 S. Grand Avenue, 28th Floor, Los Angeles, CA 90071.

- (4) HBK Master Fund L.P., HBK Master SOF II L.P., and HBK Loan I LLC are subject to the investment discretion of HBK Investments L.P. (and its affiliated subadvisors, including HBK Services LLC, to which it has delegated discretion to vote and dispose of investments), all of whose address is 2101 Cedar Springs Road, Suite 700, Dallas, Texas 75201. The registered address for each of HBK Master Fund L.P. and HBK Master SOF II L.P. is c/o CO Services Cayman Limited, P.O. Box 10008, Willow House, Cricket Square, Grand Cayman, KY1-1001, Cayman Islands. The registered address for HBK Loan I LLC is c/o National Corporate Research, Ltd., 850 New Burton Road, Suite 201, Dover, DE 19904.

The number above includes certain shares held in reserve by the Company's transfer agent upon Emergence, pending release following the resolution of intercreditor arrangements in connection with the Plan of Reorganization.

- (5) Seismic Holding LLC holds 15,900,080 shares (including 107,025 shares held in reserve by the Company's transfer agent upon Emergence, pending release following the resolution of intercreditor arrangements in connection with the Plan of Reorganization).

In addition, Seismic Holding may be deemed to have beneficial ownership of all the shares held by entities affiliated with Brookfield Asset Management Inc. set forth in footnote (2) to this table, by virtue of various agreements and arrangements that may be deemed to grant Seismic Holding LLC voting power and/or investment power with respect to the shares held by such entities, including the shares held by Longhorn Capital GS LP, of which Seismic Holding LLC is a limited partner with powers that may be deemed to constitute voting power and/or investment power with respect to the shares held by the limited partnership.

Each of Seismic Holding LLC and its controlling persons expressly disclaims, to the extent permitted by applicable law, the existence of a "group" (within the meaning of Section 13(d)(3) under the Exchange Act and Rule 13d-5(b)(1) thereunder) involving such Brookfield entities and beneficial ownership of any shares of common stock held by any of the Brookfield entities and beneficial ownership of any shares of common stock held by any of the Brookfield entities (including Longhorn Capital GS LP), with the exception of the 6,980,301 shares held by Longhorn Capital GS LP in which Seismic Holding LLC has an interest. Seismic Holding, LLC is 100% indirectly owned by Qatar Investment Authority. The address of Seismic Holding LLC is Q-Tel Tower, 8th Floor, Diplomatic Area Street, West Bay, P.O. Box 23224, Doha, State of Qatar.

- (6) All of the shares reported are owned by Angelo, Gordon & Co. and may be deemed to be beneficially owned by Mr. Baiera as the managing director thereof.
- (7) All of the shares reported are owned by Oaktree Capital Management, L.P. and may be deemed to be beneficially owned by Ms. Box as the managing director thereof.
- (8) All of the shares reported are common shares owned directly by Mr. Hunter and all of these shares have been pledged as security.
- (9) All of the shares reported are owned by Brookfield Asset Management Private Institutional Capital Adviser (Canada), L.P. and may be deemed to be beneficially owned by Mr. Madon as the senior managing partner thereof.
- (10) All of the shares reported are common shares owned directly by Mr. Morgan.
- (11) All of the shares reported are owned by Apollo Management Holdings, L.P. and may be deemed to be beneficially owned by Mr. Strong as the partner thereof.

EXECUTIVE COMPENSATION

Compensation Committee

During 2016, the Compensation Committee (the "Compensation Committee") of the Vistra Energy Corp. ("Vistra Energy") Board of Directors (the "Board") consisted of two directors: Gavin R. Baiera and Michael S. Liebelson. The primary responsibilities of the Compensation Committee are to:

- determine and oversee the compensation program of Vistra Energy and its subsidiaries, including making recommendations to the Board with respect to the adoption, amendment or termination of compensation and benefits plans, arrangements, policies and practices;
- evaluate the performance of Vistra Energy's President and Chief Executive Officer (the "CEO"), Curtis A. Morgan, and the other executive officers of Vistra Energy and its subsidiaries, including James A. Burke, Executive Vice President and Chief Operating Officer of Vistra Energy; J. William Holden, Executive Vice President and Chief Financial Officer of Vistra Energy; Carrie Lee Kirby, Executive Vice President and Chief Administrative Officer of Vistra Energy; and Sara Graziano, Senior Vice President of Corporate Development and Strategy of Vistra Energy (collectively, the "Named Executive Officers"); and
- approve executive compensation of the executive officers (other than the CEO) based on those evaluations.

Compensation Risk Assessment

Our management team initiates Vistra Energy's internal risk review and assessment process for our compensation policies and practices by assessing, among other things: (1) the mix of cash and equity payouts at various compensation levels; (2) the performance time horizons used by our plans; (3) the use of multiple financial and operational performance metrics that are readily monitored and reviewed; (4) the incorporation of both operational and financial goals and individual performance modifiers; (5) the inclusion of maximum caps and other plan-based mitigants on the amount of our awards; and (6) multiple levels of review and approval of awards (including approval of our Compensation Committee with respect to awards to executive officers and awards to other employees that exceed monetary thresholds). Following their assessment, our management team prepares a report, which is provided to Vistra Energy's Compensation Committee for review. The Vistra Energy Compensation Committee reviews the report and provides it to the Audit Committee. Vistra Energy's management and Compensation Committee have determined that the risks arising from Vistra Energy's compensation policies and practices are not reasonably likely to have a material adverse effect on Vistra Energy.

COMPENSATION DISCUSSION & ANALYSIS

EXECUTIVE SUMMARY

In this section, we provide an overview of the Compensation Committee's major decisions in the period between the Effective Date and December 31, 2016 ("the 2016 Stub Period") and an overview of our Named Executive Officer ("Named Executive Officer") compensation.

Vistra Energy: A Transformative Year

On October 3, 2016 (the "Effective Date"), the businesses held by Texas Competitive Electric Holdings Company LLC (our "Predecessor") emerged from the Chapter 11 process as a standalone company, effected by virtue of a tax-free spin-off from Energy Future Holdings Corp. (the "Spin-Off").

In connection with the Spin-Off, we announced our new name, **Vistra Energy**, which captures the "vision" of an energy company preparing for the future and the "tradition" of an energy company whose lineage dates more than a century.

Summary of Key 2016 Stub Period Actions

- ✓ Hired a new Chief Executive Officer, Chief Financial Officer and SVP Corporate Development & Strategy
- ✓ Formed the Compensation Committee
- ✓ Developed a compensation peer group
- ✓ Adopted the 2016 Executive Annual Incentive Plan ("EAIP") on a post-emergence basis
- ✓ Awarded non-recurring equity in connection with the Emergence

2016 Stub Period Compensation

As Vistra Energy is a newly formed standalone company, our compensation disclosures are focused on the compensation decisions of the Compensation Committee during the 2016 Stub Period.

Compensation Philosophy

We have a pay-for-performance compensation philosophy, which places an emphasis on pay-at-risk; a significant portion of an executive officer's compensation is comprised of variable compensation. Our compensation program is intended to attract and motivate top-talent executive officers as leaders and compensate executive officers appropriately for their contribution to the attainment of our financial, operational and strategic objectives. In addition, we believe it is important to retain our top tier talent and strongly align their interests with our stakeholders by emphasizing incentive based compensation. To achieve the goals of our compensation philosophy, we believe that:

- the overall compensation program should emphasize variable compensation elements that have a direct link to overall corporate performance and stakeholder value;
- the overall compensation program should place an increased emphasis on pay-at-risk with increased responsibility;
- the overall compensation program should attract, motivate and engage top-talent executive officers to serve in key roles; and
- an executive officer's individual compensation level should be based upon an evaluation of the financial and operational performance of that executive officer's business unit or area of responsibility as well as the executive officer's individual performance.

Foundations of Key Components of our Compensation Programs

As a newly emerged standalone company, we implemented the following elements to our compensation programs intended to facilitate transition of our compensation practices towards those of a public company and further strengthen the alignment between our executives' interests and those of our stakeholders in accordance with our compensation philosophy.

Activity	Foundational Element
New Compensation Peer Group	<ul style="list-style-type: none"> Introduction of a compensation peer group comprised of nine energy industry competitors that are most comparable to Vistra Energy as a standalone company no longer in bankruptcy
Adoption of 2016 Executive Annual Incentive Plan	<ul style="list-style-type: none"> Adopted the EAIP on a post-emergence basis based on annual performance goals that are critical and relevant to achieving our strategic plan and create value for our stockholders
Non-Recurring Emergence Equity Grants	<ul style="list-style-type: none"> We awarded non-recurring emergence equity grants to our Named Executive Officers and other employees, comprised of a combination of stock options and restricted stock units (“RSUs”) to reinforce ownership in the new company, support retention of newly-appointed senior executives and align rewards with stockholders

2016 Named Executive Officers

Name	Title	Recent Experience
Curtis A. Morgan	President & Chief Executive Officer	Prior to joining Vistra Energy, he served as the CEO and President of EquiPower Resources Corp., a power generation company, since May 2010
James A. Burke	EVP & Chief Operating Officer	Prior to joining Vistra Energy, he served as Executive Vice President of our Predecessor since February 2013 and President and Chief Executive of TXU Energy (a subsidiary of Vistra Energy) since August 2005
J. William Holden	EVP & Chief Financial Officer	Prior to joining Vistra Energy, he served as an EVP and Senior Advisor at The Taffrail Group, LLC, an international strategic-advisory firm, since February 2013. From December 2010 until January 2013, Mr. Holden served as the EVP and CFO of GenOn Energy, Inc.
Carrie Lee Kirby	EVP & Chief Administrative Officer	Prior to joining Vistra Energy, she was elected EVP Human Resources of our Predecessor in February 2013 having previously served as SVP Human Resources from April 2012 to February 2013. She was VP Human Resources of TXU Energy (a subsidiary of Vistra Energy) from October 2008 to April 2012.
Sara Graziano	SVP Corporate Development & Strategy	Prior to joining Vistra Energy, she was a Principal at Energy Capital Partners, a private equity firm focused on investing in North American energy infrastructure, since September 2011.

These five employees represent our Named Executive Officers for 2016 – while this report sets out compensation relating to our Named Executive Officers, the practices and programs generally extend more broadly across our executive leadership team.

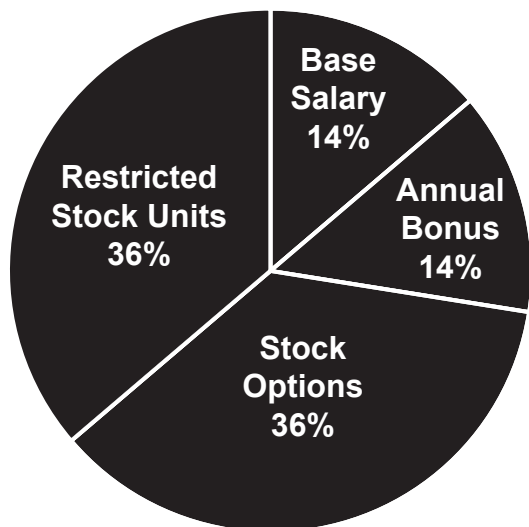
PERFORMANCE OVERVIEW

In this section, we provide highlights of Vistra Energy’s performance in 2016, reflecting factors considered by the Compensation Committee in assessing variable pay outcomes for the Named Executive Officers.

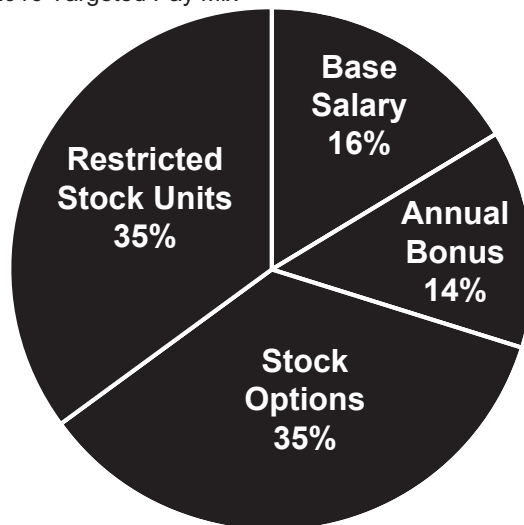
Pay for Performance

The Compensation Committee designed the majority of our Named Executive Officers’ compensation to be linked directly to corporate, business unit (or area of responsibility) and company stock price performance. For example, each Named Executive Officer’s annual performance-based cash bonus is primarily based on the achievement of certain corporate and business unit financial and operational targets, and each Named Executive Officer’s non-recurring grants made in connection with the Emergence were awarded in the form of stock options and RSUs.

CEO – Annualized 2016 Targeted Pay Mix



Average Other Named Executive Officers – Annualized 2016 Targeted Pay Mix



Performance Highlights

Highlights of our 2016 performance are summarized below. These, along with other factors detailed in the disclosure, resulted in annual bonus outcomes ranging from 189 to 200% of target.

Luminant 2016 EBITDA	
Actual	\$738 million
Target	\$691 million
TXUE 2016 EBITDA	
Actual	\$839 million
Target	\$709 million

Our EAIP places the greatest weighting on adjusted **Earnings Before Interest, Taxes, Depreciation and Amortization (“EBITDA”)**, a strategically important measure of the performance of our company and business units – Luminant and TXU Energy. As shown to the left, each of Vistra Energy’s business units significantly outperformed their 2016 EBITDA targets, contributing to above-target incentive payouts.

CORPORATE GOVERNANCE PRACTICES

In this section, we provide details of the Corporate Governance framework, procedures and practices at Vistra Energy as they relate to Named Executive Officer compensation.

Compensation Committee

Our Compensation Committee consisted of two independent directors until the resignation of Michael Liebelson effective February 1, and is currently comprised of one independent director (Gavin R. Baiera), whose primary responsibilities are to:

- Determine and oversee the compensation program of Vistra Energy, including making recommendations to the Board with respect to the adoption, amendment or termination of compensation and benefits plans, arrangements, policies and practices;

Governance Structure



The Compensation Committee’s charter can be found on our website: <https://www.vistraenergy.com/wp-content/uploads/2016/12/Compensation-Committee-Charter-2017-01-24-002.pdf>

- Evaluate the performance of Vistra Energy’s executive officers;
- Approve compensation of the executive officers (other than the CEO) based on those evaluations, together with CEO recommendations; and
- Recommend CEO compensation to full board for approval.

Advisors to the Compensation Committee

Independent Advisors

During the 2016 Stub Period, Willis Towers Watson, who advised our Predecessor’s compensation committee as well, provided ongoing advisory services to Vistra Energy and its Compensation Committee on various aspects of its overall compensation and benefits practices, including, but not limited to, the development of the going forward compensation structure and the emergence equity program.

In accordance with the Compensation Committee’s charter, the Compensation Committee determined that Willis Towers Watson is sufficiently independent to appropriately advise the Compensation Committee on compensation matters and that its relationship with Willis Towers Watson does not give rise to any conflict of interest. Going forward, the Compensation Committee expects that it will continue to engage compensation consultants when and as appropriate, and will conduct an assessment of consultants’ independence prior to any such engagement.

COMPENSATION PHILOSOPHY

In this section, we provide details of the Named Executive Officer compensation framework, practices and outcomes for the 2016 Stub Period

Compensation Philosophy

Our compensation program is intended to attract and motivate top-talent executive officers as leaders and compensate executive officers appropriately for their contribution to the attainment of our financial, operational and strategic objectives. In addition, we believe it is important to retain our top tier talent and strongly align their interests with our stakeholders by emphasizing incentive based compensation. We utilize the following elements of compensation to achieve these objectives:

Compensation Element	Summary and Linkage to Philosophy
Base Salary	<ul style="list-style-type: none"> ✓ A fixed element of compensation to provide a stable source of income ✓ Provides market competitive compensation to attract and retain talent
Annual Incentive	<ul style="list-style-type: none"> ✓ A cash-based award that encourages executives to focus on specific corporate, business unit and individual performance goals ✓ Is earned only if threshold financial, operational and/or strategic objectives are met
Stock Options	<ul style="list-style-type: none"> ✓ Rewards long-term stockholder value creation as options only provide value when the stock price appreciates ✓ Provides wealth-building opportunity and aligns executives with stockholder interests
Restricted Stock Units	<ul style="list-style-type: none"> ✓ Rewards long-term stockholder value creation ✓ Enhances executive stock ownership and promotes retention
Benefits	<ul style="list-style-type: none"> ✓ Keeps program competitive and provides protection for executives
Perquisites	<ul style="list-style-type: none"> ✓ Perquisites are limited in amount and use

Compensation Determination Process

Use of Market Data

Vistra Energy establishes target compensation levels that are consistent with market practice and internal equity considerations (including position, responsibility and contribution) relative to base salaries, annual incentives and long-term incentives, as well as with the Compensation Committee's assessment of the appropriate pay mix for a particular position. In order to gauge the competitiveness of its compensation programs, the Company reviews compensation practices and pay opportunities from energy industry survey data, as well as from a selection of publicly-traded peer companies. The Company attempts to position itself to attract and retain qualified senior executives in the face of competitive pressures in its relevant labor markets.

Specifically during the 2016 Stub Period, the Company used information regarding the pay practices of energy industry companies provided by our compensation consultant, regressed to Vistra Energy's revenue size. We believe that revenue is an appropriate indicator of the size and complexity of an organization, which should be considered in determining compensation levels. The compensation data resulting from this analysis was a significant factor considered by the Compensation Committee with respect to its executive compensation decisions for our Named Executive Officers.

During the 2016 Stub Period, we also utilized a new compensation peer group as an additional reference point when determining executive compensation. This peer group consisted of a select group of companies that our Compensation Committee believes are representative of the talent market in which we compete. Our compensation peer group consisted of the following companies for the 2016 Stub Period:

The AES Corporation	Calpine Corporation	Dynegy Inc.
Entergy Corporation	FirstEnergy Corp.	NRG Energy, Inc.
PG&E Corporation	Public Service Enterprise Group Incorporated	Talen Energy Corporation

The Compensation Committee does not target any particular level of total compensation or individual component of compensation against the peer group; rather the Compensation Committee considers the range of total compensation provided by our peers, together with information from published surveys, in determining the appropriate mix and level of total compensation for our executives.

Compensation of the Chief Executive Officer

In determining the compensation of the Chief Executive Officer ("CEO"), the Compensation Committee annually follows a thorough and detailed process. At the end of each year, the Compensation Committee reviews a self-assessment prepared by the CEO regarding his performance and the performance of our businesses and meets (with and without the CEO) to evaluate and discuss his performance and the performance of our businesses.

While the Compensation Committee tries to ensure that a substantial portion of the CEO's compensation is directly linked to his performance and the performance of our businesses, the Compensation Committee also seeks to set his compensation in a manner that is competitive with compensation for similarly performing executive officers with similar responsibilities in companies we consider our peers.

As discussed under "Employment Agreements" below, we have entered into an employment agreement with our current CEO, Curtis A. Morgan, which addresses certain elements of his compensation and benefit package.

Compensation of Other Named Executive Officers

In determining the compensation of each of our Named Executive Officers (other than the CEO), the Compensation Committee seeks the input of the CEO. At the end of each year, the CEO reviews a self-assessment prepared by each Named Executive Officer and assesses the Named Executive Officer's performance against business unit (or area of responsibility) and individual goals and objectives. The Compensation Committee and the CEO then review the CEO's assessments and, in that context, the Compensation Committee approves the compensation for each Named Executive Officer.

Role of the Compensation Consultant

To add rigor in the review process and to inform the Compensation Committee of market trends, the Compensation Committee engages the services of Willis Towers Watson, an independent executive compensation consultant, to analyze our executive compensation structure and plan designs, and to assess whether the compensation program is competitive and supports the Compensation Committee's goal to align the interests of executive officers with those of stockholders. Willis Towers Watson may also directly provide the Compensation Committee with market data, which the Compensation Committee references when determining compensation for executive officers. The Compensation Committee has authorized Willis Towers Watson to interact with the Company's management, as needed, on behalf of the Compensation Committee.

The Compensation Committee has the sole authority to approve the independent compensation consultant's fees and terms of the engagement. Thus, the Compensation Committee annually reviews its relationship with, and assesses the independence of, Willis Towers Watson to ensure executive compensation consulting independence.

Base Salary

We believe base salary should consider the scope and complexity of an executive officer's position and the level of responsibility required to perform his or her job. We also believe that a competitive level of base salary is required to attract, motivate and retain qualified talent. We want to ensure our cash compensation is competitive and sufficient to incent executive officers to remain with us, recognizing our high performance expectations across a broad set of operational, financial, customer service and community-oriented goals and objectives.

The Compensation Committee regularly reviews base salaries and periodically uses independent compensation consultants to ensure the base salaries are market-competitive. The Compensation Committee may also review an executive officer's base salary from time to time during a year, including if the executive officer is given a promotion or if his or her responsibilities are significantly modified.

The following table provides detail on base salary actions taken in 2016 as a result of promotions related to our emergence and spin-off as a standalone company and the subsequent hiring of three senior executive officers.

2016 Base Salaries

Name	2016 (Annual) Salary	2016 Stub Year (Annual) Salary	% Change	Comments
Curtis A. Morgan	N/A	\$950,000	N/A	Hired in 2016
James A. Burke	\$700,000	\$750,000	7.1%	Appointed as EVP & COO
J. William Holden	N/A	\$590,000	N/A	Hired in 2016
Carrie Lee Kirby	\$400,000	\$430,000	7.5%	Appointed as EVP & CAO
Sara Graziano	N/A	\$400,000	N/A	Hired in 2016

Annual Incentive Plan

Summary

The EAIP provides an annual performance-based cash bonus for the successful attainment of certain financial and operational performance targets that are established annually by the Compensation Committee. Under the terms of the EAIP, performance against these targets, which are set at challenging levels to incentivize exceptional performance (while at the same time balancing the needs for safety and investment in our business), drives bonus funding.

Performance Framework

As a general matter, target level performance is based on Vistra Energy's board-approved financial and operational plan (the Financial Plan) for each upcoming year. The Compensation Committee sets high expectations for our executive officers and therefore annually selects a target performance level that constitutes above average performance for the business, which the Compensation Committee expects the business to achieve during the upcoming year. Threshold and superior levels are for performance levels that are below or above Financial Plan-based expectations, respectively. Based on the level of attainment of these performance targets, an aggregate EAIP funding percentage amount for all participants is determined. The aggregate award to any participant in any given year is subject to a cap equal to 200% of such participant's target bonus for the corresponding year.

Target Opportunity (as a % of Salary)

Performance payouts on financial metrics are equal to 100% if the target amount is achieved for a particular metric, 50% if the threshold amount is achieved and 200% if the superior amount is achieved.

Actual performance payouts are interpolated on a linear basis, as applicable, with a maximum performance payout for any particular metric being equal to 200%. These results are then adjusted by an individual performance modifier as described below.

2016 Annual Incentive Plan Target Opportunities	Target % ⁽¹⁾
Morgan - Chief Executive Officer	100%
Burke – EVP & Chief Operating Officer	90%
Holden - EVP & Chief Financial Officer	90%
Kirby - EVP & Chief Administrative Officer	70%
Graziano - SVP Corporate Development & Strategy	70%

(1) Described as a percentage of base salary

Financial and Operational Performance Targets for 2016

The following table provides a summary of the weight given to the various business unit scorecards, which constitute the performance targets under the EAIP, for each of our Named Executive Officers.

Name	Weight			Total	Performance ⁽²⁾
	Business Services Scorecard Multiplier ⁽¹⁾	Luminant Scorecard Multiplier	TXU Energy Scorecard Multiplier		
Curtis A. Morgan	100%	---	---	100%	174%
James A. Burke	25%	---	75%	100%	183%
J. William Holden ⁽³⁾	N/A	---	---	N/A	N/A
Carrie Lee Kirby	100%	---	---	100%	174%
Sara Graziano	100%	---	---	100%	174%

(1) Business Services represents an equal weighting of the Luminant and TXU Energy Scorecards.

(2) Performance for the 2016 Stub Period was based upon the combined performance of our Predecessor pre-Emergence and Vistra Energy post-Emergence.

(3) Mr. Holden was not eligible for a bonus under the EAIP plan in 2016. He did, however, receive a discretionary bonus in accordance with his employment agreement. See "Summary Compensation Table – 2016."

The following table provides a summary of the performance targets included in the Luminant Scorecard Multiplier for our Named Executive Officers:

Named Executive Officer Luminant Scorecard Metrics	Weight	Performance	Payout
Luminant Adjusted EBITDA	50.0%	150%	75%
Nuclear Available Generation (GWh)	7.5%	146%	11%
Coal Available Generation (GWh)	12.5%	200%	25%
Total Cost (O&M/SG&A/Capex) (\$mm)	30.0%	166%	50%
Total	100.0%		161%

The following table provides a summary of the performance targets included in the TXU Energy Scorecard Multiplier for our Named Executive Officers:

Named Executive Officer TXU Energy Scorecard Metrics	Weight	Performance	Payout
TXU Energy Adjusted EBITDA (\$ mm)	40.0%	200%	80%
TXU Energy Total Costs (\$ mm)	20.0%	200%	40%
Contribution Margin (\$/MWh)	15.0%	200%	30%
Residential Ending Customer Count (000's)	10.0%	130%	13%
TXU Energy Customer Experience	15.0%	160%	24%
Total	100.0%		187%

Individual Performance Modifier

After approving the actual performance against the applicable targets under the EAIP, and on a basis independent of such target performance calculations, the Compensation Committee and the CEO reviews the performance of each of our executive officers on an individual and comparative basis. Based on this review, which includes an analysis of both objective and subjective criteria, as determined by the Compensation Committee in its sole discretion, including the CEO's recommendations (with respect to all executive officers other than himself), the Compensation Committee approves an individual performance modifier for each executive officer.

Under the terms of the EAIP, the individual performance modifier can range from an outstanding rating (150%) to an unacceptable rating (0%). To calculate an executive officer's final annual cash incentive bonus, the executive officer's corporate/business unit payout percentages are multiplied by the executive officer's target incentive level, which is computed as a percentage of annualized base salary, and then by the executive officer's individual performance modifier, subject to the aggregate cap of 200% of such executive officer's target bonus.

Actual Awards

The following table provides a summary of the 2016 performance-based cash bonus for each Named Executive Officer under the EAIP, and the discussion below highlights the key factors used in determining the awards.

Mr. Morgan officially took the role of CEO on October 3, 2016. Mr. Morgan was able to quickly impact the business, with an assessment of the leadership team and business key processes. Within the first 90 days of his tenure, Mr. Morgan established his team, primarily from existing talent, developed a go to market strategy, led the team to implement effective cost reductions and reorganization around the emergence strategy, conduct a debt repricing, produce and gain approval of the 2017 budget, put governance processes in place, and begin to develop a strong culture. In addition, he filled two key executive team positions, CFO and SVP of Corporate Development, both key to the future success of Vistra Energy. Given these and other significant achievements, the Compensation Committee approved an individual performance modifier that increased Mr. Morgan's incentive award.

Mr. Burke took on a new role at emergence, the EVP and COO role, leading not only the retail business, but also the wholesale generation business. Mr. Burke was able to utilize his strong credibility across the company to bring the team together to create synergies and add value. With his leadership, the team was able to focus on creating value, leading to a strong finish to 2016. Given these and other significant achievements, the Compensation Committee approved an individual performance modifier that increased Mr. Burke's incentive award.

Mr. Holden joined the team in December of 2016. His experience and demeanor quickly allowed him to gain the trust of his team, while beginning to focus efforts on a number of key initiatives for 2017.

Ms. Kirby took a new role at Vistra Energy that includes the Human Resources, communications, community affairs, facilities and corporate security organizations. Ms. Kirby played a key role in the design and implementation of the cost initiatives and restructuring that occurred quickly after emergence. In addition, the team itself restructured to take advantage of further synergies. Ms. Kirby also assisted Mr. Morgan in staffing key leadership roles on his team. Given these and other significant achievements, the Compensation Committee approved an individual performance modifier that increased Ms. Kirby's incentive award.

Ms. Graziano joined the team immediately at emergence. She quickly created a new high performing development organization from within the ranks of existing teams. This was key to future success, as they each bring unique

experiences and understanding to the table. Ms. Graziano plays a critical role on the management team by leading analysis of a variety of business opportunities across Vistra. Given these and other significant achievements, the Compensation Committee approved an individual performance modifier that increased Ms. Graziano's incentive award.

Name	Target (% of salary)	Target Award (\$ Value)	Actual Award (\$)
Curtis A. Morgan	100%	950,000	1,900,000
James A. Burke	90%	675,000	1,228,907
J. William Holden	90%	531,000	N/A
Carrie Lee Kirby	70%	301,000	539,939
Sara Graziano	70%	280,000	530,315

Long-Term Incentive Plan

Overview of Non-Recurring Emergence Equity Grants

During the 2016 Stub Period, in connection with our emergence from bankruptcy and spin-off as a new standalone company, the Board awarded non-recurring equity grants to our Named Executive Officers with 50% of the target value of each named executive officer's long-term incentive award in the form of stock options and 50% in the form of RSUs.

These awards were intended to serve as a retention and motivational tool and align our executive officers with the interests of stockholders. Award sizes were determined based on an evaluation of internal pay equity, and compensation levels for comparable positions among peer companies, and the energy utility industry. Importantly, we and the Board considered the size of the emergence equity grants, annualized over the vesting period and in the context of total direct compensation, compared to market practice in assessing their reasonableness as well. We also reviewed and considered market data for equity practices at other emerged companies from both inside and outside the energy sector with respect to the design of the program and the grant values. In doing so, we found these type of equity programs are common practice for recently emerged companies.

Awards Granted in the 2016 Stub Period



Non-Recurring Emergence Equity Grants	Total Grant Value
Morgan - Chief Executive Officer	\$5,000,000
Burke – EVP & Chief Operating Officer	\$4,000,000
Holden - EVP & Chief Financial Officer	\$2,500,000
Kirby - EVP & Chief Administrative Officer	\$1,600,000
Graziano - SVP Corporate Development & Strategy	\$1,200,000

Stock Options (50% of Emergence Equity Grants)

50% of the targeted non-recurring emergence equity value was granted in the form of non-qualified stock options that vest ratably over a four-year period and expire after 10 years. The exercise price of each option was the closing price of our common stock on the date of grant as reported on the OTCQX U.S. market. The number of options granted was determined by dividing the targeted stock option value for each executive by the value of each option, which was computed using the Black-Scholes option-pricing model using the same assumptions that we use in calculating the compensation expense attributable to such grants under Financial Accounting Standards Board Accounting Standards Codification Topic 718 ("ASC 718").

Restricted Stock Units (50% of Emergence Equity Grants)

50% of the targeted non-recurring emergence equity value was granted in the form of RSUs that vest ratably over a four year period. The number of shares of RSUs awarded to each executive was determined by dividing the targeted RSU value for each executive by the closing price of our common stock on the grant date as reported on the OTCQX U.S. market in accordance with ASC 718.

Non-Recurring Emergence Equity Awards

Name	# of Stock Options	Stock Option \$ Value	# of Restricted Stock Units	Restricted Stock Unit Value	Total Value \$
Curtis A. Morgan	526,316	\$2,500,000	152,905	\$2,500,000	\$5,000,000
James A. Burke	421,053	\$2,000,000	122,324	\$2,000,000	\$4,000,000
J. William Holden	281,532	\$1,250,000	86,505	\$1,250,000	\$2,500,000
Carrie Lee Kirby	168,421	\$800,000	48,930	\$800,000	\$1,600,000
Sara Graziano	126,316	\$600,000	36,697	\$600,000	\$1,200,000

Future Equity Awards

In the future, the Compensation Committee may provide additional grants and forms of equity to drive certain aspects of our operating and financial performance as the Compensation Committee sees fit, and as supported by market data and the executive's performance. The Compensation Committee believes that long-term incentive compensation is an important component of our compensation program because it has the potential for retaining and motivating executives, aligning executives' financial interests with the interests of stockholders, and rewarding the achievement of our long-term strategic and financial goals.

Benefits and Perquisites

Benefits

Our executive officers generally have the opportunity to participate in certain of our broad-based employee compensation plans, including our Thrift (401(k)) Plan (the "Thrift Plan"), and health and welfare plans. Please refer to the footnotes to the Summary Compensation Table below.

Perquisites

We provided our executives with certain perquisites, including financial planning services, during the 2016 Stub Period.

Employment Arrangements and Termination Provisions

We have entered into employment agreements with each of our Named Executive Officers. Each of the employment agreements provides that certain payments and benefits will be paid upon the expiration or termination of the agreement under various circumstances, including termination without cause, resignation for good reason and termination of employment within a fixed period of time following a change in control of Vistra Energy.

We believe these provisions are important in order to attract, motivate and retain the caliber of executive officers that our business requires and provide incentive for our executive officers to fully consider potential changes that are in our and our stockholders' best interest, even if such changes could result in the executive officers' termination of employment.

Other Compensation Policies

Insider Trading Policy

Under our insider trading policy, members of the Vistra Energy Corp. board of directors and all of our officers and employees shall not engage in any direct or derivative transactions involving any securities of Vistra Energy, including, hedging transactions, pledges of Vistra securities as collateral or short sales thereof.

Accounting, Tax and Other Considerations

Accounting Considerations

We follow ASC 718 for our stock-based compensation awards, and the compensation that we pay to our executives is expensed in our financial statements as required by U.S. GAAP.

As one of many factors, our compensation committee considers the financial statement impact in determining the amount of, and allocation among the elements of, executive compensation.

Income Tax Considerations

Section 162(m) of the Code limits the tax deductibility by a publicly-held company of compensation in excess of \$1 million paid to the CEO or any other of its three most highly compensated executive officers other than the principal financial officer. Because Vistra Energy was not subject to Section 162(m) of the Code in 2016, it was not a factor in the Company's 2016 compensation decisions.

Risk Assessment

Our management team annually initiates Vistra Energy's internal risk review and assessment process for our compensation policies and practices by assessing, among other things: (1) the mix of cash and equity payouts at various compensation levels; (2) the performance time horizons used by our plans; (3) the use of multiple financial and operational performance metrics that are readily monitored and reviewed; (4) the incorporation of both operational and financial goals and individual performance modifiers; (5) the inclusion of maximum caps and other plan-based mitigants on the amount of our awards; and (6) multiple levels of review and approval of awards (including approval of our Compensation Committee with respect to awards to executive officers and awards to other employees that exceed monetary thresholds). Following their assessment, our management team prepares a report, which is provided to the Compensation Committee for review. The Compensation Committee reviews the report and provides it to the Audit Committee. Vistra management and the Compensation Committee have determined that the risks arising from the Company's compensation policies and practices are not reasonably likely to have a material adverse effect on the Company.

Say on Pay Vote

Because Vistra Energy has not yet held an annual stockholders meeting, we are not yet required to hold say-on-pay votes concerning the compensation of our Named Executive Officers.

Compensation Committee Interlocks and Insider Participation

None of our directors who currently serve as members of our compensation committee is, or has at any time during the past year been, one of our officers or employees. None of our executive officers will serve as a member of the board of directors or compensation committee of any entity that has one or more executive officers serving as a member of the Board or our compensation committee.

COMPENSATION COMMITTEE REPORT ON EXECUTIVE COMPENSATION

Our executive compensation program is administered and reviewed by the Compensation Committee. The Compensation Committee has reviewed and discussed the Compensation Discussion and Analysis with management and, based on such review and discussion, the Compensation Committee recommended to the Board that the Compensation Discussion and Analysis be included in this proxy statement.

This report is submitted by the members of the Compensation Committee of the Board as of March 6, 2017.

Compensation Committee

Gavin R. Baiera

Summary Compensation Table—2016

The following table provides information for the 2016 Stub Period regarding the aggregate compensation paid to our Named Executive Officers.

Name and Principal Position	Year	Salary (\$)	Bonus (\$) ⁽¹⁾	Stock Awards (\$) ⁽²⁾	Option Awards (\$) ⁽³⁾	Non-Equity Incentive Plan Compensation (\$) ⁽⁴⁾	Change in Pension Value and Non-qualified Deferred Compensation (\$)	All Other Compensation (\$) ⁽⁵⁾	Total (\$)
Curtis A. Morgan President & CEO of Vistra Energy	2016	233,846	—	2,500,000	2,500,000	1,900,000	—	17,056	7,150,902
James A. Burke EVP and Chief Operating Officer of Vistra Energy	2016	184,615	1,000,000	2,000,000	2,000,000	1,228,907	—	2,529	6,416,051
J. William Holden EVP and Chief Financial Officer of Vistra Energy	2016	45,385	150,000	1,250,000	1,250,000	—	—	3,166	2,698,551
Carrie Lee Kirby EVP and Chief Administrative Officer of Vistra Energy	2016	105,846	200,000	800,000	800,000	539,939	—	2,529	2,448,314
Sara Graziano SVP, Corporate Development and Strategy of Vistra Energy	2016	98,462	—	600,000	600,000	530,315	—	13,454	1,842,230

- (1) The amounts reported in this column for Mr. Burke and Ms. Kirby represent discretionary cash bonuses that the relevant executive officer earned in 2016. The amount reported in this column for Mr. Holden is an agreed upon amount pursuant to his Employment Agreement that was paid in lieu of EAIP for 2016.
- (2) The amounts reported as “Stock Awards” represent the grant date fair value (as computed in accordance with ASC 718) of certain RSUs that were granted to our Named Executive Officers.
- (3) The amounts reported as “Option Awards” represent the grant date fair value (as computed in accordance with ASC 718) of certain stock options that were granted to our Named Executive Officers.
- (4) The amounts to be reported as “Non-Equity Incentive Plan Compensation” were earned by the respective Named Executive Officers in 2016 under the EAIP.
- (5) The amounts for the 2016 Stub Period reported as “All Other Compensation” are attributable to the Named Executive Officer’s receipt of compensation as described in the following table:

Name	Matching Contribution			Total
	to Thrift Plan ^(b)	Financial Planning ^(c)	Relocation Expenses	
Curtis A. Morgan	6,577	—	10,479	17,056
James A. Burke	—	2,529	—	2,529
J. William Holden	—	—	3,166	3,166
Carrie Lee Kirby	—	2,529	—	2,529
Sara Graziano	308	—	13,146	13,454

- (a) For purposes of preparing this table, all perquisites are valued on the basis of the actual cost to Vistra Energy.
- (b) Our Thrift Plan allows participating employees to contribute a portion of their regular salary or wages to the plan. Under the Thrift Plan, Vistra Energy matches a portion of an employee's contributions. This matching contribution is 100% of each Named Executive Officer's contribution up to 6% of the Named Executive Officer's salary up to the annual IRS compensation limit. All matching contributions are invested in Thrift Plan investments as directed by the participant.
- (c) We offer to pay for our executive officers to receive financial planning services. This service is intended to support them in managing their financial affairs, which we consider especially important given the high level of time commitment and performance expectation required of our executive officers. Furthermore, we believe that such service helps ensure greater accuracy and compliance with individual tax regulations by our executive officers.

Grants of Plan-Based Awards – 2016

The following table sets forth information regarding grants of compensatory awards to our Named Executive Officers for the 2016 Stub Period.

Name	Approval/Grant Date	Estimated Future Payouts Under Non-Equity Incentive Plan Awards ⁽¹⁾			All other Stock Awards: Numbers of Shares of Stock or Units (#)	All other Option Awards: Number of Securities Underlying Options (#)	Exercise or Base Price of Option Awards (\$/Sh)	Grant Date Fair Value of Stock and Option Awards
		Threshold (\$)	Target (\$)	Maximum (\$)				
Curtis A. Morgan	10/03/16	—	950,000	1,900,000	—	—	—	—
	10/11/16	—	—	—	152,905	—	—	2,500,000
	10/11/16	—	—	—	—	526,316	14.03	2,500,000
James A. Burke	10/03/16	—	675,000	1,228,907	—	—	—	—
	10/11/16	—	—	—	122,324	—	—	2,000,000
	10/11/16	—	—	—	—	421,053	14.03	2,000,000
J. William Holden	10/03/16	—	—	—	—	—	—	—
	12/05/16	—	—	—	86,505	—	—	1,250,000
	12/05/16	—	—	—	—	281,532	12.13	1,250,000
Carrie Lee Kirby	10/03/16	—	301,000	539,939	—	—	—	—
	10/11/16	—	—	—	48,930	—	—	800,000
	10/11/16	—	—	—	—	168,421	14.03	800,000
Sara Graziano	10/03/16	—	280,000	560,000	—	—	—	—
	10/11/16	—	—	—	36,697	—	—	600,000
	10/11/16	—	—	—	—	126,316	14.03	600,000

(1) Represents the target and maximum amounts available under the EAIP for 2016 for each Named Executive Officer. Each payment is reported in the Summary Compensation Table in the year earned under the heading “Non-Equity Incentive Plan Compensation,” and is described above under the section entitled “Annual Incentive Plan”.

For a discussion of certain material terms of the employment agreements with the Named Executive Officers, please see “Compensation Philosophy” and “Potential Payments upon Termination or Change in Control.”

Outstanding Equity Awards at Fiscal Year-End – 2016

The following table sets forth information regarding outstanding equity awards to our Named Executive Officers at fiscal year-end for the 2016 Stub Period.

Name	Option Awards		Stock Awards						
	Number of Securities Underlying Unexercised Options (#) Exercisable	Number of Securities Underlying Unexercised Options (#) Unexercisable	Equity Incentive Plan Awards: Number of Securities Underlying Unexercised Options (#)	Option Exercise Price (\$)	Option Expiration Date	Number of Shares or Units of Stock that have not Vested (#)	Market Value of Shares or Units of Stock that have not Vested (\$) ⁽¹⁾	Equity Incentive Plan Awards: Number of Unearned Shares, Units or Rights that have not Vested (#)	Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Rights that have not Vested (\$)
Curtis A. Morgan	—	526,316 ⁽²⁾	—	14.03	10/11/26	152,905 ⁽²⁾	2,370,028	—	—
James A. Burke	—	421,053 ⁽²⁾	—	14.03	10/11/26	122,324 ⁽²⁾	1,896,022	—	—
J. William Holden	—	281,532 ⁽³⁾	—	12.13	12/05/26	86,505 ⁽³⁾	1,340,828	—	—
Carrie Lee Kirby	—	168,421 ⁽²⁾	—	14.03	10/11/26	48,930 ⁽²⁾	758,415	—	—
Sara Graziano	—	126,316 ⁽²⁾	—	14.03	10/11/26	36,697 ⁽²⁾	568,804	—	—

(1) The amount listed in this column represents the product of the closing market price of the Company's stock on December 30, 2016 (\$15.50) as reported on the OTCQX U.S. market, multiplied by the number of shares of stock subject to the award.

(2) Granted on October 11, 2016 and vests ratably on the first four anniversaries of October 3, 2016.

(3) Granted on December 5, 2016 and vests ratably on the first four anniversaries of October 3, 2016.

Potential Payments upon Termination or Change in Control

The following tables and narrative below describe payments to each of the Named Executive Officers (or, as applicable, enhancements to payments or benefits) in the event of his or her termination, including if such termination is voluntary, for cause, as a result of death, as a result of disability, without cause or for good reason or in connection with a change in control.

Employment Arrangements with Contingent Payments

As of December 31, 2016, each of Messrs. Morgan, Burke and Holden and Meses. Kirby and Graziano had employment agreements with change in control and severance provisions.

With respect to each Named Executive Officer's employment agreement, a change in control is generally defined as (i) a transaction that results in the acquisition of 30% or more of our common stock, (ii) a change in the composition of the Board such that members of the Board during any consecutive 12-month period cease to constitute a majority of the Board, (iii) the approval by the stockholders of the Company of a plan of complete dissolution or liquidation of the Company, or (iv) a transaction that results in a merger or sale of substantially all of our assets or capital stock to another person who is not an affiliate of the Company.

Each Named Executive Officer's employment agreement includes customary non-compete and non-solicitation provisions that generally restrict the Named Executive Officer's ability to compete with us or solicit our customers or employees for his or her own personal benefit during the term of the employment agreement and 24 months after the employment agreement expires or is terminated.

The following tables describe payments to which each Named Executive Officer is entitled under his or her employment agreement assuming termination of employment as of December 31, 2016.

1. Mr. Morgan

Potential Payments to Mr. Morgan upon Termination as of December 31, 2016 (per employment agreement in effect as of December 31, 2016)

Benefit	Voluntary (\$)	For Cause (\$)	Death (\$)	Disability (\$)	Without Cause Or For Good Reason (\$)	Without Cause Or For Good Reason In Connection With Change in Control (\$)
Cash Severance	—	—	—	—	3,800,000	6,631,000
EAIP ⁽¹⁾	—	—	1,650,720	1,650,720	1,650,720	—
Unvested RSU Awards ⁽²⁾	—	—	681,193	681,193	681,193	2,724,771
Unvested Stock Options ⁽³⁾	—	—	193,421	193,421	193,421	773,685
Health & Welfare:	—	—	—	—	—	—
- Medical/COBRA	—	—	—	—	3,317	3,317
- Dental/COBRA	—	—	—	—	1,061	1,061
- Vision/COBRA	—	—	—	—	492	492
Totals	0	0	2,525,334	2,525,334	6,330,205	10,134,327

- (1) Calculated as target award multiplied by company performance
- (2) The value of unvested RSU awards represents the sum of (i) the closing price of our common stock on December 30, 2016 (\$15.50), as reported by the OTCQX U.S. market of all shares of stock subject to RSUs that would vest upon the triggering event, and (ii) the value of the 2016 Special Dividend (\$2.32 per share) attributable to all shares of stock subject to RSUs that would vest upon the triggering event.
- (3) The value of unvested stock options represents the difference in the exercise price and the closing price of our stock on December 31, 2016 (\$15.50) of all stock options that would vest upon the triggering event.

Mr. Morgan has entered into an employment agreement that provides for certain payments and benefits upon the expiration or termination of the agreement under the following circumstances:

1. In the event of Mr. Morgan's voluntary resignation without good reason or termination for cause:
 - a. accrued but unpaid base salary and accrued but unused vacation earned through the date of termination; and
 - b. unreimbursed business expenses.
2. In the event of Mr. Morgan's death or disability:
 - a. accrued but unpaid base salary and accrued but unused vacation earned through the date of termination;
 - b. unreimbursed business expenses;
 - c. accrued but unpaid annual bonus earned under the EAIP for the previously completed year;
 - d. a prorated annual bonus earned under the EAIP for the year of termination; and
 - e. accelerated vesting of the portion of his outstanding equity awards that would have vested in the 12 months following termination had he remained employed.
3. In the event of Mr. Morgan's termination without cause or resignation for good reason:
 - a. accrued but unpaid base salary and accrued but unused vacation earned through the date of termination;
 - b. unreimbursed business expenses;
 - c. a lump sum payment equal to two times the sum of (i) his annualized base salary and (ii) his annual bonus target under the EAIP;
 - d. accrued but unpaid annual bonus earned under the EAIP for the previously completed year;
 - e. a prorated annual bonus earned under the EAIP for the year of termination;
 - f. certain continuing health care benefits; and

- g. subject to delivery of a release agreement, accelerated vesting of the portion of his outstanding equity awards that would have vested in the 12 months following termination had he remained employed.
4. In the event of Mr. Morgan's termination without cause or resignation for good reason within 18 months following a change in control of Vistra Energy:
- a. accrued but unpaid base salary and accrued but unused vacation earned through the date of termination;
 - b. unreimbursed business expenses;
 - c. accrued but unpaid annual bonus earned under the EAIP for the previously completed year;
 - d. a lump sum payment equal to 2.99 times the sum of (i) his annualized base salary and (ii) his annual bonus target under the EAIP;
 - e. a lump sum payment equal to the product of (i) his annual bonus target under the EAIP and (iii) the percentage of days in the fiscal year prior to his termination;
 - f. certain continuing health care benefits; and
 - g. accelerated vesting of all of his outstanding equity awards upon termination.

2. Mr. Burke

Potential Payments to Mr. Burke upon Termination as of December 31, 2016 (per employment agreement in effect as of December 31, 2016)

Benefit	Voluntary (\$)	For Cause (\$)	Death (\$)	Disability (\$)	Without Cause Or For Good Reason (\$)	Without Cause Or For Good Reason In Connection With Change in Control (\$)
Cash Severance	—	—	—	—	2,850,000	4,935,750
EAIP ⁽¹⁾	—	—	1,238,355	1,238,355	1,238,355	—
Unvested RSU Awards ⁽²⁾	—	—	544,954	544,954	544,954	2,179,816
Unvested Stock Options ⁽³⁾	—	—	154,737	154,737	154,737	618,948
Health & Welfare:	—	—	—	—	—	—
- Medical/COBRA	—	—	—	—	3,317	3,317
- Dental/COBRA	—	—	—	—	1,061	1,061
- Vision/COBRA	—	—	—	—	492	492
Totals	0	0	1,938,046	1,938,046	4,792,917	7,739,385

- (1) Calculated as target award multiplied by company performance
- (2) The value of unvested RSU awards represents the sum of (i) the closing price of our common stock on December 30, 2016 (\$15.50), as reported by the OTCQX U.S. market of all shares of stock subject to RSUs that would vest upon the triggering event, and (ii) the value of the 2016 Special Dividend (\$2.32 per share) attributable to all shares of stock subject to RSUs that would vest upon the triggering event.
- (3) The value of unvested stock options represents the difference in the exercise price and the closing price of our stock on December 31, 2016 (\$15.50) of all stock options that would vest upon the triggering event.

Mr. Burke has entered into an employment agreement that provides for certain payments and benefits upon the expiration or termination of the agreement under the following circumstances:

1. In the event of Mr. Burke's voluntary resignation without good reason or termination for cause:
 - a. accrued but unpaid base salary and accrued but unused vacation earned through the date of termination; and
 - b. unreimbursed business expenses.
2. In the event of Mr. Burke's death or disability:
 - a. accrued but unpaid base salary and accrued but unused vacation earned through the date of termination;
 - b. unreimbursed business expenses;
 - c. accrued but unpaid annual bonus earned under the EAIP for the previously completed year;
 - d. a prorated annual bonus earned under the EAIP for the year of termination; and
 - e. accelerated vesting of the portion of his outstanding equity awards that would have vested in the 12 months following termination had he remained employed.
3. In the event of Mr. Burke's termination without cause or resignation for good reason:
 - a. accrued but unpaid base salary and accrued but unused vacation earned through the date of termination;
 - b. unreimbursed business expenses;
 - c. a lump sum payment equal to two times the sum of (i) his annualized base salary and (ii) his annual bonus target under the EAIP;
 - d. accrued but unpaid annual bonus earned under the EAIP for the previously completed year;
 - e. a prorated annual bonus earned under the EAIP for the year of termination;
 - f. certain continuing health care benefits; and

- g. subject to delivery of a release agreement, accelerated vesting of the portion of his outstanding equity awards that would have vested in the 12 months following termination had he remained employed.
4. In the event of Mr. Burke's termination without cause or resignation for good reason within 18 months following a change in control of Vistra Energy:
- a. accrued but unpaid base salary and accrued but unused vacation earned through the date of termination;
 - b. unreimbursed business expenses;
 - c. accrued but unpaid annual bonus earned under the EAIP for the previously completed year;
 - d. a lump sum payment equal to 2.99 times the sum of (i) his annualized base salary and (ii) his annual bonus target under the EAIP;
 - e. a lump sum payment equal to the product of (i) his annual bonus target under the EAIP and (iii) the percentage of days in the fiscal year prior to his termination;
 - f. certain continuing health care benefits; and
 - g. accelerated vesting of all of his outstanding equity awards upon termination.

3. Mr. Holden

Potential Payments to Mr. Holden upon Termination as of December 31, 2016 (per employment agreement in effect as of December 31, 2016)

Benefit	Voluntary (\$)	For Cause (\$)	Death (\$)	Disability (\$)	Without Cause Or For Good Reason (\$)	Without Cause Or For Good Reason In Connection With Change in Control (\$)
Cash Severance	—	—	—	—	2,242,000	3,882,790
EAIP ⁽¹⁾	—	—	922,666	922,666	922,666	—
Unvested RSU Awards ⁽²⁾	—	—	385,381	385,381	385,381	1,541,522
Unvested Stock Options ⁽³⁾	—	—	237,191	237,191	237,191	948,761
Health & Welfare:	—	—	—	—	—	—
- Medical/COBRA	—	—	—	—	3,317	3,317
- Dental/COBRA	—	—	—	—	1,061	1,061
- Vision/COBRA	—	—	—	—	492	492
Totals	0	0	1,545,238	1,545,238	3,792,109	6,377,943

(1) Calculated as target award multiplied by company performance

(2) The value of unvested RSU awards represents the sum of (i) the closing price of our common stock on December 30, 2016 (\$15.50), as reported by the OTCQX U.S. market of all shares of stock subject to RSUs that would vest upon the triggering event, and (ii) the value of the 2016 Special Dividend (\$2.32 per share) attributable to all shares of stock subject to RSUs that would vest upon the triggering event.

(3) The value of unvested stock options represents the difference in the exercise price and the closing price of our stock on December 31, 2016 (\$15.50) of all stock options that would vest upon the triggering event.

Mr. Holden has entered into an employment agreement that provides for certain payments and benefits upon the expiration or termination of the agreement under the following circumstances:

1. In the event of Mr. Holden's voluntary resignation without good reason or termination for cause:
 - a. accrued but unpaid base salary and accrued but unused vacation earned through the date of termination; and
 - b. unreimbursed business expenses.
2. In the event of Mr. Holden's death or disability:
 - a. accrued but unpaid base salary and accrued but unused vacation earned through the date of termination;
 - b. unreimbursed business expenses;
 - c. accrued but unpaid annual bonus earned under the EAIP for the previously completed year;
 - d. a prorated annual bonus earned under the EAIP for the year of termination; and
 - e. accelerated vesting of the portion of his outstanding equity awards that would have vested in the 12 months following termination had he remained employed.
3. In the event of Mr. Holden's termination without cause or resignation for good reason:
 - a. accrued but unpaid base salary and accrued but unused vacation earned through the date of termination;
 - b. unreimbursed business expenses;
 - c. a lump sum payment equal to two times the sum of (i) his annualized base salary and (ii) his annual bonus target under the EAIP;
 - d. accrued but unpaid annual bonus earned under the EAIP for the previously completed year;
 - e. a prorated annual bonus earned under the EAIP for the year of termination;

- f. certain continuing health care benefits; and
 - g. subject to delivery of a release agreement, accelerated vesting of the portion of his outstanding equity awards that would have vested in the 12 months following termination had he remained employed.
4. In the event of Mr. Holden's termination without cause or resignation for good reason within 18 months following a change in control of Vistra Energy:
- a. accrued but unpaid base salary and accrued but unused vacation earned through the date of termination;
 - b. unreimbursed business expenses;
 - c. accrued but unpaid annual bonus earned under the EAIP for the previously completed year;
 - d. a lump sum payment equal to 2.99 times the sum of (i) his annualized base salary and (ii) his annual bonus target under the EAIP;
 - e. a lump sum payment equal to the product of (i) his annual bonus target under the EAIP and (iii) the percentage of days in the fiscal year prior to his termination;
 - f. certain continuing health care benefits; and
 - g. accelerated vesting of all of his outstanding equity awards upon termination.

4. Ms. Kirby

Potential Payments to Ms. Kirby upon Termination as of December 31, 2016 (per employment agreement in effect as of December 31, 2016)

Benefit	Voluntary (\$)	For Cause (\$)	Death (\$)	Disability (\$)	Without Cause Or For Good Reason (\$)	Without Cause Or For Good Reason In Connection With Change in Control (\$)
Cash Severance	—	—	—	—	1,462,000	2,486,690
EAIP ⁽¹⁾	—	—	523,018	523,018	523,018	—
Unvested RSU Awards ⁽²⁾	—	—	217,981	217,981	217,981	871,927
Unvested Stock Options ⁽³⁾	—	—	61,895	61,895	61,895	247,579
Health & Welfare:	—	—	—	—	—	—
- Medical/COBRA	—	—	—	—	3,317	3,317
- Dental/COBRA	—	—	—	—	1,061	1,061
- Vision/COBRA	—	—	—	—	492	492
Totals	0	0	802,894	802,894	2,269,765	3,611,066

(1) Calculated as target award multiplied by company performance

(2) The value of unvested RSU awards represents the sum of (i) the closing price of our common stock on December 30, 2016 (\$15.50), as reported by the OTCQX U.S. market of all shares of stock subject to RSUs that would vest upon the triggering event, and (ii) the value of the 2016 Special Dividend (\$2.32 per share) attributable to all shares of stock subject to RSUs that would vest upon the triggering event.

(3) The value of unvested stock options represents the difference in the exercise price and the closing price of our stock on December 31, 2016 (\$15.50) of all stock options that would vest upon the triggering event

Ms. Kirby has entered into an employment agreement that provides for certain payments and benefits upon the expiration or termination of the agreement under the following circumstances:

1. In the event of Ms. Kirby's voluntary resignation without good reason or termination for cause:
 - a. accrued but unpaid base salary and accrued but unused vacation earned through the date of termination; and
 - b. unreimbursed business expenses.
2. In the event of Ms. Kirby's death or disability:
 - a. accrued but unpaid base salary and accrued but unused vacation earned through the date of termination;
 - b. unreimbursed business expenses;
 - c. accrued but unpaid annual bonus earned under the EAIP for the previously completed year;
 - d. a prorated annual bonus earned under the EAIP for the year of termination; and
 - e. accelerated vesting of the portion of her outstanding equity awards that would have vested in the 12 months following termination had she remained employed.
3. In the event of Ms. Kirby's termination without cause or resignation for good reason:
 - a. accrued but unpaid base salary and accrued but unused vacation earned through the date of termination;
 - b. unreimbursed business expenses;
 - c. a lump sum payment equal to two times the sum of (i) her annualized base salary and (ii) her annual bonus target under the EAIP;
 - d. accrued but unpaid annual bonus earned under the EAIP for the previously completed year;
 - e. a prorated annual bonus earned under the EAIP for the year of termination;

- f. certain continuing health care benefits; and
 - g. subject to delivery of a release agreement, accelerated vesting of the portion of her outstanding equity awards that would have vested in the 12 months following termination had she remained employed.
4. In the event of Ms. Kirby's termination without cause or resignation for good reason within 18 months following a change in control of Vistra Energy:
- a. accrued but unpaid base salary and accrued but unused vacation earned through the date of termination;
 - b. unreimbursed business expenses;
 - c. accrued but unpaid annual bonus earned under the EAIP for the previously completed year;
 - d. a lump sum payment equal to 2.99 times the sum of (i) her annualized base salary and (ii) her annual bonus target under the EAIP;
 - e. a lump sum payment equal to the product of (i) her annual bonus target under the EAIP and (iii) the percentage of days in the fiscal year prior to her termination;
 - f. certain continuing health care benefits; and
 - g. accelerated vesting of all of her outstanding equity awards upon termination.

5. Ms. Graziano

Potential Payments to Ms. Graziano upon Termination as of December 31, 2016 (per employment agreement in effect as of December 31, 2016)

Benefit	Voluntary (\$)	For Cause (\$)	Death (\$)	Disability (\$)	Without Cause Or For Good Reason (\$)	Without Cause Or For Good Reason In Connection With Change in Control (\$)
Cash Severance	—	—	—	—	1,360,000	2,313,200
EAIP ⁽¹⁾	—	—	486,528	486,528	486,528	—
Unvested RSU Awards ⁽²⁾	—	—	163,486	163,486	163,486	653,945
Unvested Stock Options ⁽³⁾	—	—	46,421	46,421	46,421	185,685
Health & Welfare:	—	—	—	—	—	—
- Medical/COBRA	—	—	—	—	3,317	3,317
- Dental/COBRA	—	—	—	—	1,061	1,061
- Vision/COBRA	—	—	—	—	492	492
Totals	0	0	696,435	696,435	2,061,306	3,157,700

- (1) Calculated as target award multiplied by company performance
- (2) The value of unvested RSU awards represents the sum of (i) the closing price of our common stock on December 30, 2016 (\$15.50), as reported by the OTCQX U.S. market of all shares of stock subject to RSUs that would vest upon the triggering event, and (ii) the value of the 2016 Special Dividend (\$2.32 per share) attributable to all shares of stock subject to RSUs that would vest upon the triggering event.
- (3) The value of unvested stock options represents the difference in the exercise price and the closing price of our stock on December 31, 2016 (\$15.50) of all stock options that would vest upon the triggering event

Ms. Graziano has entered into an employment agreement that provides for certain payments and benefits upon the expiration or termination of the agreement under the following circumstances:

1. In the event of Ms. Graziano voluntary resignation without good reason or termination for cause:
 - a. accrued but unpaid base salary and accrued but unused vacation earned through the date of termination; and
 - b. unreimbursed business expenses.
2. In the event of Ms. Graziano's death or disability:
 - a. accrued but unpaid base salary and accrued but unused vacation earned through the date of termination;
 - b. unreimbursed business expenses;
 - c. accrued but unpaid annual bonus earned under the EAIP for the previously completed year;
 - d. a prorated annual bonus earned under the EAIP for the year of termination; and
 - e. accelerated vesting of the portion of her outstanding equity awards that would have vested in the 12 months following termination had she remained employed.
3. In the event of Ms. Graziano's termination without cause or resignation for good reason:
 - a. accrued but unpaid base salary and accrued but unused vacation earned through the date of termination;
 - b. unreimbursed business expenses;
 - c. a lump sum payment equal to two times the sum of (i) her annualized base salary and (ii) her annual bonus target under the EAIP;
 - d. accrued but unpaid annual bonus earned under the EAIP for the previously completed year;
 - e. a prorated annual bonus earned under the EAIP for the year of termination;

- f. certain continuing health care benefits; and
 - g. subject to delivery of a release agreement, accelerated vesting of the portion of her outstanding equity awards that would have vested in the 12 months following termination had she remained employed.
4. In the event of Ms. Graziano's termination without cause or resignation for good reason within 18 months following a change in control of Vistra Energy:
- a. accrued but unpaid base salary and accrued but unused vacation earned through the date of termination;
 - b. unreimbursed business expenses;
 - c. accrued but unpaid annual bonus earned under the EAIP for the previously completed year;
 - d. a lump sum payment equal to 2.99 times the sum of (i) her annualized base salary and (ii) her annual bonus target under the EAIP;
 - e. a lump sum payment equal to the product of (i) her annual bonus target under the EAIP and (iii) the percentage of days in the fiscal year prior to her termination;
 - f. certain continuing health care benefits; and
 - g. accelerated vesting of all of her outstanding equity awards upon termination.

Director Compensation

The table below sets forth information regarding the aggregate compensation earned by or paid to the members of the Board during the year ended December 31, 2016. Vistra Energy reimburses directors for reasonable expenses incurred in connection with their services as directors.

Name	Fees Earned or Paid in Cash (\$)	RSU Awards (\$)	Total (\$)
Gavin R. Baiera (1)(2)(4)	48,750	—	48,750
Jennifer Box (1)(2)(4)	48,750	—	48,750
Jeff D. Hunter (2)(3)	28,750	100,000 ⁽⁶⁾	128,750
Michael S. Liebelson (1)(2)(5)	23,750	100,000 ⁽⁶⁾	123,750
Cyrus Madon (1)(2)(4)	48,750	—	48,750
Curtis A. Morgan	—	—	—
Geoffrey D. Strong (1)(2)(4)	48,750	—	48,750

- (1) Members of our Board who are not officers of Vistra Energy and not Chair of the Audit Committee receive an annual board retainer of \$80,000 and an annual committee retainer of \$15,000.
- (2) Members of our Board who are not officers of Vistra Energy receive an annual equity award in the amount of \$100,000. Certain members of our Board elected to be paid in cash in lieu of their equity award.
- (3) The Chair of the Audit Committee receives an annual board retainer of \$90,000 and an annual committee retainer of \$25,000.
- (4) Fees were directly paid to entities affiliated with the employer of such director for firm use and not redirected to individual directors.
- (5) Michael S. Liebelson resigned from the Board effective February 1, 2017, and in consideration of a General Release Agreement between the Company and Mr. Liebelson, he was entitled to a lump sum payment of \$266,250 was paid in February 2017. In addition, the RSUs held by Mr. Liebelson were fully vested in connection with his resignation.
- (6) 7,169 restricted stock units, based on a grant date fair value computed in accordance with ASC 718. All such units remained outstanding as of December 31, 2016.

PROPOSAL 2 – APPROVAL OF COMPENSATION OF NAMED EXECUTIVE OFFICERS

A proposal will be presented at the 2017 Annual Meeting asking stockholders to approve, on an advisory basis, the compensation of the Company's Named Executive Officers as described in this proxy statement. Please see our "Compensation Discussion and Analysis" section beginning on page 13 for a discussion of our compensation program for our Named Executive Officers.

The advisory vote on the following resolution is not intended to address any specific element of compensation; rather, it relates to the overall compensation of the Company's Named Executive Officers, as well as the philosophy, policies, and practices described in this proxy statement. You have the opportunity to vote for, against or abstain from voting on the following resolution relating to executive compensation.

RESOLVED, that the stockholders of Vistra Energy Corp. approve, on an advisory basis, the compensation of Vistra Energy Corp.'s Named Executive Officers listed in the 2016 Summary Compensation Table included in the proxy statement for this 2017 Annual Meeting, as such compensation is disclosed pursuant to Item 402 of Regulation S-K in this proxy statement under the section entitled "Executive Compensation," including the compensation tables and other narrative executive compensation disclosures set forth under that section, as well as the section in the proxy statement entitled "Compensation Discussion and Analysis."

Although your vote on executive compensation is not binding on us, the Board values the views of the stockholders. The Board and Compensation Committee will review the results of the vote and take them into consideration in addressing future compensation policies and decisions.

The Board of Directors recommends that stockholders vote FOR the proposal to approve the compensation of our Named Executive Officers.

AUDIT COMMITTEE REPORT

In addition to the preparation of this report of the Audit Committee, the principal purposes of the Audit Committee of the Board are to: (i) assist the Board in fulfilling its oversight responsibilities relating to (a) the integrity of the financial statements of the Company, (b) the compliance by the Company with legal and regulatory requirements, (c) the independent registered public accountant's qualifications and independence, (d) the performance of the Company's internal audit function and independent registered public accountant, and (e) the Company's system of internal controls over financial reporting, accounting, legal compliance and ethics, including the effectiveness of disclosure controls and controls over processes that could have a significant impact on the Company's financial statements; and (ii) foster open communications among the independent registered public accountant, financial and senior management, internal audit and the Board. The role and responsibilities of the Audit Committee are fully set forth in the Audit Committee's written charter which was approved by the Board and is available on the Company's website at www.vistraenergy.com. The Audit Committee consists of directors of the Company who satisfy the requirements of independence and financial literacy under applicable law and regulations of the SEC and the NYSE and is chaired by Mr. Jeff Hunter. The Audit Committee has directed the preparation of this report and has approved its content and submission to the stockholders.

The Audit Committee has discussed with Deloitte & Touche LLP ("Deloitte & Touche"), the independent registered public accountant for the Company, the matters that are required to be discussed by Public Company Accounting Oversight Board Auditing Standards ("AS") 1301, *Communications with Audit Committees*.

The Audit Committee has received the written disclosures and letter from Deloitte & Touche, as required by the Public Company Accounting Oversight Board, regarding Deloitte & Touche's independence and has discussed with Deloitte & Touche its independence. The Audit Committee has received reports from Deloitte & Touche and Company management relating to services provided by Deloitte & Touche and associated fees. In this regard, the Audit Committee has considered whether or not the provision of non-audit services by Deloitte & Touche for the year 2016 is compatible with maintaining the independence of the firm. In furtherance of the objective of assuring Deloitte & Touche's independence, the Audit Committee has adopted a policy relating to the engagement of the Company's independent registered public accountant, as described on page 44 of this proxy statement.

The Audit Committee reviewed and discussed with Company management and Deloitte & Touche the audited consolidated financial statements of the Company and the Predecessor for the respective 2016 periods. The Audit Committee also discussed with Deloitte & Touche those matters required to be discussed by the Public Company Accounting Oversight Board AS 1301, *Communications with Audit Committees*, and Rule 2-07 of SEC Regulation S-X concerning the quality of the Company's accounting principles as applied in its financial statements.

Based on its review and discussions, the Audit Committee recommended to the Board that the audited consolidated financial statements of the Company and the Predecessor be included in the Company's Annual Report for the year ended December 31, 2016. Additionally, as noted hereinafter in this proxy statement, the Audit Committee selected Deloitte & Touche to act as independent registered public accountant for 2017, subject to stockholder approval.

Stockholder comments to the Audit Committee are welcomed and should be addressed to the Secretary of the Company at the Company's offices.

Audit Committee

Jeff D. Hunter
Jennifer Box

PROPOSAL 3 – RATIFICATION OF APPOINTMENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTANT

Subject to the approval of stockholders at the 2017 Annual Meeting, the Audit Committee has selected the firm of Deloitte & Touche LLP to act as independent registered public accountant for the Company for the year 2017 to audit the books of account and records of the Company and to make a report thereon to the stockholders. The persons named in the proxy will, unless otherwise instructed thereon, vote your shares in favor of the following resolution, which will be submitted to the stockholders for approval at the 2017 Annual Meeting:

RESOLVED that the selection of the firm of Deloitte & Touche LLP, independent registered public accountant, to audit the books of account and records of the Company for the year 2017, to make a report thereon, and to perform other services, be, and hereby is, approved.

The firm of Deloitte & Touche LLP, independent registered public accountant, has been the independent registered public accountant for the Company since 2016, and also served as the independent accountant for the Predecessor prior to the Predecessor's emergence from bankruptcy in 2016.

The Audit Committee has adopted a policy relating to the engagement of the Company's independent registered public accountant. The policy provides that in addition to the audit of the financial statements, related quarterly reviews and other audit services, and providing services necessary to complete SEC filings, the Company's independent registered public accountant may be engaged to provide non-audit services as described herein. Prior to engagement, all services to be rendered by the independent registered public accountant must be authorized by the Audit Committee in accordance with pre-approval procedures which are defined in the policy. The pre-approval procedures require (i) the annual review and pre-approval by the Audit Committee of all anticipated audit and non-audit services; and (ii) the quarterly pre-approval by the Audit Committee of services, if any, not previously approved and the review of the status of previously approved services. The Audit Committee may also approve certain on-going non-audit services not previously approved in the limited circumstances provided for in applicable SEC rules. All services performed by the independent registered public accountant for the Company and its subsidiaries in 2016 were pre-approved by the Audit Committee.

The policy defines those non-audit services which the Company's independent registered public accountant may also be engaged to provide as follows: (i) audit related services (e.g., due diligence, accounting consultations and audits related to mergers, acquisitions and divestitures; employee benefit plan audits; accounting and financial reporting standards consultation; internal control reviews; and the like); (ii) tax related services (e.g., tax compliance; general tax consultation and planning; tax advice related to mergers, acquisitions, and divestitures and the like); and (iii) other services (e.g., process improvement, review and assurance; litigation and rate case assistance; general research; forensic and investigative services; training services and the like). The policy prohibits the engagement of the Company's independent registered public accountant to provide: (i) bookkeeping or other services related to the accounting records or financial statements of the Company; (ii) financial information systems design and implementation services; (iii) appraisal or valuation services, fairness opinions, or contribution-in-kind reports; (iv) actuarial services; (v) internal audit outsourcing services; (vi) management or human resource functions; (vii) broker-dealer, investment advisor, or investment banking services; (viii) legal and expert services unrelated to the audit; and (ix) any other service that the Public Company Accounting Oversight Board determines, by regulation, to be impermissible. In addition, the policy prohibits the Company's independent registered public accountant from providing tax or financial planning advice to any officer of the Company.

Ongoing compliance with the Audit Committee's policy relating to the engagement of Deloitte & Touche is monitored on behalf of the Audit Committee by the Company's Senior Vice President of Risk and Internal Audit. Reports from Deloitte & Touche and the Senior Vice President of Risk and Internal Audit describing the services provided by the firm and fees for such services are provided to the Audit Committee no less often than quarterly.

For the period October through December 31, 2016, fees billed to the Company by Deloitte & Touche LLP were as follows:

	2016¹
Audit Fees. Fees for services necessary to perform the annual audit, review SEC filings, fulfill statutory and other attest service requirements, provide comfort letters and consents	\$3,506,000
Audit-Related Fees. Fees for services including due diligence related to mergers, acquisitions and divestitures, accounting consultations and audits in connection with acquisitions, internal control reviews, attest services that are not required by statute or regulation, and consultation concerning financial accounting and reporting standards including standards related to the emergence from bankruptcy	\$0
Tax Fees. Fees for tax compliance, tax planning, and tax advice related to mergers and acquisitions, divestitures, and communications with and requests for rulings from taxing authorities	\$0
All Other Fees. License fees for accounting research software products, fees for seminars and services including process improvement reviews, forensic accounting reviews, litigation assistance, and training services	\$0
Total	\$3,506,000

Representatives of Deloitte & Touche are expected to be present at the 2017 Annual Meeting and will have the opportunity to make a statement, if they desire to do so, and to respond to appropriate questions.

The Audit Committee and Board of Directors recommends that stockholders vote FOR ratification of the appointment of Deloitte & Touche LLP as our independent registered public accountant for the fiscal year ending December 31, 2017.

¹ Excludes amounts billed to Energy Future Holdings Corp. in 2016 that were attributable to the Predecessor

OTHER BUSINESS

Other than as stated herein, the Board does not intend to bring any business before the 2017 Annual Meeting and it has not been informed of any matters that may be presented to the 2017 Annual Meeting by others. However, if any other matters properly come before the 2017 Annual Meeting, it is the intent of the Board that the persons named in the proxy will vote pursuant to the proxy in accordance with their judgment in such matters.

This proxy statement and our 2016 annual report to stockholders are available on our website at www.vistraenergy.com.

By Order of the Board of Directors,

Cecily Small Gooch
*Senior Vice President, Associate General Counsel,
Chief Compliance Officer and Corporate Secretary*

Dated: April 7, 2017

**Whether or not you will be able to attend the meeting,
please vote your shares promptly.**

Energy Plaza
1601 Bryan Street
11th Floor
Dallas, TX 75201

The Dallas Area Rapid Transit (DART) St. Paul station is a one-block walk from Energy Plaza or public parking is available in the garages specified below.

