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# Objectives & Governance of Entergy's Teamsharing Incentive Plans

## • Objectives

- Develop workgroup goals that focus on providing safe, cost effective, and reliable service to customers
- Reward employees for achieving Entergy Line of Business goals and workgroup goals
- Link the interests of participants to those of shareholders and customers
- Reinforce the company's strategy and key goals
- Provide incentives to improve results

## • Governance

- Teamsharing programs are governed by the achievement of teamsharing goals
- Awards are to be paid to employees no later than March 15<sup>th</sup> in the year following the Plan Year

# Entergy's Teamsharing Incentive Plans Defined

- Teamsharing Incentive Plan (TSIP)
  - Generally, eligible employees are non-bargaining, non-exempt employees
  - Some Bargaining Unit employees at Riverbend, Pilgrim and Grand Gulf may also participate in TSIP (refer to your Bargaining Unit contract for information on which incentive plan you are eligible for)
- Teamshare Bargaining Incentive Plan (TSPB)
  - Eligible employees are members of a Bargaining Unit in the South that are not participants in other plans
  - Bargaining Unit employees in the Northeast should refer to their Bargaining Unit contract for information on the incentive plan for which they are eligible
- Customer Service Incentive Plan (CSIP)
  - Eligible employees are non-exempt customer service employees
  - This program is administered by the Customer Service Department and therefore specific details are not included in this presentation
  - The Plan provides a year-end true up based on the company's performance or other measure determined by customer service leadership

*Details of the TSPB may vary depending on your union's collective bargaining agreement. For more information check your collective bargaining agreement or contact your field human resources support.*

# Plan Eligibility (Generally)

- To be eligible for an award, an employee must meet all of the following criteria:
  - A regular (non-temporary) employee either full-time or part-time;
    - Temporary employees participating in the Phased Retirement program are also eligible for a pro-rated incentive payment
  - Hired prior to October 1<sup>st</sup> of the Plan Year;
    - Employees rehired after October 1<sup>st</sup> of the Plan Year who worked as an otherwise eligible employee for a total of 3 months during the Plan Year are also eligible for a pro-rated incentive payment
  - Physically at work at least one (1) business day during the Plan Year; and
  - Active on December 31<sup>st</sup> payroll of the Plan Year
    - Employees who retire, die or become Disabled during the Plan Year are eligible for a pro-rated incentive payment

# Active Employee Incentive Eligibility

- An eligible employee who was active the entire Plan Year will receive an incentive payment calculated as
  - $\text{Base Salary} * 100\% (\text{Percent of Year Worked}) * \text{Total Workgroup Achievement Level}$
- An otherwise eligible employee who was approved for a paid leave of absence at any time during the Plan Year will receive an incentive payment calculated without regard to such approved, paid leave of absence. Only unpaid leave of absence time will be prorated out of the award (See slide 9 for pro-rated award calculation).
  - Employees on paid leave of absence on December 31<sup>st</sup> will receive their awards as if they were active employees
- An otherwise eligible employee who is active on December 31<sup>st</sup> may receive a pro-rated incentive based on the percent of the year worked if (s)he:
  - Was hired or rehired during the Plan Year
  - Went on an unpaid leave of absence during the Plan Year
- An otherwise eligible employee who is active on December 31<sup>st</sup> may receive a pro-rated incentive based on actual hours worked during the Plan Year if (s)he:
  - Changed from full-time to part-time status or vice-versa during the year

See slide 9 for pro-rated award and part-time employee award calculation

# Inactive Employee Incentive Eligibility

- To be eligible for an incentive payment through the last day an employee physically worked, an employee who is not actively at work ("inactive") on December 31<sup>st</sup> of the Plan Year must:
  - Have otherwise met the general plan eligibility rules (see slide 5) **AND**
  - Have retired during the Plan Year **OR**
  - Have died during the Plan Year (pro-rated payments will be paid to the deceased employee's estate)
- Inactive employees are not eligible for a pro-rated incentive if they:
  - Are participating in a Voluntary Severance Program (VSP) or bridging to retirement
  - Are on STD at the beginning of the Plan Year and are subsequently approved for long-term disability (LTD) or die without having returned to work for one (1) business day during the Plan Year
  - Are on unpaid leave as of December 31<sup>st</sup> of the Plan Year (Military Employees refer to slide 8 for additional eligibility information)

See slide 9 for pro-rated award calculation

# Military Leave Employee Eligibility

- Employees who are active on December 31<sup>st</sup> but went out on an unpaid military leave during the Plan Year will be eligible for a prorated teamshare incentive payment
- Employees on unpaid military leave as of December 31<sup>st</sup> will be considered inactive and will not be eligible for a teamshare incentive payment
  - Employees may be eligible for a prorated teamshare incentive payment from a prior Plan Year when they return to work if they worked at least one day in that Plan Year:
    - These payments must be requested via Personnel Change Authorization by the returning employee's leadership
    - These payments are made from the business unit's budget
- Employees on military leave are subject to the general plan eligibility rules (see slide 5)
  - Accordingly, they are not eligible for a payout in a Plan Year in which they were not physically present and working at least one day

See slide 9 for *pro-rated award calculation*

# Pro-rated Incentive Award Calculations

- Pro-rated teamshare incentive payments based on percent of year worked are calculated as follows:
  - $\text{Salary} * \text{Percent of Year Worked} * \text{Total Workgroup Achievement}$ 
    - For example, an employee making \$35,000 per year who worked 60% of the year with a total workgroup achievement of 5.25% would have the following pro-rated incentive payment calculation
      - $\$35,000 * 60\% * 5.25\% = \$1,102.50$
- Pro-rated teamshare incentive payments for part-time employees based on number of hours worked are calculated as follows:
  - $\text{Hourly Rate} * \text{Number of hours worked} * \text{Total Workgroup Achievement}$ 
    - For example, an employee making \$15 per hour who worked 1,000 hours during the Plan Year with a total workgroup achievement of 5.25% would have the following pro-rated incentive payment calculation
      - $\$15 * 1,000 \text{ hours} * 5.25\% = \$787.50$
  - This calculation is used for any employee who worked on a part-time basis at any time during the plan year (e.g., employee changed from full time to part-time status or from part-time to full-time status) and phased retirees.

See slide 13 for workgroup achievement calculation

# Teamshare Incentive Award Targets

- Teamshare Incentive Plan (TSIP)
  - Minimum 0-3%
  - Target 5%
  - Maximum 7%
- Teamshare Bargaining Incentive Plan (TSPB)
  - Minimum 0-0.5%
  - Target 2.1%
  - Maximum 3%

*(Refer to your bargaining unit contract agreement for specific details.)*
- Depending on goal achievement level, target payout may range between minimum and maximum
- Awards are based on an employee's incentive plan, incentive target, and base pay on December 31<sup>st</sup> of the Plan Year

# Workgroup Incentive Goals & Weighting

- Incentive workgroups are comprised of teams of employees that share the same incentive goals
- Workgroups should generally have four to six incentive goals established by their functional leadership at the beginning of the Plan Year
- Incentive goal weights must include:
  - Minimum of 25% weighting for Cost-Control Measures (e.g., source view O&M, capital spending)
  - Maximum of 75% weighting for other measures (e.g., safety, operational, ECI and customer service)
- Workgroup or individual goals
  - Department or workgroup specific
  - May be geared toward Entergy achieving top quartile status in customer service, financial achievement, plant production, etc.
- Goals are approved by the Line of Business leader
- All goal results are approved by the Office of the Chief Executive (OCE)

# Workgroup Achievement Levels

- Performance is measured relative to workgroup's achievement level (goal results)
- Goal results achieved below the minimum level receive 0% and goal results achieved beyond the maximum level receive that particular incentive plan's maximum percentage
- Total workgroup achievement level is calculated by multiplying the individual goal results by their respective weights and totaling the sum of the results
  - (See Slide 13)

# Workgroup Achievement Example

- Teamshare Incentive Plan (TSIP) Example

Workgroup Goal	Weight	Min	Target	Max	Actual Result	Achievement Level	Calculation (Weight * Achievement)
Cost Control	25%	25	100	200	62.5	4%	1.00%
Safety	25%	2	1	0	1	5%	1.25%
Operational	30%	3	5	7	8	7%	2.10%
Customer Satisfaction	20%	2	4	6	1	0%	0.00%
<b>Total Workgroup Achievement as a percent of Base Pay</b>							<b>4.35%</b>

- Questions or concerns regarding award calculation should be directed to your supervisor

# Transfers/Promotions & Incentive Plans

- Awards are based on the Incentive Plan which the employee is in on December 31<sup>st</sup>
  - Example: Transfer in August that causes an employee previously in TSPB to become a participant in TSIP. The participant receives an award based on TSIP.
- Awards are based on the workgroup achievement for the workgroup (tied to the employee's Incentive Plan on December 31<sup>st</sup>) that the employee was associated with for the longest period of time during the Plan Year
  - Example: A transfer to another group causes an employee to change from workgroup X to workgroup Y on March 15<sup>th</sup>. The employee was in workgroup X for 72 days (Jan. 1 to Mar. 15) and was in workgroup Y for 291 days (Mar. 15 to Dec. 31). Therefore the workgroup achievement used in the calculation will be the achievement of workgroup Y.
  - Example: An employee transfers from TSPB into TSIP on August 15<sup>th</sup> but remains in workgroup X. On November 1<sup>st</sup> the same employee is transferred into a new department and his workgroup changes from workgroup X to workgroup Y. His incentive plan on December 31<sup>st</sup> is TSIP. The workgroup that he was associated with for the longest period of time during the Plan Year is workgroup X. Therefore, he will receive a TSIP incentive payment that will be based on workgroup X's achievement.

# Glossary of Terms

- **Bargaining Unit-** a group of employees represented by a union who collectively negotiates the terms of their employment.
- **Cost-Control Measures-** Include measures such as source view O&M, capital/kilowatt hour, capital spending, expense spending, etc.
- **Disabled-** Approved for benefits under the Entergy Long Term Disability Plan.
- **OCE (Office of the Chief Executive)-** Consists of Entergy's CEO, his direct reports, and other Management Level 2 employees.
- **Plan Year-** The period during which performance related to Workgroup Goals is measured. Generally, January 1<sup>st</sup> to December 31<sup>st</sup> of the year preceding the payout.
- **Total Workgroup Achievement Level-** Workgroup payout percentage calculated based on actual goal result relative to minimum, target and maximum goal targets. (See Slide 12)
- **Workgroup-** A team of employees in the same incentive plan with the same incentive goals.
- **Workgroup Goals-** A performance measure with minimum, target and maximum achievement expectations established by management.

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**2011 EQUITY OWNERSHIP AND  
LONG TERM CASH INCENTIVE PLAN OF  
ENTERGY CORPORATION AND SUBSIDIARIES**

**2011 EQUITY OWNERSHIP AND LONG TERM CASH INCENTIVE PLAN  
OF ENTERGY CORPORATION AND SUBSIDIARIES**

**ARTICLE I**

**PURPOSE, ESTABLISHMENT AND TERM OF PLAN**

- 1.1 Purpose. The purpose of this 2011 Equity Ownership and Long Term Cash Incentive Plan of Entergy Corporation and Subsidiaries (the "Plan") is to promote the interests of Entergy Corporation ("Entergy") and its shareholders by strengthening Entergy's ability to (i) attract, motivate and retain executive personnel and other select employees and directors of outstanding ability upon whose judgment, initiative and efforts the financial success and growth of the business of Entergy largely depend; (ii) provide additional incentive, by means of performance-related incentives, for key personnel and directors to achieve longer-range performance goals; and (iii) align further the interests of Entergy's management with the shareholders by enabling such individuals to participate in the long-term growth and financial success of Entergy.
- 1.2 Effective Date and Duration. This Plan shall be effective as of the Effective Date, as set forth in Section 2.11, and shall govern Awards granted on or after the Effective Date. The Plan shall remain in effect until the earlier of (a) its termination by action of the Committee or the Board or (b) the date on which all of the shares of Common Stock available for issuance or reissuance under the Plan have been issued or reissued, as the case may be, and all restrictions on such shares under the terms of the Plan and the agreements evidencing Awards granted under the Plan have lapsed. Provided, however, that Awards shall be granted, if at all, within ten (10) years following the Effective Date, and Incentive Stock Options, if any, shall be granted not later than ten (10) years following the date of Board approval of the Plan.

**ARTICLE II**

**DEFINITIONS**

The following words and phrases shall have the respective meanings under the Plan as set forth below, unless the context clearly requires a different meaning:

- 2.1 "Award" shall mean the beneficial interest in or right to any Option, SAR, Restricted Share, Equity Award, Performance Award or Other Stock-Based Award granted from time to time under the Plan by the Committee, subject to such restrictions, terms and conditions as the Committee may determine.
- 2.2 "Board" shall mean the Board of Directors of Entergy.
- 2.3 "Cause" shall mean:
- (a) the willful and continuing failure by Participant to substantially perform Participant's duties (other than such failure resulting from the Participant's incapacity due to physical or mental illness or any such actual or anticipated failure after the issuance of a Notice of Termination for Good Reason by the Participant) that has not been cured within thirty (30) days after a written demand for substantial performance is delivered to the Participant by the board of directors of the Employer, which demand specifically identifies the manner in which the board believes that the Participant has not substantially performed the Participant's duties; or
  - (b) the willful engaging by the Participant in conduct which is demonstrably and materially injurious to any System Company, monetarily or otherwise; or

- (c) conviction of, or entrance of a plea of guilty or *nolo contendere* to, a felony or other crime which has or may have a material adverse affect on Participant's ability to carry out Participant's duties or upon the reputation of any System Company; or
- (d) a material violation by Participant of any agreement Participant has with a System Company; or
- (e) unauthorized disclosure by Participant of the confidences of any System Company.

For purposes of clauses (a) and (b) of this definition, no act, or failure to act, on the Participant's part shall be deemed "willful" unless done, or omitted to be done, by the Participant not in good faith and without reasonable belief that the Participant's act, or failure to act, was in the best interest of the Employer.

2.4 "Change in Control" shall mean:

- (a) the purchase or other acquisition by any person, entity or group of persons, acting in concert within the meaning of Sections 13(d) or 14(d) of the Securities Exchange Act of 1934 ("Act"), or any comparable successor provisions, of beneficial ownership (within the meaning of Rule 13d-3 promulgated under the Act) of thirty percent (30%) or more of either the shares of common stock outstanding immediately following such acquisition or the combined voting power of Entergy Corporation's voting securities entitled to vote generally and outstanding immediately following such acquisition, other than any such purchase or acquisition in connection with a Non-CIC Merger (defined in subsection (b) below);
- (b) the consummation of a merger or consolidation of Entergy Corporation, or any direct or indirect subsidiary of Entergy Corporation with any other corporation, other than a Non-CIC Merger, which shall mean a merger or consolidation immediately following which the individuals who comprise the Board immediately prior thereto constitute at least a majority of the Board, or the board of directors of the entity surviving such merger or consolidation, or the board of directors of any parent thereof (unless the failure of such individuals to comprise at least such a majority is unrelated to such merger or consolidation);
- (c) the stockholders of Entergy Corporation approve a plan of complete liquidation or dissolution of Entergy Corporation or there is consummated an agreement for the sale or disposition by Entergy Corporation of all or substantially all of Entergy Corporation's assets; or
- (d) any change in the composition of the Board such that individuals who on the Effective Date constitute the Board and any new director (other than a director whose initial assumption of office is in connection with an actual or threatened election contest, including but not limited to a consent solicitation, relating to the election of directors of Entergy Corporation) whose appointment or election by the Board or nomination for election by Entergy Corporation's stockholders was approved or recommended by a vote of at least two-thirds (2/3) of the directors then still in office who either were directors on such Effective Date or whose appointment, election or nomination for election was previously so approved or recommended, cease for any reason to constitute at least a majority thereof.

Provided, however, that no Change in Control shall be deemed to occur solely by virtue of (i) the insolvency or bankruptcy of Entergy Corporation; or (ii) the transfer of assets of Entergy Corporation to an affiliate of Entergy Corporation, provided such affiliate assumes the obligations under the Plan and agrees to continue uninterrupted the rights of the Participants under the Plan; or (iii) the consummation of any transaction or series of integrated transactions immediately following which the record holders of the common stock of Entergy Corporation immediately prior to such transaction or series of transactions continue to have substantially the same proportionate ownership in an entity which owns all or substantially all of the assets of Entergy Corporation immediately following such transaction or series of transactions.

- 2.5 "Change in Control Period" shall mean the period commencing on the date of a Potential Change in Control and ending on the earlier of: (a) twenty-four (24) calendar months following the date of a Change in Control event, or (b) the date on which the Change in Control event contemplated by the Potential Change in Control is terminated.
- 2.6 "Code" shall mean the Internal Revenue Code of 1986, as amended. Reference in the Plan to any section of the Code shall be deemed to include any amendment or successor provisions to such section and any regulation under such section.
- 2.7 "Committee" shall mean the duly designated Personnel Committee of the Board, or such other committee of the Board as the Board may designate to administer this Plan. With respect to Awards granted to Outside Directors, the term "Committee" shall mean the Board. If no committee of the Board has been appointed to administer the Plan, the Board shall exercise all of the powers of the Committee granted herein, and, in any event, the Board may in its discretion exercise any or all of such powers in accordance with the same terms, conditions and limitations applicable to the Committee, unless otherwise specified in this Plan document.
- 2.8 "Common Stock" shall mean the common stock, par value of \$0.01 per share, of Entergy.
- 2.9 "Covered Participant" shall mean a Participant who is a "covered employee" as defined in Code Section 162(m)(3), or who the Committee believes will be such a covered employee for a Plan Year.
- 2.10 "Dividend Equivalent" shall mean a credit, made at the discretion of the Committee or as otherwise provided by the Plan, and entitling the Participant to receive cash, shares of Common Stock, or other property equal in value to the cash or Common Stock dividend paid on one share of Common Stock for each share of Common Stock represented by an Award held by such Participant.
- 2.11 "Effective Date" shall mean May 6, 2011, or such other date as the Plan shall be approved by the shareholders of Entergy.
- 2.12 "Employer" shall mean with respect to a given Participant and a given Award, the System Company by which such Participant is employed at the time such Award is granted under this Plan, unless otherwise determined by the Committee.
- 2.13 "Entergy" shall mean Entergy Corporation, a Delaware corporation, or any successor thereto.
- 2.14 "Equity Award" shall mean an Award of a unit whose value is related to the value of shares of Common Stock but does not represent actual shares of Common Stock at the time such an Award is granted, such as a Restricted Share Unit, as described in Article VIII of the Plan.
- 2.15 "Equity Award Account" shall mean the record of Equity Awards granted to a Participant under the Plan solely for accounting purposes, and shall not require a segregation of any Entergy System assets.
- 2.16 "Exchange Act" shall mean the Securities Exchange Act of 1934, as amended from time to time, and interpretive rulings and regulations.
- 2.17 "Fair Market Value" shall mean:
- (a) with respect to Common Stock, the closing transaction price of a share of Common Stock, as reported on the New York Stock Exchange on the date as of which such value is being determined, or on the following trading date if that date is not a trading date, except in the case of an Award for which a Performance Period is established, in which case the preceding trading date shall be used if the last day of the Performance Period is not on a trading date. The Committee may designate a different time or method of determining the Fair Market Value, if appropriate, because of changes in the hours and methods of trading on the New York Stock Exchange. If the Common Stock

ceases to be listed on the New York Stock Exchange, the Committee shall designate an alternative exchange, stock market or method of determining the Fair Market Value of the Common Stock.

- (b) with respect to any property (including securities) other than Common Stock, the fair market value of such property as the Committee, in its discretion, may determine to be the Fair Market Value of such property. The Committee may vary its method of determination of the Fair Market Value of such other property, as provided in this Subsection 2.17(b), for different purposes under the Plan.
- 2.18 "Full Value Share Award" shall mean a Restricted Share or a Performance Award, Equity Award or Other Stock-Based Award that represents a full share of Common Stock and that is settled or paid in shares of Common Stock. A Full Value Share Award shall not include SARs or Options.
- 2.19 "Good Reason" shall mean the occurrence, without the Participant's express written consent, of any of the following events:
- (a) the substantial reduction or alteration in the nature or status of the Participant's duties or responsibilities from those in effect on the date immediately preceding the first day of the Change in Control Period, other than an insubstantial and inadvertent act that is remedied by the System Company employer promptly after receipt of notice thereof given by the Participant and other than any such alteration primarily attributable to the fact that Entergy may no longer be a public company;
  - (b) a reduction of five percent (5%) or more in Participant's base salary as in effect immediately prior to commencement of a Change in Control Period, which shall be calculated exclusive of any bonuses, overtime, or other special payments, but including the amount, if any, the Participant elects to defer under: (1) a cash or deferred arrangement qualified under Code Section 401(k); (2) a cafeteria plan under Code Section 125; (3) the Executive Deferred Compensation Plan of Entergy Corporation and Subsidiaries, or any successor or replacement plan; and (4) any other nonqualified or statutory deferred compensation plan, agreement, or arrangement in which the Participant may hereafter participate or be a party;
  - (c) requiring Participant to be based at a location outside of the continental United States and other than his primary work location as it existed on the date immediately preceding the first day of the Change in Control Period, except for required travel on business of any System Company to an extent substantially consistent with the Participant's present business obligations;
  - (d) failure by System Company employer to continue in effect any compensation plan in which Participant participates immediately prior to the commencement of the Change in Control Period and that is material to Participant's total compensation, including this Plan, incentive compensation, bonus and other plans or any substitute plans adopted prior to the Change in Control Period, unless an equitable arrangement (embodied in an ongoing substitute or alternative plan) has been made with respect to such plan, or the failure by System Company employer to continue Participant's participation therein (or in such substitute or alternative plan) on a basis not materially less favorable, both in terms of the amount and timing of payment of benefits provided and the level of the Participant's participation relative to other participants, as existed immediately prior to the Change in Control Period;
  - (e) any material reduction in the benefits provided to the Participant under any of the System Company's pension, savings, life insurance, medical, health and accident, or disability plans in which Participant was participating immediately prior to the Change in Control Period, the taking of any other action by System Company employer which would directly or indirectly materially reduce any of such benefits or deprive Participant of any material fringe benefit enjoyed by Participant immediately prior to commencement of the Change in Control Period, or a material reduction in the number of paid vacation days to which Participant is entitled on the basis of years

of service with the System in accordance with the System Company's normal vacation policy in effect immediately prior to the Change in Control Period; or

- (f) any purported termination of Participant's employment which is not effected pursuant to a Notice of Termination satisfying the requirements of Section 2.24 hereof; for purposes of this Plan, no such purported termination shall be effective in depriving Participant of the right to terminate employment for Good Reason.

Participant's right to terminate his employment for Good Reason shall not be affected by Participant's incapacity due to physical or mental illness. Participant's continued employment for up to 180 days following the date Participant knew or should have known of the event giving rise to the claim of Good Reason shall not constitute consent to, or a waiver of rights with respect to, any act or failure to act constituting Good Reason. For purposes of this Plan a Participant's employment shall be deemed terminated by the Employer with Good Reason only if the Participant has incurred a "separation from service" within the meaning of Code Section 409A.

- 2.20 "Grant Date" shall mean the date specified by the Committee on which a grant of an Award shall become effective, which date shall not be earlier than the date on which the Committee acts with respect to such grant.
- 2.21 "Incentive Stock Option" means an Option that is intended to be, is designated in the Award grant and agreement as, and qualifies as an incentive stock option within the meaning of Section 422(b) of the Code.
- 2.22 "Key Employee" shall mean one of the following: (a) a System officer having annual compensation greater than \$140,000 (adjusted for inflation pursuant to Code Section 416(i) and limited to the top 50 System officers), (b) a five percent owner of Entergy, or (c) a one percent owner of Entergy having annual System Company compensation of more than \$150,000, subject to such other determinations made by the Committee, in its sole discretion, in a manner consistent with the regulations issued under Code Section 409A.
- 2.23 "Nonstatutory Stock Option" means an Option not intended to be an incentive stock option within the meaning of Section 422(b) of the Code.
- 2.24 "Notice of Termination" shall mean a notice that shall indicate the specific termination provision in this Plan relied upon and shall set forth in reasonable detail the facts and circumstances claimed to provide a basis for termination of the Participant's employment under the provision so indicated. Further, a Notice of Termination for Cause addressed to a System Management Participant is required to include a copy of a resolution duly adopted by the Board (after reasonable notice to the System Management Participant and an opportunity for the System Management Participant, together with his or her counsel, to be heard before the Board) finding that, in the good faith opinion of the Board, the System Management Participant was guilty of conduct set forth in the definition of Cause herein, and specifying the particulars thereof in detail.
- 2.25 "Operating Cash Flow" shall mean the amount of operating cash flow for any given Performance Period, as determined by the Committee based on Entergy Corporation's financial statements and in accordance with generally accepted accounting principles.
- 2.26 "Options" shall mean Incentive Stock Options or Nonstatutory Stock Options, or both, as described in Article VI of the Plan.
- 2.27 "Option Price" shall mean, with respect to each share of Common Stock subject to an Option, the price fixed by the Committee at which the share may be purchased pursuant to the exercise of the Option.
- 2.28 "Other Stock-Based Award" shall mean an Award other than an Option, SAR, Restricted Share, or Equity Award, granted from time to time under the Plan by the Committee subject to such restrictions, terms and

conditions as the Committee may determine and denominated or payable in, valued in whole or in part by reference to, or otherwise based on or related to, shares of Common Stock.

- 2.29 "Outside Director" shall mean a member of the Board who is not an officer or employee of a System Company.
- 2.30 "Participant" shall mean a person who is selected for an Award under this Plan, in accordance with Article V.
- 2.31 "Performance Award" shall mean an Award awarded subject to attainment of Performance Goals during the applicable Performance Period, as more fully described in Article IX.
- 2.32 "Performance Goals" shall mean the goals for a Performance Period as established by the Committee and against which performance will be measured.
- 2.33 "Performance Period" shall mean the period designated by the Committee during which Performance Goals must be attained.
- 2.34 "Plan" shall mean this 2011 Equity Ownership and Long Term Cash Incentive Plan of Entergy Corporation and Subsidiaries, as amended from time to time.
- 2.35 "Potential Change in Control" shall be deemed to have occurred if the event set forth in any one of the following paragraphs shall have occurred:
- Entergy or any affiliate or subsidiary company enters into an agreement, the consummation of which would result in the occurrence of a Change in Control;
  - the Board adopts a resolution to the effect that, for purposes of this Plan, a Potential Change in Control has occurred;
  - any System Company or any person or entity with the wherewithal to effectuate such action, publicly announces an intention to take or to consider taking actions which, if consummated, would constitute a Change in Control; or
  - any person or entity becomes the beneficial owner (as that term is defined in Rule 13d-3 under the Securities Exchange Act of 1934, as amended from time to time), either directly or indirectly, of securities of Entergy Corporation representing 20% or more of either the then outstanding shares of common stock of Entergy Corporation or the combined voting power of Entergy Corporation's then outstanding securities (not including in the calculation of the securities beneficially owned by such person or entity any securities acquired directly from Entergy Corporation or its affiliates).
- 2.36 "Restricted Period" shall mean the period designated by the Committee during which Restricted Shares or Restricted Share Units shall be subject to a substantial risk of forfeiture and may not be sold, exchanged, assigned, transferred, pledged, hypothecated or otherwise encumbered or disposed of, except as otherwise provided in the Plan and as the Committee may determine.
- 2.37 "Restricted Shares" shall mean shares of Common Stock that are awarded subject to restrictions on the holder's right to sell, transfer, pledge or assign such shares and with such other restrictions as the Committee may determine, all as described in Article VII of the Plan.
- 2.38 "Restricted Share Units" shall mean Equity Awards that are subject to such restrictions on transfer and such forfeiture conditions as the Committee deems appropriate, all as described in Article VIII of the Plan.

- 2.39 "Retirement" shall mean the earlier of the attainment of (a) age 65 or (b) age 55 with at least 10 years of vesting service, as determined in accordance with the terms of the Entergy Corporation sponsored qualified defined benefit pension plan in which the Participant participates.
- 2.40 "SAR" or "Stock Appreciation Right" shall mean an Award representing, for each share of Common Stock subject to such SAR, a right granted to a Participant pursuant to Article VI of the Plan to receive payment in any combination of shares of Common Stock or cash of an amount equal to the excess, if any, of the Fair Market Value of a share of Common Stock on the date of exercise over the strike price established by the Committee in its sole discretion on the Grant Date of the Award and which shall be no less than the Fair Market Value of a share of Common Stock on the Grant Date.
- 2.41 "Specified Employee" shall mean a Participant who is a Key Employee at a time when the Employer or a member of any controlled group of corporations that includes the Employer is publicly traded on an established securities market whether inside or outside the United States. Whether a Participant is a Specified Employee shall be determined under rules established by the Committee in accordance with regulations under Code Section 409A. All determinations by the Committee with regard to whether a Participant is a Specified Employee shall be final and binding on the Participant for purposes of the Plan.
- 2.42 "System" shall mean Entergy and all System Companies and, except in determining whether a Change in Control has occurred, shall include any successor thereto.
- 2.43 "System Company" shall mean Entergy and any corporation 80% or more of whose stock (based on voting power) or value is owned, directly or indirectly, by Entergy and any partnership or trade or business which is 80% or more controlled, directly or indirectly, by Entergy, and, except in determining whether a Change in Control has occurred, shall include any successor thereto.
- 2.44 "System Management Level" shall mean, for purposes of determining a System Management Participant, one of the following management levels reflected in the human resources records of the System: (a) System Management Level 1; (b) System Management Level 2; (c) System Management Level 3; and (d) System Management Level 4.
- 2.45 "System Management Participant" shall mean a Participant who is currently, or was immediately prior to the commencement of a Change in Control Period, at one of the System Management Levels set forth in Section 2.44.
- 2.46 "Ten Percent Owner" means a Participant who, at the time an Option is granted to the Participant, owns Common Stock possessing more than ten percent (10%) of the total combined voting power of all classes of stock of Entergy within the meaning of Section 422(b)(6) of the Code.
- 2.47 "Total Disability" and "Totally Disabled" shall have such meaning as defined under the Entergy Corporation sponsored group insurance plan covering total disability, and determinations of Total Disability shall be made by the insurance company providing such coverage on the date on which the Participant, whether or not eligible for benefits under such insurance plan, becomes Totally Disabled. However, in the absence of such insurance plan or in the event the individual is an Outside Director, the Committee shall make such determination. If a Specified Employee separates from service due to Total Disability, the provisions of Section 12.14(b) shall apply.

### ARTICLE III

#### SHARES SUBJECT TO PLAN AND ALLOWED ADJUSTMENTS

- 3.1 Maximum Number of Shares Issuable. The stock to be issued, transferred or sold under the Plan shall be Common Stock. Subject to adjustment as provided in Section 3.2, the maximum aggregate of five million

five hundred thousand (5,500,000) shares of Common Stock shall be available for delivery pursuant to Awards of Options, SARs, Restricted Shares, Equity Awards or Other Stock-Based Awards granted from time to time under the Plan, of which no more than two million (2,000,000) shares of Common Stock in the aggregate may be issued in connection with the exercise of Incentive Stock Options. Any Award, or portion thereof, which is settled in cash shall not be applied against the maximum allocation of shares. Shares of Common Stock delivered under this Plan shall be authorized but unissued shares or open market shares of Entergy. Shares of Common Stock covered by Awards which are not earned, or which are forfeited or terminated for any reason, and Options which expire unexercised, shall again be available for subsequent Awards under the Plan. Notwithstanding the terms of the immediately preceding sentence to the contrary, Common Stock related to the following recycled Awards shall not again be available for Awards under the Plan: (a) Common Stock tendered to the Plan in connection with the payment of an Option, (b) Common Stock related to that portion of an Award utilized for the payment of withholding taxes, (c) Common Stock repurchased by Entergy using Option proceeds; and (d) Awards of SARs that may be settled in Common Stock (to the extent only actual shares of Common Stock delivered to Participants are otherwise counted against the maximum allocation of shares).

- 3.2 Adjustments Upon Changes in Capital Structure. Notwithstanding any other provision of the Plan, the Committee shall make or provide for such adjustments to the Plan, to the number and class of shares available thereunder or to any outstanding Awards, Award limits set forth in the Plan, and in the exercise, strike, or purchase price per share under any outstanding Award, as it shall deem appropriate to prevent dilution or enlargement of rights, including adjustments in the event of any change in the Common Stock, whether through merger, consolidation, reorganization, reincorporation, recapitalization, reclassification, stock dividend, stock split, reverse stock split, split-up, split-off, spin-off, combination of shares, exchange of shares, or similar change in the capital structure of Entergy, or in the event of payment of a dividend or distribution to the shareholders of Entergy in a form other than Common Stock (excepting normal cash dividends) that has a material effect on the Common Stock. Any fractional share resulting from an adjustment pursuant to this Section shall be rounded down to the nearest whole number. The Committee in its sole discretion may also make such adjustments in the terms of any Award to reflect, or related to, such changes in the capital structure of Entergy or distributions as it deems appropriate, including modification of Performance Goals and Performance Periods. The adjustments determined by the Committee pursuant to this Section 3.2 shall be final, binding and conclusive.
- 3.3 Limitations on Option and SAR Repricing. Except in connection with a corporate transaction involving Entergy (including, without limitation, any stock dividend, stock split, extraordinary cash dividend, recapitalization, reorganization, merger, consolidation, split-up, spin-off, combination, or exchange of shares, such as described in Section 3.2), without prior shareholder approval the terms of outstanding Awards may not be amended to reduce the exercise price of outstanding Options or SARs or cancel outstanding Options or SARs in exchange for cash, other awards or for Options or SARs with an exercise price that is less than the exercise price of the original Options or SARs. This paragraph shall not be construed to apply to "issuing or assuming a stock option in a transaction to which section 424(a) applies," within the meaning of Section 424 of the Code.
- 3.4 Other Limitations on Award Modifications. The approval of Entergy's shareholders shall be necessary to accelerate, lapse or waive restrictions except in the case of death, Total Disability, Retirement or terminations with Cause or for Good Reason following a Change in Control event.

## ARTICLE IV

### ADMINISTRATION

- 4.1 Administration of Plan. The Committee shall operate and administer the Plan and shall have the authority to exercise the powers and discretion conferred on it by the Plan, including the right to delegate any function to a specified person or persons. The Committee shall have membership composition which

enables (i) Awards to Section 16 Persons to qualify as exempt from liability under Section 16(b) of the Exchange Act and (ii) Awards to Covered Participants to qualify as performance-based compensation as provided under Code Section 162(m).

- 4.2 Powers of the Committee. The Committee shall administer the Plan in accordance with its terms and shall have all powers, authority, and discretion necessary or proper for such purpose. By way of illustration, the Committee shall have the following powers:

The Committee shall have the sole and exclusive power and discretion to grant Awards to Participants under the Plan, to select the Participants to receive Awards, to determine the type, size, terms and conditions of the Awards to be made to each Participant selected, to determine the time when Awards to Participants will be granted, and to prescribe the form of the agreements embodying Awards made under the Plan.

The Committee shall determine all questions arising in the administration of the Plan including, but not limited to, the power and discretion to determine eligibility and participation of any individual.

The Committee shall make factual determinations, construe and interpret the Plan, including the intent of the Plan and any ambiguous, disputed or doubtful provisions of the Plan.

The Committee may adopt such rules and regulations as it shall deem desirable or necessary for the administration of the Plan.

Notwithstanding the foregoing, the Plan shall be administered by the Board with respect to any Award granted to an Outside Director.

- 4.3 Committee Actions. All findings, decisions, or determinations of any type made by the Committee pursuant to the Plan, including factual determinations, any interpretation or construction of the Plan, and the specific conditions and provisions of the Awards granted under the Plan, shall be final and conclusive and shall be binding upon all persons including, without limitation, each Participant, beneficiary, legal representative, and any other interested parties. To the maximum extent permitted by applicable law, each member of the Committee and the Board shall be indemnified and held harmless by Entergy against and from (i) any loss, cost, liability, or expense that may be imposed upon or reasonably incurred by him or her in connection with or resulting from any claim, action, suit, or proceeding to which he or she may be a party or in which he or she may be involved by reason of any action taken or failure to act under the Plan or any Award agreement, and (ii) any and all amounts paid by him or her in settlement thereof, with Entergy's approval, or paid by him or her in satisfaction of any judgment in any such claim, action, suit, or proceeding against him or her, provided he or she shall give Entergy an opportunity, at its own expense, to handle and defend the same before he or she undertakes to handle and defend it on his or her own behalf. The foregoing right of indemnification shall not be exclusive of any other rights of indemnification to which such persons may be entitled under Entergy's Certificate of Incorporation or Bylaws, by contract, as a matter of law, or otherwise, or under any power that Entergy may have to indemnify them or hold them harmless.
- 4.4 Delegation of Duties. With the exception of the authority to grant Awards to persons subject to Sections 16(a) and 16(b) of the Exchange Act, to persons who are Covered Participants, or to make other determinations regarding such persons, the Committee may delegate to one or more of its members or to one or more agents, to the extent permitted by law, such administrative duties as it may deem advisable, and the Committee or any person to whom it has delegated duties as aforesaid may employ one or more persons to render advice with respect to any responsibility the Committee or such person may have under the Plan.
- 4.5 Reliance on Reports. The Committee may employ attorneys, consultants, accountants or other persons, and the Committee, Entergy and its officers and directors shall be entitled to rely upon the advice, opinions or evaluations of any such persons.

- 4.6 Non-Uniform Determinations. The Board's and the Committee's respective determinations under the Plan, including without limitation, determinations as to the key employees or Outside Directors to receive Awards, the terms and provisions of such Awards and the agreement(s) evidencing the same, need not be uniform and may be made by it selectively among the key employees or outside directors who receive or are eligible to receive Awards under the Plan, whether or not such key employees or Outside Directors are similarly situated.

## ARTICLE V

### ELIGIBILITY, PARTICIPATION AND AWARD LIMITS

- 5.1 Eligibility. Those individuals eligible for Awards under the Plan are (a) Outside Directors and (b) those select employees of a System Company determined to have significant responsibility for the continued growth, development and financial success of the System Companies.
- 5.2 Participation. Subject to the provisions of the Plan, and with the exception of grants to Outside Directors as determined by the Board, the Committee shall from time to time select from such eligible persons those to whom Awards shall be granted and determine the amount of such Award, and such individuals shall become Participants.
- 5.3 Minimum Vesting. Except as otherwise specifically provided in Article XIII, any Awards that vest on the basis of the Participant's continued employment or service or other time-based criteria shall provide for a vesting period of at least three (3) years, and any Awards that vest upon the attainment of Performance Goals or other performance-based criteria shall provide for a vesting period of at least twelve (12) months (such vesting periods, in the discretion of the Committee, may occur in full at the end of such period or may occur in specified installments over such period); provided, however, that the Committee may, in its discretion, provide that a Participant will remain eligible to receive all or a portion of an Award upon death, Total Disability, Retirement, or an Outside Director's separation from the Board, but such Participant shall otherwise remain subject to the same vesting and payment provisions as all other Participants. Notwithstanding the immediately preceding sentence, five percent (5%) of the shares of Common Stock authorized under this Plan shall not be subject to the minimum vesting requirements set forth in this Section 5.3; provided those shares are delivered for Full Value Share Awards.
- 5.4 Participant Total Award Limits. Subject to adjustment as provided in Section 3.2, the following limitations shall apply to the grant of any Award:
- (a) Options and SARs. No Participant shall be granted in any calendar year one or more Options or SARs (but only to the extent such SAR is not granted in tandem with an Option) that in the aggregate may become exercisable with respect to more than 1,500,000 shares of Common Stock reserved for issuance under the Plan.
  - (b) Restricted Shares and Restricted Share Units. No Participant shall be granted in any calendar year one or more Restricted Share Awards or Restricted Share Unit Awards, subject to applicable vesting and performance requirements, with respect to more than 500,000 shares of Common Stock reserved for issuance under the Plan.
  - (c) Performance Awards. The value of Performance Awards payable to a single Covered Participant shall not exceed 0.5% of Operating Cash Flow during any applicable Performance Period.

## ARTICLE VI

### STOCK OPTIONS AND STOCK APPRECIATION RIGHTS (SARs)

- 6.1 General Provisions. Options and SARs shall be subject to such terms and conditions, exercisable at such time or times, and evidenced by such form of Award agreement between the Participant and the Employer, as the Committee shall determine; provided, however, that such determinations are not inconsistent with the other provisions of the Plan, including those set forth in Article V and in this Article.
- 6.2 Grant of Option. Options may be in the form of either an Incentive Stock Option or Nonstatutory Stock Option; provided, however, that only Participants who are System Company employees shall be eligible for Awards of Incentive Stock Options. An Incentive Stock Option granted to a prospective employee upon the condition that such person become an employee of a System Company shall be deemed granted effective on the date such person commences service with a System Company, with an exercise price determined as of such date.
- (a) If the Award agreement evidencing an Option does not contain a specific designation that it is an Incentive Stock Option, it shall be an Award of Nonstatutory Stock Options.
  - (b) To the extent the Committee elects to grant Incentive Stock Options under the Plan, such Incentive Stock Options shall be subject to the limitations under Section 422 of the Code including, without limitation, the applicable time limitations.
  - (c) The aggregate fair market value (determined in each instance on the Grant Date of an Incentive Stock Option) of the Common Stock with respect to which an Incentive Stock Option is first exercisable by any Participant in any calendar year shall not exceed \$100,000 or any other limit prescribed in the Code for the Participant. To the extent such fair market value exceeds \$100,000, such Option shall be treated, for federal income tax purposes, as a Nonstatutory Stock Option. For purposes of this Section, Options designated as Incentive Stock Options shall be taken into account in the order in which they were granted, and the Fair Market Value of Common Stock shall be determined as of the time the Option with respect to such Common Stock is granted. If the Code is amended to provide for a limitation different from that set forth in this Section, such different limitation shall be deemed incorporated herein effective as of the date and with respect to such Options as required or permitted by such amendment to the Code. If an Option is treated as an Incentive Stock Option in part and as a Nonstatutory Stock Option in part by reason of the limitation set forth in this Section, the Participant may designate which portion of such Option the Participant is exercising. In the absence of such designation, the Participant shall be deemed to have exercised the Incentive Stock Option portion of the Option first. Upon exercise, shares issued pursuant to each such portion shall be separately identified.
- 6.3 Option Price.
- (a) The Option Price determined by the Committee shall not be less than the Fair Market Value on the date the Option is granted. In addition, no Option shall be exchanged for cash, except as the Committee may determine to be necessary or desirable in connection with a corporate transaction approved by the Board.
  - (b) No Incentive Stock Option granted to a Ten Percent Owner shall have an exercise price per share less than one hundred ten percent (110%) of the Fair Market Value of a share of Common Stock on the effective date of the grant of the Option. Notwithstanding the foregoing, an Option (whether an Incentive Stock Option or a Nonstatutory Stock Option) may be granted with an exercise price lower than the minimum exercise price set forth above if such Option is granted pursuant to an

assumption or substitution for another option in a manner qualifying under the provisions of Section 424(a) of the Code.

- 6.4 Term of Options. Subject to Section 5.3, the Committee, in its sole discretion, shall prescribe the time or times at which, or the conditions upon which, an Option or portion thereof shall become vested and exercisable, which shall be set forth in the Award agreement; provided, however, that (a) no Option shall be exercisable after the expiration of ten (10) years after the Grant Date of such Option, and (b) no Incentive Stock Option granted to a Ten Percent Owner shall be exercisable after the expiration of five (5) years after the Grant Date of such Option.
- 6.5 Exercise of Options. Subject to the terms and conditions as specified in an Award agreement and to all applicable legal requirements, an Option may be exercised during the term thereof and the specified number of shares with respect to such Option exercise shall be issued, following receipt by Entergy of (a) notice of the exercise of an Option (in accordance with procedures that the Committee shall have specified in the Award agreement or otherwise) delivered to Entergy's Secretary or his or her designee, (b) payment, as provided in the Plan, of the Option Price, and (c) satisfaction of the full amount of any and all applicable income tax and employment tax amounts required to be withheld in connection with such exercise. The Committee may also permit Participants, either on a selective or aggregate basis, simultaneously to exercise Options and sell the shares of Common Stock thereby acquired pursuant to a brokerage or similar arrangement, approved in advance by the Committee, and use the proceeds from such sale as payment of the purchase price of such shares.
- 6.6 Payment. To the extent permitted under applicable law and the relevant Option Award agreement, the exercise price of an Option shall be paid to Entergy in full at the time of exercise at the election of the Participant (a) in cash, (b) in shares of Common Stock having a Fair Market Value on the exercise date equal to the aggregate exercise price of the Option and satisfying such other requirements as may be imposed by the Committee, (c) partly in cash and partly in such shares of Common Stock, (d) through the withholding of shares of Common Stock (which would otherwise be delivered to the Participant) with an aggregate Fair Market Value on the exercise date equal to the aggregate exercise price of the Option, (e) through the delivery of irrevocable instructions to a broker to deliver promptly to Entergy an amount equal to the aggregate exercise price of the Option, or (f) any other legal form of payment that the Committee may deem appropriate. The Committee may limit the extent to which shares of Common Stock may be used in exercising Options. The Committee reserves, at any and all times, the right, in its sole and absolute discretion, to establish, decline to approve or terminate any program or procedures for the exercise of Options by means of a cashless exercise, including with respect to one or more Participants specified by Entergy notwithstanding that such program or procedures may be available to other Participants.
- 6.7 Shareholder Rights. Prior to Option exercise, a Participant shall have no rights to dividends or other rights of a shareholder with respect to shares of Common Stock subject to such Option. A Participant shall have rights to future dividends and other rights of a shareholder with respect to such shares of Common Stock only after the Participant has given written notice to the Committee or its delegate of exercise of the Option and satisfied all other conditions to exercise such Option as imposed by the Committee pursuant to the Plan.
- 6.8 Termination of Service. Unless a Participant's Award agreement provides otherwise:
- subject to the Change in Control immediate vesting provisions set forth in Article XIII, an Option or SAR shall terminate, shall be forfeited and may no longer be exercised 90 days after the Participant ceases to be a System Company employee for any reason other than termination for Cause, Total Disability, death or Retirement;
  - all Options and SARs shall terminate, shall be forfeited and may no longer be exercised upon a System Company employee Participant's termination for Cause;

- if a System Company employee's employment is terminated by reason of Total Disability or Retirement, or an Outside Director separates from the Board, all Options and SARs held by the Participant will immediately vest and may be exercised within the remaining term of the Option or SAR Award; and
- if the Participant dies while in the employ of a System Company or while serving as an Outside Director, the Options and SARs held by such Participant will immediately vest and, within the remaining term of each Option and SAR award, be exercised by the legal representative of the Participant's estate, or if it has been distributed as part of the estate, by the person or persons to whom the Participant's rights under the Option and SAR shall pass by will or by the applicable laws of descent and distribution.

In no event may an Option or SAR be exercised to any extent by anyone after the expiration or termination of such Option or SAR. In addition, Incentive Stock Options shall be subject to the limitations under Section 422 of the Code including, without limitation, the applicable time limitations.

6.9 Stock Appreciation Rights. SARs shall be evidenced by Award Agreements specifying the number of shares of Common Stock subject to the Award, in such form as the Committee shall from time to time establish.

- (a) Grant and Terms of SARs. SARs may be granted in tandem with all or any portion of a related Option or may be granted independently of any Option. The strike price for each SAR shall be established in the discretion of the Committee; provided, however, that (i) the strike price per share subject to a SAR granted in connection with an Option shall be the exercise price per share under the related Option and (ii) the strike price per share subject to a freestanding SAR shall be not less than the Fair Market Value of a share of Common Stock on the Grant Date of the SAR. A SAR granted in connection with an Option will expire no later than the related Option expires and shall be exercisable only at the time and to the extent the related Option is exercisable, subject to such provisions as the Committee may specify where the SAR is granted with respect to less than the full number of shares of Common Stock subject to the related Option. Subject to the provisions of Section 6.9, a SAR granted without relation to an Option shall be exercisable at such time or times, or upon such event or events, and subject to such terms, conditions, performance criteria and restrictions as shall be determined by the Committee and set forth in the Award agreement evidencing such SAR; provided, however, that no such SAR shall be exercisable after the expiration of ten (10) years after the Grant Date of such SAR.
- (b) Payment of SARs. A SAR shall entitle the holder, upon exercise of the SAR, to receive payment of an amount determined by multiplying (i) the excess of the Fair Market Value of a share of Common Stock on the date of exercise of the SAR over the strike price established for such SAR on its Grant Date, by (ii) the number of shares as to which such SAR will have been exercised. Payment of the amount determined under the forgoing formula may be made, in the discretion of the Committee, in cash or shares of unrestricted Common Stock (valued at their Fair Market Value on the date of exercise), or a combination thereof.

## ARTICLE VII

### RESTRICTED SHARE AWARDS

7.1 Grant of Restricted Shares. The Committee may award Restricted Shares to such key employees and Outside Directors whom the Committee determines to be eligible pursuant to the terms of Article V. An Award of Restricted Shares may be subject to restrictions on transfer and forfeiture provisions, all as the Committee may determine. Such Restricted Shares shall be awarded based on such other terms and conditions as the Committee shall from time to time determine subject to the provisions of the Plan;

provided, however, the Participant shall be entitled to any voting rights relative to such Restricted Shares during the Restricted Period. If either the grant of a Restricted Share Award or the lapsing of the Restriction Period is to be contingent upon the attainment of one or more Performance Goals, the Committee shall follow procedures substantially equivalent to those set forth with respect to Performance Awards, including, but not limited to, those procedures related to the setting and certification of Performance Goals, and the requirement that the Performance Goal(s) be based on one or more of the business criteria referenced in Section 9.3.

- 7.2 Award of Restricted Shares. At the time an Award of Restricted Shares is made, the Committee shall establish the Restricted Period applicable to such Award. Each Award of Restricted Shares may have a different Restricted Period.
- 7.3 Restricted Period. Subject to Section 5.3, the Restricted Period may be based on the continued employment of the Participant with a System Company for a specified time period or periods or on the attainment of specified business goals or measures established by the Committee in its sole discretion, including, without limitation, Performance Goals as described in Article 9.
- 7.4 Shareholder Rights. Unless otherwise set forth in the Award agreement relating to a Restricted Share Award, and subject to the terms and conditions of a Restricted Share Award, the holder of such Award shall have all rights as an Entergy shareholder, including, but not limited to, voting rights, the right to receive dividends and the right to participate in any capital adjustment applicable to all holders of Common Stock. Notwithstanding the preceding sentence, any and all cash and stock dividends paid with respect to the Restricted Shares shall be subject to the same restrictions on transfer and risks of forfeiture as applicable to the underlying Restricted Shares and shall also be subject to any other provisions or reinvestment requirements (including, without limitation, the reinvestment of dividends in the form of Common Stock and/or Equity Awards) as the Committee may, in its discretion, determine. The Participant shall have the same rights and privileges, and be subject to the same restrictions, with respect to any additional shares received pursuant to Section 3.2.
- 7.5 Forfeiture. Upon the forfeiture of any Restricted Shares (including any additional Restricted Shares which may result from the reinvestment of cash and stock dividends in accordance with such rules as the Committee may establish), such forfeited shares shall be surrendered.
- 7.6 Share Issuance. During the Restricted Period, the Restricted Shares shall be held by a custodian in book entry form with restrictions on such shares duly noted or, alternatively, a certificate or certificates representing a Restricted Share Award shall be registered in the holder's name and may bear a legend, in addition to any legend which may be required, indicating that the ownership of the shares of Common Stock represented by such certificate is subject to the restrictions, terms and conditions of this Plan and the agreement relating to the Restricted Share Award. All such certificates shall be deposited with Entergy, together with stock powers or other instruments of assignment (including a power of attorney), each endorsed in blank with a guarantee of signature if deemed necessary or appropriate, which would permit transfer to Entergy of all or a portion of the shares of Common Stock subject to the Restricted Share Award in the event such Award is forfeited in whole or in part.
- 7.7 Expiration of Restricted Period. Subject to the Change in Control immediate vesting provisions set forth in Article XIII, upon the expiration or termination of the Restricted Period and the satisfaction of any other conditions prescribed by the Committee, the restrictions applicable to the Restricted Shares shall lapse and a stock certificate for the number of Restricted Shares (including any dividends reinvested in Common Stock) with respect to which the restrictions have lapsed shall be delivered, free of all such restrictions, except any that may be imposed by law, to the Participant or the Participant's beneficiary or estate, as the case may be. Also at such time, any dividends on the Restricted Shares that were reinvested in Equity Awards shall be payable in cash to the Participant or the Participant's beneficiary or estate, as the case may be.

- 7.8 Section 83(b) Election. The Committee may provide in an Award agreement that the Award of Restricted Shares is conditioned upon the Participant refraining from making an election with respect to the Award under Section 83(b) of the Code. Irrespective of whether an Award is so conditioned, if a Participant makes an election pursuant to Section 83(b) of the Code with respect to an Award of Restricted Shares, the Participant shall be required to promptly provide a copy of such election to Entergy or the Committee, as the Award agreement may specify.

## ARTICLE VIII

### EQUITY AWARDS

- 8.1 Issuance of Equity Awards. An Equity Award, including, but not limited to, Restricted Share Units, may be granted to key employees and Outside Directors determined to be eligible pursuant to the terms of Article V. Subject to the remaining provisions of this Article VIII, Equity Awards shall be allocated to a Participant's Equity Award Account at such time or times, in such amounts, and subject to such restrictions, terms and conditions as the Committee, in its discretion, may determine.
- 8.2 Funding. In the case of Equity Awards granted under the Plan, no shares of Common Stock shall be issued at the time the Award is made, and Entergy, the Employer and Plan, or any one of them, shall not be required to set aside a fund for the payment of any such Award.
- 8.3 Maturity of Equity Awards. Subject to Section 5.3, all Equity Awards granted to a Participant shall become vested and payable at the time or times or under such circumstances as the Committee shall from time to time determine and specify in the Award agreement.
- 8.4 Payment of Equity Awards. A Participant who has an Equity Award allocated to his Equity Award Account shall be entitled to receive a distribution from the Employer with respect to each then mature Equity Award allocated to his Equity Award Account at such time as any such Equity Award has been earned and vested and is no longer subject to a timely and binding deferral election as may be specified in the Agreement. Equity Awards shall be paid out in the form set forth in the Award agreement, as the Committee may determine.
- 8.5 Dividend Equivalents. Dividend Equivalents may be awarded in connection with an Award (other than an Option or SAR) and may be paid currently or on a deferred basis. The Committee may provide at the Date of Grant or thereafter that the Dividend Equivalent shall be paid or distributed when accrued or shall be deemed to have been reinvested in additional shares of Common Stock or such other investment vehicles as the Committee may specify; provided, however, that Dividend Equivalents shall be subject to all conditions and restrictions of the underlying Awards to which they relate, including restrictions on transfer and risks of forfeiture as applicable to the underlying Award and any other provisions or reinvestment requirements.

## ARTICLE IX

### PERFORMANCE AWARDS

- 9.1 Performance Awards. The Committee may award Performance Awards represented by units denominated on the Date of Grant either in shares of Common Stock (Performance Shares) or in specified dollar amounts (Performance Units). At the time of making grants of Performance Awards, the Committee shall establish such terms and conditions as it shall determine applicable to such Awards. Recipients of Performance Awards are not required to provide consideration other than the rendering of service. At the time a Performance Award is granted, the Committee shall determine, in its sole discretion, one or more performance periods and performance goals to be achieved during the applicable performance periods, as well as such other restrictions and conditions as the Committee deems appropriate. In the case of

Performance Units, the Committee shall also determine a target unit value or a range of unit values for each Award.

- 9.2 Performance Goals. The Committee may determine that an Award shall be subject to the satisfaction of such performance goals as established by the Committee. As determined by the Committee, achievement of the Performance Goals may be measured (a) individually, alternatively or in any combination, (b) with respect to Entergy, a subsidiary, division, business unit, product line, product, or any combination of the foregoing, or (c) on an absolute basis, or relative to a target, to a designated comparison group, to results in other periods, to an index, or to other external measures. The Performance Goals established by the Committee and/or the results for any Performance Period shall be adjusted by the Committee in the event of a Section 3.2 adjustment. Further, except to the extent inconsistent with the requirements for Awards intended to qualify as performance-based compensation for purposes of Code Section 162(m), Performance Goals may be adjusted by the Committee to reflect an event either not directly related to the operations of Entergy or not within the reasonable control of Entergy's management, or a change in accounting standards required by U.S. generally accepted accounting principles.
- 9.3 Performance-Based Compensation. For an Award that is subject to Performance Goals, including one that is intended to qualify as "performance-based compensation" under Code Section 162(m), the applicable Performance Goals will be based upon or may relate to one or any combination of business criteria, such as performance, efficiency, or profitability, measured by specified levels or of growth, in one or more of the following, as the Committee may determine: earnings measures (including, for example, basic earnings per share, diluted earnings per share, net income, pre-tax income, operating income, earnings before interest, taxes, depreciation and amortization or any combination thereof, and net operating profits after taxes); stock price, shareholder return measures (including, for example, total shareholder return, economic value added, cumulative shareholder value added, return on equity, return on capital employed, return on invested capital, return on assets, dividend payout ratio and cash flow, such as operating cash flows, free cash flow, discounted cash flow return on investment and cash flow in excess of cost of capital or any combination thereof); market share, sales, costs, fuel cost per million BTU, costs per kilowatt hour, retained earnings, budget achievement, revenue measures (including, for example, revenue and direct margin); valuation measures (including, for example, stock price increase, price to book value ratio, and price to earnings ratio); capital and risk measures (including, for example, debt to equity ratio, debt ratio, equity ratio, dividend payout as percentage of net income and diversification of business opportunities); productivity, return on sales, completion of acquisitions, cash available to parent, economic value added (EVA), expense control (including, for example, operations & maintenance expense, total expenditures, expense ratios, and expense reduction); expense spending, capital/kwh, capital spending, gross margin, net margin, market capitalization, market value, profit margin, customer measures (including, for example, customer satisfaction, customer growth, service cost, service levels, responsiveness, bad debt collections or losses, and reliability, such as outage frequency, outage duration, and frequency of momentary outages); employee satisfaction; project measures (including, for example, completion of key milestones); production measures (including, for example, generating capacity factor, performance against the INPO index, generating equivalent availability, heat rates and production cost). The Performance Goals may be stated in terms of absolute levels or relative to another company or companies or to an index or indices. Other than by adjustments to the Performance Goals and/or performance results in accordance with Section 9.2, the Committee may not waive the achievement of the applicable Performance Goals except in the case of the death or Total Disability of the grantee or following a Change in Control. The Award and payment of any Award under this Plan with respect to a relevant Performance Period shall be contingent upon the attainment of the applicable Performance Goals. The Committee shall certify in writing prior to payment of any such Award that such applicable Performance Goals relating to the Award are satisfied. Approved minutes of the Committee may be used for purposes of meeting the certification requirements of Code Section 162(m). All Awards to Covered Participants under this Plan shall be further subject to such other conditions, restrictions, and requirements as the Committee may determine to be necessary or appropriate.

- 9.4 Maturity of Performance Awards. Subject to Section 5.3, all Performance Awards granted to a Participant shall become vested and payable at the time or times or under such circumstances as the Committee shall from time to time determine and specify in the Award agreement.
- 9.5 Payment of Performance Awards. Performance Awards may be paid out in cash, Common Stock, other property or a combination thereof. Any and all dividends or Dividend Equivalents payable with respect to Performance Awards shall be subject to the same restrictions, contingencies and risks of forfeiture as applicable to the underlying Performance Awards and shall also be subject to any other provisions or reinvestment requirements (including, without limitation, the reinvestment of dividends and dividend equivalents in the form of Common Stock and/or Equity Awards) as the Committee, in its discretion, may determine.

## ARTICLE X

### OTHER STOCK-BASED AWARDS

- 10.1 Terms of Award. Subject to the limits described in this Plan, and in addition to the Awards set forth in preceding Articles, the Committee, in its sole discretion, may carry out the purpose of this Plan by awarding Other Stock-Based Awards as it determines to be in the best interests of the Company and subject to such other terms and conditions as it deems necessary and appropriate. The terms and conditions of any Other Stock-Based Award shall be set forth in the applicable Award agreement or otherwise by the Committee, including the circumstances (and any applicable Performance Goals) under which and the amount of cash and/or shares of Common Stock, if any, that shall then become payable to the holder of the Award.

## ARTICLE XI

### TERMINATION OR AMENDMENT OF THE PLAN

- 11.1 Termination or Amendment. The Committee shall have the right, authority and power to alter, amend, modify, suspend, revoke or terminate the Plan in whole or in part at any time, including the adoption of amendments deemed necessary or desirable to qualify the Awards under the laws of various states and under rules and regulations promulgated by the Securities and Exchange Commission with respect to officers and directors who are subject to the provisions of Section 16 of the Exchange Act, to comply with any applicable provisions of the Code, including Code Section 162(m), or to correct any defect or supply any omission or reconcile any inconsistency in the Plan or in any Award granted under the Plan, without the approval of Entergy's shareholders; provided, however, that the approval of Entergy's shareholders shall be necessary to amend or modify the Plan if such amendment or modification would (a) cause the Plan to no longer comply with regulatory requirements; (b) materially increase the benefits accruing to participants under the Plan; (c) materially increase the shares of Common Stock reserved for issuance under the Plan; or (d) materially modify the requirements for participation in the Plan. In addition, if exemption from Code Section 162(m) deduction limits is to be continued, any such amendment shall be made with shareholder approval if necessary to comply with the requirements for the qualified performance-based compensation exception under Code Section 162(m).
- 11.2 Amendment or Termination Affecting Outstanding Awards. Except as provided in Section 14.2 of the Plan, no amendment or termination or modification of the Plan shall in any manner adversely affect any Award previously granted without the consent of the Participant; provided, however, that in connection with a Change in Control, the Committee may amend, modify, or terminate the Plan in a manner that does adversely affect Awards previously granted upon a finding by the Committee that the amendment or modification is in the best interest of holders of outstanding Awards affected by the amendment or modification; for purposes of this provision, acceleration of payment of an Award without reduction in the amount of the Award shall not be considered as adversely affecting an Award.

## ARTICLE XII

### GENERAL PROVISIONS

- 12.1 Fractional Shares. The Employer shall not be required to deliver any fractional share of Common Stock but may pay, in lieu thereof, the Fair Market Value of such fractional share to the Participant or the Participant's beneficiary or estate, as the case may be. For purposes of this Section 12.1, the Fair Market Value shall be determined as of the following dates: (i) the date on which restrictions lapse for Restricted Shares or Restricted Share Units, (ii) the end of the Performance Period for Performance Units, (iii) the maturity date for Equity Awards other than Restricted Share Units or Performance Units, or (iv) in any case, such other dates as the Committee may determine.
- 12.2 Tax Withholdings. Subject to such terms and conditions as may be established by the Committee, the Participant shall pay to Entergy any amount necessary to satisfy applicable federal, state or local tax withholding requirements attributable to an Award of Options, SARs, Restricted Shares, Performance Units, Equity Awards, or Other Stock-Based Awards under this Plan promptly upon notification of the amounts due. The Committee may permit the withholding amount required to be paid by the Participant to be satisfied by cash, or shares of Common Stock that otherwise would be distributed to the Participant upon exercise of an Award, or a combination of both. Such amount withheld shall not exceed the minimum statutory withholding requirements applicable to the Participant. Shares related to that portion of an Award used for the payment of withholding taxes shall not again be available for Awards under the Plan.
- 12.3 Legal and Other Requirements. The obligation to sell and deliver Common Stock under the Plan shall be subject to all applicable laws, regulations, rules and approvals, including, but not by way of limitation, the effectiveness of a registration statement under the Securities Act of 1933 if deemed necessary or appropriate by Entergy. Certificates for shares of Common Stock issued hereunder may be legended as the Committee shall deem appropriate. Entergy and the Committee reserve the right to restrict, in whole or in part, the delivery of Common Stock or other securities pursuant to any Award prior to the satisfaction of all legal requirements relating to the issuance of such Common Stock or other securities, to their registration, qualification or listing or to an exemption from registration, qualification or listing. Under no circumstances shall Entergy be required to net-cash settle any Award because sufficient registered and authorized shares of Common Stock are not available.
- 12.4 Award Agreements. All Awards shall be documented in a written or electronic agreement in a form approved by the Committee, which shall include the terms and conditions of the Award.
- 12.5 Beneficiaries. The Participant may designate one or more beneficiaries who shall be entitled to exercise the Participant's rights hereunder following the death of the Participant. Such designation shall be made on a form supplied by the Committee. In the absence of a valid beneficiary designation, the Participant's rights hereunder shall pass pursuant to the Participant's will or by the applicable laws of descent and distribution.
- 12.6 Non-Transferability. Awards granted under this Plan, and any rights and privileges pertaining thereto, may not be transferred, assigned, pledged or hypothecated in any manner other than by will or by the laws of descent and distribution, or pursuant to a qualified domestic relations order ("QDRO") as defined in the Code. Awards may be exercised or settled during the lifetime of the Participant only by the Participant (or the Participant's alternate payee pursuant to a QDRO) or by the Participant's or alternate payee's guardian or legal representative. Any attempted assignment, transfer, pledge, hypothecation or other disposition of an Award, or levy of attachment or similar process upon the Award not specifically permitted herein shall be null and void and without effect.
- 12.7 Effect on Other Plans. Awards may be granted singly, in combination or in tandem (except where prohibited by applicable law) and may be made in combination or tandem with, or as alternatives to, awards

or grants under any other employee plan maintained by a System Company; provided that the adoption of the Plan shall have no effect on awards made or to be made pursuant to other stock plans covering the employees of any System Company or successors thereto. Awards under the Plan shall not constitute earnings for purposes of any pension plan covering employees of any System Company except as otherwise expressly provided in any such pension plan.

- 12.8 No Entitlements. A Participant's rights, if any, in respect of or in connection with any Award are derived solely from the discretionary decision to permit the individual to participate in the Plan and to benefit from a discretionary Award. By accepting an Award under the Plan, a Participant expressly acknowledges that there is no obligation on the part of Entergy, the Committee, or any other entity or individual to continue the Plan and/or grant any additional Awards. Any Award granted hereunder is not intended to be compensation of a continuing or recurring nature, or part of a Participant's normal or expected compensation, and in no way represents any portion of a Participant's salary, compensation, or other remuneration for purposes of pension benefits, severance, redundancy, resignation or any other purpose.
- 12.9 No Right to Employment or Service. Neither the Plan nor any Award granted under the Plan shall be deemed to give any individual a right to remain an employee, consultant or director of Entergy or any System Company. Entergy and each System Company reserves the right to terminate the services of any person at any time, and for any reason, subject to applicable laws, Entergy's Certificate of Incorporation and Bylaws and a written employment agreement (if any), and such terminated person shall be deemed irrevocably to have waived any claim to damages or specific performance for breach of contract or dismissal, compensation for loss of office, tort or otherwise with respect to the Plan or any outstanding Award that is forfeited and/or terminated by its terms or to any future Awards.
- 12.10 Recoupment Policy. All Awards made under this Plan shall be subject to Entergy's Policy Regarding Recoupment of Certain Compensation, as adopted by the Board at its meeting held on December 2, 2010; *provided, however*, that if the Recoupment Policy is amended from time to time, then any Awards under this Plan shall be subject to the terms of such Recoupment Policy as in effect on the grant date of such Award.
- 12.11 Notices. Every direction, revocation or notice authorized or required by the Plan shall be deemed delivered to Entergy on the date it is personally delivered to the Secretary of Entergy at its principal executive offices or three business days after it is sent by registered or certified mail, postage prepaid, addressed to the Secretary at such offices, and shall be deemed delivered to a Participant on the date it is personally delivered to him or three business days after it is sent by registered or certificate mail, postage prepaid, addressed to him at the last address shown for him on the records of Entergy and its subsidiaries.
- 12.12 Applicable Law. All questions pertaining to the validity, construction and administration of the Plan and rights and benefits granted hereunder shall be determined in conformity with the laws of the State of Delaware, to the extent not preempted or controlled by the laws of the United States and regulations thereunder.
- 12.13 Funding. The Plan shall be totally unfunded. No Participant shall have any interest in any fund or specific asset of any System Company by reason of the Plan.
- 12.14 Timing and Form of Payment.
- (a) Notwithstanding any Plan provision to the contrary, for purposes of the limitations on nonqualified deferred compensation under Code Section 409A, each payment under this Plan shall be treated as a separate payment for purposes of applying the Code Section 409A deferral election rules and the exclusion from Code Section 409A for certain short-term deferral amounts. To the extent Code Section 409A might otherwise be applicable, payments under this Plan shall be excludible from the requirements of Code Section 409A, to the maximum possible extent, either as (i) short-term deferral amounts (*e.g.*, payable under the schedule prior to March 15 of the calendar year following

the calendar year of substantial vesting), or (ii) under the exclusion for involuntary separation pay provided in Treasury Regulations Section 1.409A-1(b)(9)(iii).

- (b) Notwithstanding any Plan provision to the contrary, for purposes of the limitations on nonqualified deferred compensation under Code Section 409A and only to the extent Code Section 409A is applicable, if a Participant is a Specified Employee at the time of his "separation from service" within the meaning of Code Section 409A and Awards become payable to the Participant under this Plan by reason of such separation from service, then such Awards shall not be paid to the Participant prior to the earlier of (i) the expiration of the six (6)-month period measured from the date of the Participant's separation from service, or (ii) the date of the Participant's death. If distribution is delayed pursuant to this Subsection 12.15(b), the delayed distribution amount shall continue to be credited with investment returns during the period of delay as if such amount, at the election of the Participant, remained invested under the Plan or under one or more of the deemed investment funds (as designated from time-to-time in advance by the Committee or its delegate) made available under the Executive Deferred Compensation Plan of Entergy Corporation and Subsidiaries ("EDCP"). Immediately following the earlier of the Participant's six-month delay period or the Participant's death, the full amount of the Participant's delayed distribution, including investment returns deemed credited pursuant to this Subsection 12.15(b), shall be distributed in a single payment to the Participant or to his Beneficiary, as applicable. Any payments that are delayed pursuant to this Subsection shall be paid by the Employer in the seventh month after the date the Participant "separates from service."

## ARTICLE XIII

### CHANGE IN CONTROL

13.1 Accelerated Vesting/Severance Payment. Notwithstanding any Plan provision to the contrary, but subject to any federal securities law restrictions on sale and exercise, if within 24 months following the effective date of a Change in Control, a Participant's System employment is terminated by the System Companies without Cause or by Participant with Good Reason (such that the Participant is no longer employed by any System Company), the following shall apply:

- (a) with respect to Restricted Shares or other Awards subject to restrictions and issued under the Plan and outstanding as of the effective date of the Change in Control, all restrictions imposed hereunder shall lapse effective as of the date Participant's System employment is terminated;
- (b) if during a Performance Period(s) applicable to a Performance Award granted under the Plan, and except to the extent otherwise paid in accordance with the terms of a Participant's individual agreement, if applicable, a Participant shall forfeit the Performance Award and instead shall be entitled to receive a single-sum payment calculated using the average annual number of performance shares or performance units, as applicable, the Participant would have been entitled to receive under the Plan with respect to the two most recent Performance Periods that precede and do not include the Participant's date of termination of System Company employment. Such severance payment shall be determined by dividing by two the sum of the Participant's annual target pay out levels (*i.e.*, as if target performance under the Award was obtained) with respect to such two most recent Performance Periods; and
- (c) any Options outstanding as of the effective date of the Change in Control that are not vested shall become fully vested and exercisable as of the date Participant's System employment is terminated, and any such vested and exercisable Options may be exercised within the remaining term of the Option Award. Notwithstanding the foregoing, Incentive Stock Options shall be subject to the limitations under Section 422 of the Code including, without limitation, the applicable time limitations.

- 13.2 Source of Payments. Within thirty (30) days following the date of a Change in Control, or at such other time as the System Company may determine in its complete discretion, a System Company may make a single irrevocable lump sum contribution to the Trust for Deferred Payments of Entergy Corporation and Subsidiaries ("Trust") pursuant to the terms and conditions described in such Trust. To the extent such a Trust is created, it shall be a "grantor" trust under the Internal Revenue Code, and the establishment and funding of such Trust is not intended to cause Participants to realize current income on amounts contributed thereto, and the Trust shall be so interpreted. Notwithstanding the foregoing, any contributions to the Trust by a System Company during a "restricted period" (within the meaning of Code Section 409A(b)(3)(B) for the purposes of paying deferred compensation to an applicable "covered employee" (within the meaning of Code Section 409A(b)(3)(D)(i)) shall not be added to the principal but shall be held by the trustee to be returned to the System Company (together with any earnings thereon) upon the System Company's providing to the trustee a written certification, signed by the actuarial consulting firm which prepared the actuarial report filed with the most recent Form 5500 annual report for Entergy's tax-qualified defined benefit plans, that the deposit was made during a restricted period for the purposes of paying deferred compensation to an applicable covered employee.

## ARTICLE XIV

### DEFERRAL ELECTIONS

- 14.1 Additional Definitions. Additional definitions set forth in other Sections of this Article XIV shall apply to all provisions of this Article XIV unless otherwise indicated.
- 14.2 Code Section 409A. The Committee shall determine the manner and the extent to which System Management Participants may defer the receipt of certain Awards granted to them under this Plan. The terms and conditions of such deferral opportunities shall be set forth in the Participant's Award Agreement. To the extent that any Award under this Plan is or may be considered to involve a nonqualified deferred compensation plan or deferral subject to Code Section 409A, the terms and administration of such Award shall comply with the provisions of such Section and final Treasury Regulations issued thereunder and, to the extent necessary, shall be modified, replaced, or terminated, in the discretion of the Committee. Notwithstanding any provision of the Plan or any Award Agreement to the contrary, in the event that the Committee determines that any Award may be or become subject to Code Section 409A, Entergy may adopt such amendments to the Plan and the affected Award Agreement (without Participant consent) or adopt other policies and procedures (including amendments, policies and procedures with retroactive effect), or take any other actions, that the Committee determines are necessary or appropriate to (i) exclude or exempt the Plan and any Award Agreement from the application of Code Section 409A and/or preserve the intended tax treatment of the benefits provided with respect to the Award, or (ii) comply with the requirements of Code Section 409A.
- 14.3 Deferral under the Executive Deferred Compensation Plan. Subject to the terms and conditions of the EDCP, and in accordance with the terms of the applicable Equity Award agreement, Equity Awards otherwise payable to Participants under this Plan may be deferred under the EDCP.
- 14.4 Deferral Elections.
- (a) Subject to the Deferral Election requirements set forth in this Article XIV and such other rules, regulations, and procedures as established by the Committee (or its delegate) from time to time, a System Management Participant may elect to defer (an "Initial Deferral Election") Restricted Share Units, Performance Units or Incentive Compensation under the Executive Annual Incentive Plan ("EAIP") used to purchase Equity Awards in accordance with Section 8.1 ("EAIP Equity Awards") (collectively, "Deferrable Benefits"). Each Initial Deferral Election shall be made in such form as the Committee may require, but in any event shall be made: (1) on or before thirty (30) days

following the grant date of the Restricted Share Units and shall be effective only with respect to Restricted Share Units that vest upon completion of at least twelve (12) months of service after the date of the System Management Participant's Initial Deferral Election; (2) no later than twelve (12) months before the end of the Performance Period for which the Performance Units are earned, provided such Performance Units are "performance-based compensation" for purposes of Code Section 409A; and (3) prior to the beginning of the calendar year with respect to which the Incentive Compensation used to purchase EAIP Equity Awards is earned. Any such Initial Deferral Election shall apply only to the specified Award payable with respect to a single Performance Period or service period, as applicable, and shall not have any continuing deferral effect or application as to Awards payable for any future Performance Periods or service periods. That is, a separate Initial Deferral Election must be made with respect to each Award payable for each Performance Period and each service period, as applicable.

- (b) Subject to the applicable Deferral Election requirements set forth in this Article XIV and such other rules, regulations and procedures as may be established by the Committee from time to time, a System Management Participant may elect, pursuant to a subsequent election as to specified Awards previously deferred hereunder (a "Successive Deferral Election"), to irrevocably delay the payment of such specified Awards to a specified payment date; provided that (1) such Successive Deferral Election shall not take effect until at least twelve (12) months after the date on which the Successive Deferral Election is made, (2) the payment of the Awards with respect to which the Successive Deferral Election is made shall be deferred for a period of not less than five (5) years from the date such previously deferred Awards would otherwise have been paid, and (3) such Successive Deferral Election shall be made not less than twelve (12) months before the date the payment is scheduled to be paid. A Successive Deferral Election shall be in such form as the Committee may require.
- (c) A System Management Participant shall lose his eligibility to make Initial Deferral Elections and/or Successive Deferral Elections under the Plan on the earliest of the following events: (1) termination of System employment; (2) loss of System Management Participant status; or (3) written revocation of System Management Participant status (for purposes of this Article XIV) based on a false or misleading statement or representation made by the System Management Participant to the Committee in the exercise of any and all rights, options or directions available to the System Management Participant under the terms of the Plan. That is, by way of illustration and without limiting the breadth of the foregoing, if the System Management Participant makes a willful and deliberate misrepresentation to the Committee as a means for qualifying for, or obtaining, a Financial Hardship Distribution under Section 14.10(b), such System Management Participant shall be subject to immediate loss of continued System Management Participant status under this Article XIV, except to the extent of any undistributed Awards previously deferred by him under the Plan. Further, any willful or deliberate misrepresentation made by a System Management Participant shall subject him to disciplinary actions, including discharge, by the Employer, or the right of the Committee to demand and recover from the System Management Participant any amounts distributed to him based on any such false or misleading statements or misrepresentations.

14.5 Deferred Amount; Deferral Receipt Date. Each Deferral Election may defer receipt of any Deferrable Benefit, which may be less than the entire amount of such Deferrable Benefit (a "Deferred Amount"). Each Deferred Amount may be expressed as a number of units or a percentage of the total of such Deferrable Benefit due the System Management Participant. Receipt of each Deferred Amount may be deferred to such date or dates as the System Management Participant shall specify in his Deferral Election (each, a "Deferral Receipt Date"), provided that:

- (a) a Deferral Receipt Date pursuant to an Initial Deferral Election shall be not less than two (2) years following the date on which the Deferred Amount would otherwise be paid to the System Management Participant;

- (b) a Deferral Receipt Date pursuant to a Successive Deferral Election shall be not less than five (5) years following the date on which the previously Deferred Amount would otherwise be paid to the System Management Participant; and
- (c) the Deferral Receipt Date shall in no event be later than the date on which the System Management Participant terminates employment.

14.6 Deferral Election Procedure. Each Deferral Election shall be effective upon its execution and delivery to the Committee (or its delegate), provided such delivery is made in accordance with the time or times specified in Section 14.4. Once made, a Deferral Election may not be revoked or modified. With respect to all System Management Participants, the Committee shall have the sole and exclusive authority and discretion, subject to compliance with Code Section 409A, to establish rules, regulations and procedures for the execution and delivery of any Deferral Election and may condition such elections in any manner that the Committee deems necessary, appropriate, or desirable.

14.7 Forfeiture of Deferred Amounts. Each Deferral Election (including any Successive Deferral Election) shall remain subject to limitations or forfeitures of benefits for (a) breach of any of the conditions of receipt of any Award under the Plan and (b) failure of System Management Participant to satisfy any of the conditions necessary to receipt of any Deferrable Benefit.

14.8 Payment of Deferred Amounts.

- (a) Commencing with the effective date of a System Management Participant's Deferral Election and until the corresponding Deferral Receipt Date, the applicable Deferred Amount shall be either: (i) accounted for as units (including fractional units) of Common Stock, the number of such units being based on the value of a share of Common Stock on the effective date of such Deferral Election, or (ii) deferred into such deemed investment options, if any, under the EDCP as the Committee or its delegate deems appropriate. Units that are the subject of such Deferral Election shall be credited with Dividend Equivalents in an amount equal to all dividends paid with respect to a share of Common Stock during the Deferral Election period and, if applicable, any Successive Deferral Election period(s). All Dividend Equivalents will be reinvested in additional units as of the payment date of the dividend in respect of which they are awarded. If the Participant has chosen to keep the Deferred Amount in Units, as soon as reasonably practicable following the System Management Participant's Deferral Receipt Date with respect to a Deferred Amount, the Employer shall pay to the System Management Participant in cash an amount equal to (i) the Fair Market Value of a share of Common Stock on the Deferral Receipt Date, multiplied by the number of units then credited to the System Management Participant's account (including units awarded in respect of reinvested Dividend Equivalents) with respect to such Deferred Amount, less (ii) all applicable estimated federal and state income and employment tax amounts required to be withheld in connection with such payment.
- (b) Notwithstanding any Plan provision to the contrary, if a System Management Participant is a Specified Employee at the time of his "separation from service" within the meaning of Code Section 409A and benefits become payable to the System Management Participant under this Plan by reason of such separation from service, then such benefits shall not be paid to the System Management Participant prior to the earlier of (i) the expiration of the six (6)-month period measured from the date of the System Management Participant's separation from service, or (ii) the date of the Participant's death. If distribution is delayed pursuant to this Subsection 14.8(b), the delayed distribution amount shall continue to be credited with investment returns during the period of delay as if such amount, at the election of the System Management Participant, remained invested under the Plan or under one or more of the deemed investment funds (as designated from time-to-time in advance by the Committee or its delegate) made available under the EDCP. Immediately following the earlier of the Participant's six-month delay period or the Participant's death, the full amount of the Participant's delayed distribution amount, including investment returns

deemed credited pursuant to this Subsection 14.8(b), shall be distributed in a single-sum payment to the Participant or to his Beneficiary, as applicable. Any payments that are delayed pursuant to this Subsection shall be paid by the Employer in the seventh month after the date the System Management Participant "separates from service."

14.9 Acceleration of Deferred Amounts.

- (a) Acceleration on Death. Notwithstanding an irrevocable Deferral Election (including any Successive Deferral Election), if a System Management Participant dies, all of System Management Participant's outstanding Deferral Receipt Dates shall be accelerated, and the entirety of System Management Participant's Deferred Amounts (net of any amounts required to be withheld for federal and state taxes) shall be paid in a single-sum distribution to the System Management Participant's beneficiary as soon as reasonably practicable following the death of the System Management Participant and in any event no later than the end of the calendar year in which the System Management Participant's death occurs, or, if later, the 15th day of the third month immediately following the death of the System Management Participant.
- (b) Hardship Distributions. Notwithstanding any other provision of this Plan to the contrary, at any time a System Management Participant may apply to the Committee for a special distribution of all or any part of his Deferred Amounts valued as of the date of his application on account of an Unforeseeable Emergency (a "Financial Hardship Distribution"). For this purpose, "Unforeseeable Emergency" means, in each case determined in accordance with Code Section 409A and regulations thereunder, a severe financial hardship to the System Management Participant resulting from an illness or accident of the System Management Participant, the System Management Participant's spouse or the System Management Participant's dependent (as defined in Code Section 152, without regard to Code Section 152(b)(1), (b)(2) or (d)(1)(B)); loss of the System Management Participant's property due to casualty; or other similar or extraordinary and unforeseeable circumstances arising as a result of events beyond the control of the System Management Participant. Financial Hardship distributions shall be subject to the following conditions:
  - (i) Any such distribution shall not be for a greater amount than the amount reasonably necessary to satisfy the Unforeseeable Emergency (including applicable income taxes and penalties reasonably expected to result from the withdrawal), and shall be subject to approval by the Committee or its delegate. The Committee or its delegate shall consider the circumstances of each such case and the best interest of the System Management Participant and his family and shall have the right, in its or his sole discretion to allow such Financial Hardship Distribution, or if applicable, to direct a distribution of part of the amount requested or to refuse to allow any distribution.
  - (ii) Upon determination that such a Financial Hardship Distribution shall be granted, the System Management Participant's Employer shall make the appropriate distribution to the System Management Participant from its general assets in respect of the System Management Participant's Deferred Amounts and the Committee shall accordingly reduce or adjust the Deferred Amounts credited to the System Management Participant. In no event shall the aggregate amount of the Financial Hardship Distribution exceed the full value of the System Management Participant's Deferred Amounts. For purposes of this Section, the value of the System Management Participant's Deferred Amounts shall be determined as of the date of the System Management Participant's application for the special distribution.
  - (iii) The Committee or its delegate shall consider any requests for payment under this provision on a uniform and nondiscriminatory basis and in accordance with the standards of interpretation described in Code Section 409A and the regulations thereunder. The

circumstances that will constitute an Unforeseeable Emergency will depend upon the facts of each case, but, in any case, no withdrawal may be made to the extent that such hardship is or may be relieved: through reimbursement or compensation by available insurance or otherwise, by liquidation of the System Management Participant's assets, to the extent the liquidation of such assets would not itself cause severe financial hardship, or by the additional compensation that will be available to the System Management Participant as a result of the suspension of System Management Participant deferrals.

- (iv) The withdrawal shall be paid in the form of a single-sum cash payment five (5) days following the approval of the withdrawal by the Committee or its delegate or at such later time as permitted under Code Section 409A and the regulations thereunder. In the event a System Management Participant receives a Financial Hardship Distribution pursuant to this Subsection 14.9(b), his current deferrals under the Plan will automatically cease. The System Management Participant may apply to the Committee to resume deferrals with respect to Plan Years beginning on or after the January 1 following the date of such cessation of deferrals, provided, that the Committee shall approve such resumption only if the Committee determines that the System Management Participant is no longer incurring the Unforeseeable Emergency for which the Financial Hardship Distribution was approved. Any application to resume Deferral Elections must be made in accordance with the Deferral Election procedures set forth in this Article XIV.

14.10 Unfunded Plan. In the case of Deferred Amounts credited to a System Management Participant under the Plan, no actual Common Stock or units in the respective Investments Funds under the EDCP shall be purchased at the time of the deferrals, and Entergy Corporation, the Employer, and the Plan, or any one of them, shall not be required to set aside a fund or assets for the payment of any such Deferred Amounts. It is a condition of the Plan, and the System Management Participant expressly agrees, that neither he nor any other person or entity shall look to any other person or entity other than the Employer for the payment of benefits under the Plan. The System Management Participant or any other person or entity having or claiming a right to payments hereunder shall rely solely on the unsecured obligation of the Employer set forth herein. Nothing in this Plan shall be construed to give the System Management Participant or any such person or entity any right, title, interest, or claim in or to any specific asset, fund, reserve, account or property of any kind whatsoever, owned by Entergy Corporation or the Employer or in which Entergy Corporation or the Employer may have any right, title or interest now or in the future. However, the System Management Participant or any such person or entity shall have the right to enforce his claim against the Employer in the same manner as any other unsecured creditor of the Employer.

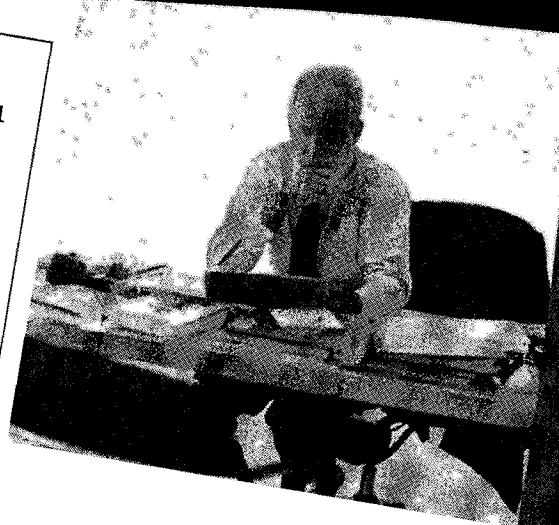
14.11 Employer Liability. At its own discretion, a System Company employer may purchase such insurance or annuity contracts or other types of investments as it deems desirable in order to accumulate the necessary funds to provide for future benefit payments under the Plan. However, (a) a System Company employer shall be under no obligation to fund the benefits provided under this Plan; (b) the investment of System Company employer funds credited to a special account established hereunder shall not be restricted in any way; and (c) such funds may be available for any purpose the System Company may choose. Nothing stated herein shall prohibit a System Company employer from adopting or establishing a trust or other means as a source for paying any obligations created hereunder provided, however, any and all rights that any such System Management Participants shall have with respect to any such trust or other fund shall be governed by the terms thereof. An Employer reserves the right, in its sole discretion, to establish or participate in and maintain a rabbi trust to hold assets that may be used to cover the Employer's costs of the Plan including, without limitation, a rabbi trust that provides for the actual investment of Deferred Amounts in the respective investments as available to the Employer, on the same basis as the deemed investment directions made by the System Management Participant.



# 2010-2012 Performance Unit Program Summary

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## PROGRAM OBJECTIVES

The Performance Unit Program is designed to strengthen the link between executive compensation and long term shareholder value. The Performance Unit Program complements the Executive Annual Incentive Plan by linking payouts to the total return to shareholders over a three-year performance period.

## WHAT ARE PERFORMANCE UNITS?

Performance Units are phantom shares of Entergy Corporation common stock. Each Performance Unit equals the cash value of one share of Entergy common stock at the end of a three-year performance cycle. Each Unit also earns the cash equivalent of the dividends paid during the period of your active participation in the Plan. (Note: You will only be eligible to receive dividends paid during the time you were an active participant.) Participants earn Performance Units based on Entergy's performance relative to the financial performance of a select group of Utility peers. At the end of the performance period, as determined by the performance measures, the cash value of the earned Units plus accrued dividends are either paid to participants soon after the end of the performance cycle or deferred in that same time period, if so elected.

## **KEY DESIGN FEATURES**

### **Eligibility to Participate**

Participants include all Entergy System management level 1 through 4 employees. Performance units are being granted for the 2010-2012 three year performance cycle.

To earn Performance Units, you must be an active employee at the end of the Performance Period (12/31/2012) unless you retire, become disabled or die during the performance period.

A Retiree must have been an active participant for a minimum of twelve months in order to receive a payout. Participants who retire prior to the completion of twelve months of participation will not be eligible for a payout.

Participants can enter the plan, during the performance cycle, however to receive an award, participation must commence no later than January 1, 2012. That is, a participant who becomes eligible for the Performance Unit Program will not be added to an existing program after January 1<sup>st</sup> of the final year of the program.

No single participant may be granted Performance Units whose total value exceeds .5% of Entergy's operating cash flow, and the total value of performance units granted to all of the named executive officers in Entergy's proxy statement may not exceed 1% of operating cash flow.

### **How Performance Units Payouts are Calculated**

Participants will earn Performance Units as follows:

- 0% of "Target" for achieving less than "Minimum" performance.
- 10% of "Target" for achieving "Minimum" performance.
- 100% of "Target" for achieving "Target" performance.
- 250% of "Target" for achieving "Maximum" performance.

Performance Units earned are calculated by using the actual performance level achieved between "Minimum" (10%), "Target" (100%) and "Maximum" (250%) performance, rounded to the nearest whole Unit. In no case, however, may a participant payout exceed 250% of the target.

Dividends accrue only on the Performance Units earned during the 2010-2012 performance period and only for the period of participation.

The value associated with the Units earned and their accrued dividends (earned for the period of participation only) will be paid in early 2013 (following the three-year performance period) or deferred based upon each participant's election.

## KEY DESIGN FEATURES CONTINUED

### Pro-rated Payouts for Partial Program Participation

Retirees with at least 12 months of participation in the program will be entitled to a pro-rated payout for the number of full months of participation.

Eligible Retirees will receive dividends only for the period of time in which they are an Active Participant. For example if you retire on January 1, 2011, you will be eligible for pro-rated units for the twelve months in 2010 plus dividends earned only in 2010.

Death or disability will cause the Performance Units earned while employed as an eligible participant to be prorated for the number of full months of participation.

Participants whose Management Level changes during the performance period will have their Performance Units prorated to reflect the number of full months as a participant in each of those levels.

Participants added to the Program after the beginning of the performance period will have their Performance Units prorated to reflect the number of full months as a participant.

Participants demoted below an eligible System Management Level during the performance period will have their Performance Units prorated to reflect the number of full months at an eligible System Management Level

### Deferral Election

You may elect to defer up to 100% of the value associated with the Units earned including accrued dividend equivalents under either the Executive Deferred Compensation Plan (EDCP) or the Equity Ownership Plan (EOP). The plan selected will determine how your elected deferral is invested.

You must provide an irrevocable deferral election in order to defer payment in accordance with Entergy's deferral process. Otherwise, the value of the accrued Performance Units and dividends will be paid to you in cash in early 2013.

## PERFORMANCE UNIT PROGRAM GOALS AND PEER GROUP

As the following chart illustrates, performance is measured by Entergy's Total Shareholder Return (TSR) relative to the other companies that comprise the Philadelphia Utilities Index over the three-year performance period. Minimum, Target and Maximum performance levels are set in terms of Entergy's TSR performance against the Philadelphia Utilities Index quartiles.

Quartiles:	4	3	2	1
Performance Levels:	Zero	Minimum	Target	Maximum
TSR Ranges:	25th percentile and below	25th to 50th percentiles	50th to 75th percentiles	75th percentile and above
Payouts:	No Payout	Interpolate between Minimum and Target (10% - 100% of Target)	Interpolate between Target and Maximum (100%- 250% of Target)	Maximum Payout (250% of Target)

Entergy ranking first in the 1st quartile defines maximum performance.

Target performance is defined as Entergy earning the median TSR.

Entergy ranking last in the 3rd quartile defines minimum performance level.

Entergy TSR ranking anywhere in the first quartile earns a maximum award of 250% of Target.

Entergy TSR ranking in the second and third quartiles is calculated linearly based on where Entergy ranks between the minimum and the median (target), or the median (target) and the maximum.

Entergy TSR ranking in the fourth quartile (bottom) quartile is below the minimum performance level resulting in no award (zero pay out).

The current listing of companies in the Philadelphia Utilities Index includes the following 20 companies:\*

Ameren Corp.  
American Electric Power  
AES Corp.  
Constellation Energy Group  
CenterPoint Energy  
Dominion Resources  
DTE Energy Holding Co.  
Duke Energy Corp.  
Consolidated Edison  
Edison International

Entergy Corp.  
Exelon Corp.  
Firstenergy Corp.  
FPL Group, Inc.  
Northeast Utilities  
PG&E Corp  
Public Service Enterprise  
Progress Energy, Inc.  
Southern Co.  
XCEL Energy, Inc.  
\* as of December 2, 2009

# PERFORMANCE UNIT PROGRAM GOALS AND PEER GROUP CONTINUED

Total Shareholder Return (TSR) is the difference between the market price of Entergy Corporation common stock at the beginning from the market price at the end of the performance period, plus the dividends received during the same period, plus the investment return on those reinvested dividends divided by the share price at the beginning of the performance period.

Example:

Date	Closing Stock Price
01/01/10 (Beginning of Period)	\$81.84 (actual closing price on 12/31/2009)
12/31/12 (End of Period)	\$93.84 (estimated)
Difference in Market Price	\$12.00 (estimated)

Assume also that dividends paid to shareholders during the three-year performance period are \$0.75 per quarter or \$9.00 for the three-year period. For the purposes of the Total Return calculation, we further assume that dividends are immediately reinvested in Entergy Corporation common stock, as they are paid, producing a reinvestment return of \$0.59 per share.

Total Return during the three-year Performance Period = (Difference in Market Price + Dividends Paid + Reinvestment Return on Dividends) divided by the Beginning Stock Price and would be calculated as follows:

- Total Return =  $(\$12.00 + \$9.00 + \$0.59) \text{ divided by } \$81.84$
- Total Return = 26.38%



**TAXES AND PERFORMANCE UNITS (Please consult your tax advisor)**

The Company is obligated to withhold taxes on the value of the Performance Units and dividends earned by participants. The following is an example of a typical situation encountered by a participant. Individual tax circumstance may vary.

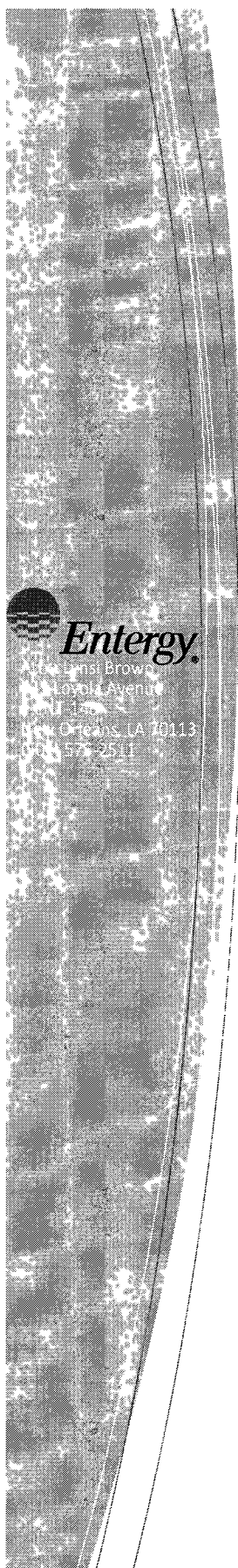
The participant's "taxable event" should occur at the time of payment; i.e. either in early 2013, following the three-year performance period, or at the end of the deferral period, if so elected.

**TAX TREATMENT EXAMPLE (Please consult your tax advisor)**

If immediate distribution is elected, then a Participant's tax withholding requirements are satisfied as described in the following example:

Restrictions lifted on 1,000 Units	
Market value (at a price of \$103.13 per Unit)	\$93,840.00
Dividend equivalent cash on 1,000 Units (\$9.00 per share per year for 3 years)	<u>9,000.00</u>
Total reportable W-2 taxable income	\$102,840.00
<u>Tax Withholding Applied to Reportable Income</u>	
Federal income tax (at the supplemental 25% rate)	\$ 25,710.00
State income tax (e.g., Arkansas @ 7%)	7,198.80
FICA tax (6.20%)	6,376.08
Medicare tax (1.45%)	<u>1,491.18</u>
Total tax withholding	\$ 40,776.06
<b>Participant receives net cash payment of</b>	<b>\$62,063.94</b>

If you elect to defer your Performance Unit payout, then the FICA and Medicare tax amounts indicated above are withheld in early 2013. Federal and state income taxes would be deferred until the deferred amount is paid out.





2011-2013

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