

WEATHER RISK MANAGEMENT ASSOCIATION

2002 ANNUAL BUSINESS MEETING

Coral Gables, Florida

June 7, 2002

MINUTES

I. **Welcome and Anti-trust Statement** - President Ravi Nathan called the meeting to order and welcomed all those present to the Fourth Annual Meeting. Mr. Nathan stressed the importance of the antitrust statement, and all agreed to conduct the meeting in accordance with the laws.

II. **Overview of Year 2001/2002** – Ravi Nathan reviewed the some of the accomplishments of the association over the past year which included:

- Regional Committees progressing and effective
- Electronic Protocol established
- Standardized Average Temperature and Precipitation Confirms completed d
- WRMA established as the voice of the industry among CFTC, IRS, US Congress, and NOAA
- Improved and up-to-date website
- Significant Increase in Press Coverage
- 2nd Annual Industry Survey with PwC
- Launching of Government Relations Program - Appointment of Director of Government Affairs
- Development of Strategic Plan - Long term vision
- Second Asian Committee Meeting
- Continued membership growth

Mr. Nathan encouraged all members to get involved in the committees, as they are for the members only. Mr. Nathan concluded his remarks by thanking all those present for their continued support of the organization.

III. **Treasurer's Report** – Treasurer John Polasek reviewed the financial statement as of 12/31/01 and 3/31/02, and noted as of 12/31/02, the association had total

assets of \$240,000, total liabilities of \$72,000, with net assets of \$168,000. As of 3/31/02, John Polasek noted that the association had total assets of \$366,000, total liabilities of \$202,000, with net assets of \$164,000. Mr. Polasek reviewed the income statement and noted the 2002 budgeted revenue of \$410,000 resulted from dues and meetings income. In addition, the 2002 budgeted expenses of \$401,000 were comprised of fees for the website, industry survey, public relations, management fees, and meetings. Mr. Polasek noted the increase in membership and the fact that the net assets are growing.

IV. Committee Reports

- A. The Americas Committee – Chairman Scott Mathews thanked the Board for his recent appointment, and recapped the progress on the development of standardized confirms for average temperature and precipitation, as well as the collateralization agreement. Mr. Mathews reaffirmed his commitment to work closely with the Public Relations initiative to increase awareness of WRMA.
- B. The European Committee – The committee co-chairs deferred discussion on the committee matters.
- C. The Asian Committee – Co-Chairman Hiroshi Matsui reported the success of the 2nd Annual Asian Committee Meeting resulting from the support of the membership; attracting over 170 attendees from Japan, Korea, China, and Taiwan. He noted issues of importance to the Asian Market: ISDA, tax accounting and regulations. Mr. Matsui reported that the 3rd Annual Asian Committee Meeting would be scheduled in Sydney, Australia.
- D. Electronic Protocol Committee – Chairman Paul VanderMarck reported that the Electronic Protocol Committee has finalized Version 1.0 of WXML. WXML is a new standard that will provide common electronic protocol for representing details of weather transactions. He noted that the benefits of WXML will enable electronic and automated confirms and settlements; improve back office efficiency by reducing processing costs and errors; and facilitate sharing of complex deal structures and portfolio details. He noted that the next step for the committee is to develop an electronic protocol for weather data.

- V. Public Relations Report – Josh Epstein reported that the increased awareness of WRMA is a testament to the progress of the industry. He noted that the industry is becoming well known, as reflected by the positive nature of articles written throughout the media. Mr. Epstein confirmed that his continued focus is branding WRMA, and its mission.

VI. Government Relations Report – Director of government affairs, Pete Rose confirmed his commitment focus on communication with and educating the members of congress on key issues that impact the weather risk management industry. He reported that this commitment entails placing the WRMA/NOAA budget at the top of funding priorities, continued attention to the COOP modernization program, developing a gateway back-up data system, and archives and access improvement.

VII. Elections of Directors – Nomination Chairman Kendall Johnson presented the slate of Directors that was sent to the membership and reviewed the composition of members.

. The slate presented to the membership: Directors Nominated for a two year term, to expire at the Annual Meeting in 2003;

Tom Fletcher	Mirant
Mark Tawney	Enron
Diego Wauters	Societe General
Rob Preston	Speedwell

Directors remaining on the Board with unexpired terms of one year each, are:

Lynda Clemmons	Element Re
Ravi Nathan	Aquila
Jeff Porter	HETCO
John Polasek	Axia Energy

In accordance with the bylaws, the Directors will elect from among themselves the Officers.

The proposed slate of Officers from the Board of Directors are:

President	Ravi Nathan	Aquila
Vice President	Mark Tawney	Enron
Treasurer	John Polasek	Axia

The new Board of Directors were elected by acclamation.

VI. Next Meetings – Ravi Nathan proposed a few locations for the 2002 location of the Annual Convention, including returning to Bermuda, New York and Chicago. The membership present felt New York might be a good location, and the staff will research hotels for the 2002 meeting.

VII. Adjournment – Ravi Nathan thanked all those present for their continued commitment to the industry and the association, and encouraged an ongoing open dialogue with the membership. With no further business to discuss, the meeting was adjourned.