

## 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
- 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
- 2<sup>nd</sup> Annual Industry Survey with PwC
- Launching of Government Relations Program - Appointment of Director of Government Affairs
- Development of Strategic Plan - Long term vision
- Second Annual 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 informed the memberships that development of the European Meeting Program, scheduled for November 2002, was taking place.
- C. The Asian Committee – Co-Chairman Hiroshi Matsui reported the success of the 2<sup>nd</sup> 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 3<sup>rd</sup> 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 Committee 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 2004;

Lynda Clemmons	Element Re
Colt Heppe	United Weather
Jeff Porter	Hetco
John Polasek	Entergy-Koch Trading

Directors remaining on the Board with un-expired terms of one year each, are:

Tom Fletcher	Mirant
Mark Tawney	Swiss Re
Diego Wauters	Societe General
Claude Brown	Clifford Chance
Hiroshi Matsui	Mizuho Corporate Bank

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	Lynda Clemmons	Element Re
Vice President	John Polasek	Entergy Koch Trading
Treasurer	Tom Fletcher	Mirant

Ravi Nathan **moved** to accept the slate of Directors presented. The motion was seconded by Glen Sweetnam, and passed.

- VI. Next Meetings – Ravi Nathan informed the attendees of the next two meetings. The European Committee Meeting will take place in Rome, Italy, November 6-7, 2002. The Asian-Pacific Committee Meeting will take place in Sydney Australia, March 5-6, 2003. Mr. Nathan also informed the attendees that WRMA would be returning to Miami in 2003 for the Annual Convention.

- 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.