

2003 ANNUAL BUSINESS MEETING

Coral Gables, Florida

June 6, 2003

MINUTES

- I. **Welcome and Anti-trust Statement** - President Lynda Clemmons called the meeting to order and welcomed all those present to the Fifth Annual Meeting. Ms. Clemmons stressed the importance of the antitrust statement, and all agreed to conduct the meeting in accordance with the laws.
- II. **Approval of Minutes** – On a motion duly made by Brian O’Hearne and seconded by Diego Wauters, the motion to accept the minutes as presented was **passed**.
- III. **Overview of Year 2002/2003** – Lynda Clemmons reviewed the some of the accomplishments of the association over the past year which included:

General

- Significant increase in press coverage
- Quarterly Newsletter, the *WRMA WIRE*
- Began Implementation of Strategic Plan
- Completed 3rd Industry Survey

Regional Committees

America’s Committee

- Continued liaison with NOAA
- Participated in COOP Modernization meeting/LC presentation
- Participated in WMO Technical Conference in Panama City
- Meeting with Lautenbaucher/Withee
- Correspondence with Secretary Bodman
- Increased “Hill” presence – visits
- Established average temp confirms and exposure calculation methodology
- Participated in Committee on Partnership on weather and climate services with the Nat’l Academies’ National Research Council
- Cooperative efforts with ISDA on weather contract

European Committee

- Initiated lobby efforts at EU on data issues
- Held successful meeting in Rome
- Continue work with the FSA on definitions
- Participated in the WMO meeting/Geneva
- Increased public relations exposure

Asian-Pacific Committee

- Held meeting in Sydney to foster market
- Established liaison with AFMA
- Translated JMA Report
- Promoted weather risk management to other markets, Korea, China

- IV. **Treasurer’s Report** – Treasurer Jeff Porter reviewed the financial statement as of 12/31/02 and 3/31/03, and noted as of 12/31/02, the association had total assets of \$230,000, total liabilities of \$53,000, with net assets of \$177,000. As of 3/31/03, Jeff Porter noted that the association had total assets of \$302,000, total liabilities of \$145,000, with net assets of \$157,000. Mr. Porter reviewed the income statement and noted the 2003 budgeted revenue of \$388,200 resulted from

dues and meetings income. In addition, the 2003 budgeted expenses of \$428,000 were comprised of fees for the website, industry survey, public relations, management fees, and meetings.

V. Committee Reports

- A. The Americas Committee – Chairman Chris Keyes thanked the Board for his recent appointment, and recapped the activity of the committee. In 2002 the Americas Committee identified a set of optimum alliance partners for the purposes of communicating the services of WRMA members to a broader audience and of sending the WRMA message directly into specific industries via their respective trade associations.

In addition, the Committee worked extensively in the regulated side of the weather derivatives market. Coordinating with the National Futures Association, the Commodity Futures Trading Commission, and WRMA member, Chicago Mercantile Exchange, Inc., the Committee clarified the requirements and responsibilities for participants in transactions executed under CME's Block Trade Rule 526. The resulting revision of the pertinent items was distributed to clearing members and is posted on CME's public website. Continuing this work, a memorandum has been proposed for the purpose of instructing compliance officers about the proper broker procedures for soliciting, executing and documenting these regulated trades.

Finally, in 2003, the Americas Committee worked with WRMA's public relations firm, Potomac Communications Group, in developing a focused approach to originating and directing media content about WRMA, its members and activities. This resulted in targeted pieces that appeared in the financial press. The committee succeeded in engaging several selected journalists, who cover capital markets, in order to spread awareness of, and information about, the growth of weather risk transfer and its rising importance as a useful business tool.

- B. The European Committee – Claude Brown and Gearoid Lane reported on the activities of the European Committee and noted the growth of the European Market as indicated in the Annual Industry Survey; European trades doubling within the last year; and that Public relations exposure on the European front would increase as well. Mr. Lane also reported that European Committee successfully completed its fourth Meeting in Rome, Italy, and that the 2003 meeting will be held in Stockholm, Sweden.

Claude Brown reported on the FSA regulation capital and definitions, and noted the WRMA is making efforts to get weather recognized as a commodity product within the organization. He informed the membership that WRMA would be reaching out to the membership for support in this effort.

Lynda Clemmons reported on the WMO meeting held in Geneva, Switzerland. Ms. Clemmons noted that the conference elevated awareness of private sector issues in a US Delegation, particularly with respect to WRMA. She informed the membership that General Jack Kelly, was the permanent representative of the WMO Executive Committee, and would push WRMA's issues with respect to direct access to data, and impress the importance of maintaining historical data.

Sylvain Dubois, Ernst & Young Representative reported on the EU Activity with respect to The Directive on the Re-use of Public Sector Documents. He noted that this effort had a number of objectives: Decrease gap between US and EU in terms of access to and re-use of

public sector documents; Remove existing legal and administrative barriers for accessing public sector documents; Harmonize the rules for accessing and re-using public sector documents; Develop business and job creation opportunities in the EU's digital content industry. Mr. Dubois informed the membership that Ernst and Young, on behalf of WRMA would suggest that the EU perform the following: Define the type of information to be made available; Public sector bodies in EU Member States should provide a transparent information system on accessible data; Public sector bodies should automatically grant access to documents; Public sector bodies should make information on pricing policy and costs structure public.

C. The Asia Committee – Yuji Ito reported on the success of the annual Asian-Pacific Committee Meeting resulting from the support of the membership; He also reported on the recent activities of the JMA, noting the following Workshop and Committee Meetings had taken place.

- A Workshop on Corporate Weather Risks and Practical Use of Mid-to-Long Term Meteorological Forecast where the purpose was to clarify the nature of weather risks in various industries and explore how Mid-to-long Term Meteorological Forecast can become more useful for the corporate weather risk management.
- Committee on Practical Use of Ensemble Forecasting for Weather Risk Management where the purpose was to examine the practical usability of Ensemble (Stochastic) Forecast for corporate weather risk management
- Global Standardization of ISDA Confirmation Forms, which included the preparation of Standardized HDD Swap Confirmation based on WRMA Confirmation Forms; Preparation of Standardized HDD Option Confirmation and “Critical Precipitation Days” Option Confirmation (Critical Days are often adopted in Japan) and a Booklet of Definitions to be issued.

IV. Public Relations Report - Mimi Limbach reported that there has been a high level of media interest regarding WRMA and the industry. Ms. Limbach noted that the public relations strategic goals are to continue to educate end-users, grow the industry, and demonstrate the value of weather risk management instruments. Mrs. Limbach confirmed that the continued focus is branding WRMA, and its mission.

V. Government Relations Report - Pete Rose, Director of Government Affairs reported on the 2003 Fiscal Year budget, and informed the membership that the spending levels had been set at previous years levels by Congress; Mr. Rose noted, however, that Congress had adjourned without passing the Fiscal year 2004 budget, and despite the slight set-back, that WRMA will continue to push through the issues of importance to the organization. In addition, Mr. Rose requested that the membership forward contact information for their DC company representatives to the WRMA headquarters, so that he can work closely with them, and coordinate a seamless presence on the Hill. Mr. Rose confirmed his continued 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.

VI. Election of Directors – Colt Heppe 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;

Proposed Two-Year Terms:

Claude Brown	Clifford Chance
Gearoid Lane	Centrica
Brian O’Hearne	GuaranteedWeather
Alex Schippers	ABN Amro
Asian Pacific Member	To be determined

Remaining as Directors for terms of one year:

Director	Colt Heppe	Garban Intercapital
Director	John Polasek	Entergy Koch Trading
Director	Jeff Porter	Hess Energy Trading Company
Director	Lynda Clemmons	XL Weather & 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	Lynda Clemmons	XL Weather & Energy Inc.
Vice President	John Polasek	Entergy Koch Trading, LP
Treasurer	Jeff Porter	Hess Energy Trading Company

Diego Wauters **moved** to accept the slate of Directors presented. The motion was seconded by Gearoid Lane, and passed.

VI. Next Meetings – Lynda Clemmons informed the attendees of the next two meetings. The European Committee Meeting will take place in Stockholm, Sweden, September 17th & 18, 2003. The Asian-Pacific Committee Meeting will take place in Tokyo, Japan, March 4th & 5th, 2003. Ms. Clemmons also informed the attendees that WRMA would be heading to New York in 2004 for the Annual Convention.

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