

Enron Corp. Cash Balance Plan  
 Enron Corp. Savings Plan  
 Enron Corp. Employee Stock Ownership Plan  
 October 26, 1999

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Minutes of the meeting of the Administrative Committee held pursuant to notice in EB19C2.

Members Present

Keith Crane  
 William J. Gulyassy  
 Mary K. Joyce  
 James S. Prentice, Chairman

Others Present

Cynthia Barrow, Secretary  
 Karla Dobbs  
 Jim Newgard  
 Mikie Rath

Members Not Present

Sheila Knudsen  
 Paula H. Rieker  
 David Shields

Mr. Prentice, Chairman, called the meeting to order at 3:05 p.m. The Agenda (Attachment I) is made a part of these minutes. Related materials were delivered to the committee members prior to the meeting.

The Chairman recognized Cynthia Barrow, Enron Corp., who proposed the following future meeting dates: (Attachment II)

<u>Date</u>	<u>Location</u>	<u>Time</u>
December 9, 1999	EB47C2	9:00 - 10:30
February 3, 2000	TBD	9:00 - 10:30
May 4, 2000	TBD	9:00 - 10:30
August 3, 2000	TBD	9:00 - 10:30
November 2, 2000	TBD	9:00 - 10:30

The committee provided unanimous consent. Cynthia Barrow reviewed proposed future topics, which were also unanimously approved.

Cynthia Barrow then asked the committee to participate in a Y2K review meeting. The committee unanimously agreed and the date was set for November 5<sup>th</sup>. A general discussion followed related to work completed to date. Jim Newgard, Enron Capital Management, provided a summary of his status for investment related Y2K efforts. (Attachment III)

Cynthia Barrow introduced others present and the agenda items they were presenting.

The Chairman recognized Jim Newgard, who summarized the first and second quarter returns, which were included in his May 18<sup>th</sup> and August 18<sup>th</sup> memos respectively. He then provided a summary of the 3<sup>rd</sup> quarter returns. A discussion followed as it related to the reasons for market decline and individual investment manager performance, which lead to the discussion of an asset allocation study. (Attachment IV)

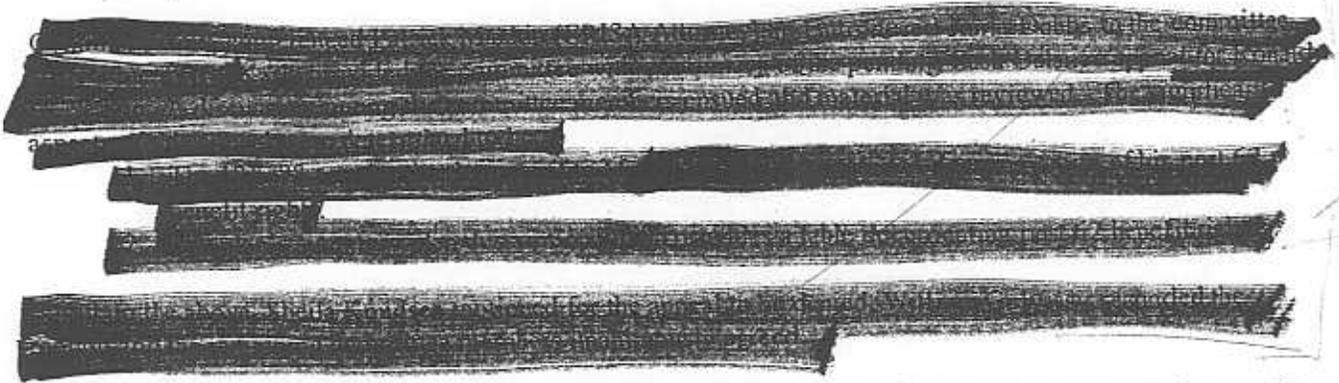
Mr. Newgard reviewed the status of the work-completed to date related to the replacement of the Delaware and Provident Funds. Mr. Newgard informed the committee that the Delaware and Provident Stellar Funds could be redeemed upon 10 - 7 days' notice respectively.

Mr. Newgard recommended to the committee that the Delaware Fund be replaced with the Vanguard Value Index Fund which seeks to replicate the aggregate price and yield performance of the S&P/BARRA Value index and is already the benchmark for the Plan's large-cap value managers. Mr. Newgard stated that Vanguard had agreed to give Enron institutional pricing (12 b/p annually) compared to Delaware's fees of 60 b/p on the first \$20 million. (The fund currently holds approximately \$30 million.) The Vanguard Value Index Fund has ranked in the 12<sup>th</sup> to 8<sup>th</sup> percentiles over the last 5 years compared to Delaware's ranking in the 77<sup>th</sup> - 70<sup>th</sup> percentile over comparable periods. Mr. Newgard stated that Global Finance recommends that the Delaware Fund be replaced by the Vanguard Value Index Fund. Mr. William Gulyassy motioned that the Delaware Fund be replaced by the Vanguard Value Index Fund. Mary Joyce seconded the motion. Remaining members' voted in favor of the motion and there was no further discussion.

Mr. Newgard summarized the findings of the Provident Stellar Fund replacement. There were three alternative fund replacements. Of the three the Vanguard Small Cap Growth Index Fund is the preferred option. However, Mr. Newgard did not recommend moving to the Vanguard Fund due to its short fund life. Mr. Newgard had spoken with Mr. Keith Crane (member not present) who agreed that the move to the new fund would not be prudent. A discussion ensued and the committee members agreed to postpone the replacement of the fund until after the asset allocation study. Mary Joyce and Jim Prentice charged Jim Newgard with the task of negotiating with Provident to reduce the fees paid on the Stellar Fund.

Mr. Newgard provided an update to the committee concerning the trustee search for the Enron Cash Balance Plan. The committee was informed that Mr. Newgard, Mikie Rath and Cynthia Barrow meet with Mellon Bank and Bank of New York over the last two weeks and that site visits would be made in January to both institutions.

Mikie Rath provided the committee with an update on the Y2K contingency plans.



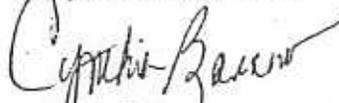
Cynthia Barrow introduced Melissa Nowlin to the committee. (Attachment IV) Melissa provided the committee with a summary of the pending Savings Plan appeal for Charles Allured. A discussion among the committee members ensued and material was reviewed. William Gulyassy motioned that the appeal be approved due to administrative error, but subject to Mr. Allured making a contribution to the plan in 1999. It was also noted that the form clearly stated that it should have been returned to Enron Corp. Benefits and that an acknowledgement would be sent upon receipt. Mary Joyce seconded the motion and the remaining committee members unanimously agreed.

Page 3  
Administrative Committee Meeting  
October 26, 1999

Due to the lack of time remaining in the meeting, Mr. Prentice asked that a special meeting be held for the presentation of the administrative duties. A discussion ensued and the committees agreed that a special meeting should be held outside of the normal administrative committee meetings to review the administrative, trust and fiduciary duties of the Enron Corp. qualified plans. Cynthia Barrow was charged with overseeing this request.

There being no further business, the meeting was adjourned at 10:55 a.m.

Respectfully submitted,



Cynthia Barrow  
Committee Secretary

Enron Corp. Cash Balance Plan  
Enron Corp. Savings Plan  
Enron Corp. Employee Stock Ownership Plan  
December 9, 1999

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Minutes of the meeting of the Administrative Committee held pursuant to notice in EB47C2.

Members Present

William J. Gulyassy  
Mary K. Joyce  
Sheila Knudsen  
James S. Prentice, Chairman

Others Present

Cynthia Barrow, Secretary  
Karla Dobbs  
Jim Newgard  
Mikie Rath  
Melissa Nowlin  
Pat Mackin, via conference call

Members Not Present

Keith Crane  
Paula H. Rieker  
Tod Lindholm

\*\*The Next Meeting is scheduled for February 3, 2000. \*\*

Mr. Prentice, Chairman, called the meeting to order at 9:05 am. The Agenda (Attachment I) is made a part of these minutes. Materials related to appeals and the planned administrative duties presentation were delivered to the committee members prior to the meeting. All other materials were provided as handouts during the meeting.

Cynthia Barrow introduced others present and the agenda items they were presenting.

The Chairman recognized Jim Newgard, who summarized the status of the asset allocation study being performed by Callahan Associates. The committee was informed that Callahan Associates were meeting with Enron Corp.'s pension actuary, Norman Parrish of Hewitt Associates on December 14, 1999. The purpose of this meeting will be to provide Callahan with an understanding of the plans liquidity and cash flow needs as well as an understanding of the liability of the plan itself. Mr. Newgard expects the study to be completed within the January to February 2000 time frame.

Jim Newgard provided the committee with a draft Investment Guideline (Attachment II). Mr. Newgard informed the committee of his discussion with Hewitt Associates and Watson Wyatt regarding best practices whereby he found that no template was available or recommended. A plan's cash flow, liability and demographics should instead drive the guidelines. Mr. Prentice emphasized the need for particular attention to liquidity needs as well as manager performance within the upper quartile of their investment universe. He then requested that the committee consider performance based fees and recommended that a special committee meeting be called for the review and discussion of the proposed guideline draft. Mr. Newgard was charged with the task of researching performance based fee structures and the committee unanimously agreed to the holding of a separate meeting to discuss the guidelines in detail.

5

Jim Newgard reported that the last asset allocation study was performed in 1994 and notified the committee that Callhan Associates has been engaged to perform a new study. Mary Joyce, Enron Corp., requested that we include a review of the plan liability and cash flow projection impacts in the study which was agreed to by all committee members. The Chairman expressed concern that we not only consider proper asset allocation but fund management performance. (Attachment IV). This lead to the next agenda topic, investment guidelines.

Jim Newgard provided the committee with a copy of the latest guidelines, which was written in 1987. Mr. Newgard proposed that he draft a new guideline that is inclusive of performance standards and criteria for watch list and removal/replacement. The Chairman requested that the guidelines include a reasonable and defined long-term review process that incorporates relative and absolute performance criteria as well as triggers for a review. (Attachment IV)

The Chairman charged Jim the task of drafting a recommendation for the committee's review at its meeting in December. Mary Joyce requested that Jim provide a summary of best practices for the committee's consideration. The committee provided unanimous consent.

Keith Crane, Azurix, made the motion to replace the underperforming Provident Steller fund with a small cap growth index fund. Mary Joyce seconded the motion and the committee provided unanimous consent.

Keith Crane made the motion to replace the underperforming Delaware fund with a large cap value passive index fund. Mary Joyce seconded the motion and the committee provided unanimous consent.

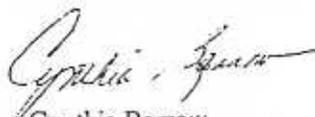
The Chairman charged Jim Newgard to recommend replacement funds to the committee for its approval via e-mail consent.

Jim Newgard and Mikie Rath updated the committee on the in progress Cash Balance Trustee search and planned outsourcing of retiree payroll. Discussion followed as it relates to current service level of existing trustee and reasons for outsourcing. Committee agreed the change was a plan sponsor decision and wanted to be kept informed. The proposed timeline was reviewed and it was agreed that an update would be provided at the next committee meeting. (Attachment IV)

The Chairman then introduced Karla Dobbs, Enron Corp. Karla provided a summary of the pending appeal and reviewed the material with the committee members. The committee unanimously agreed that Enron's ERISA attorney should be present for all appeals and postponed the review until the next committee meeting. (Attachment V)

There being no further business, the meeting was adjourned at 4:35 p.m.

Respectfully submitted,

  
Cynthia Barrow  
Committee Secretary

6

Enron Corp. Cash Balance Plan  
Enron Corp. Savings Plan  
Enron Corp. Employee Stock Ownership Plan  
February 3, 2000

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Minutes of the meeting of the Administrative Committee held pursuant to notice in EB49C4.

Members Present

William J. Gulyassy  
Mary K. Joyce  
Tod Lindholm  
James S. Prentice, Chairman

Others Present

Cynthia Barrow, Secretary  
Mikie Rath  
Jim Newgard  
Pat Mackin, via conference call

Members Not Present

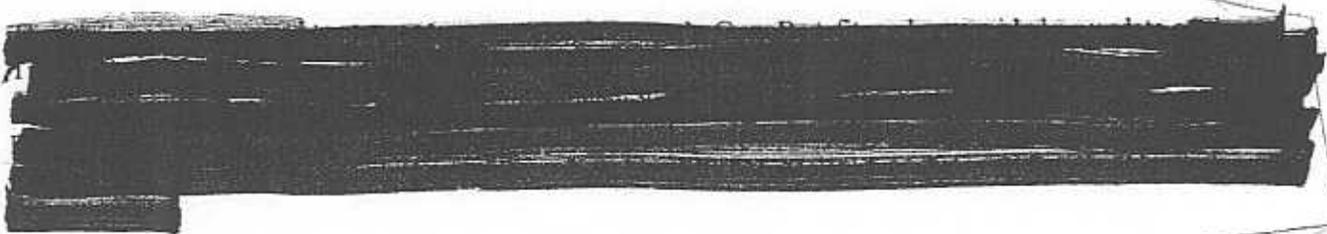
Keith Crane  
Sheila Knudsen  
Paula H. Rieker

Mr. Prentice, Chairman, called the meeting to order at 9:00 am. The Agenda (**Attachment I**) is made a part of these minutes. Related materials were delivered to the committee members prior to the meeting.

The Chairman recognized Jim Newgard, Enron Capital Management, who provided an update on the status of the Investment Guidelines. Jim Newgard stated that he has collected comments from committee members. Jim was asked to forward a final draft by e-mail to committee members, incorporate any requested changes and then present for adoption at the next quarterly meeting scheduled for May 4, 2000. Jim Prentice stated that Rick Causey had been updated and asked Jim to share a draft with Jeff McMahon and to provide Andy Fastow with a courtesy copy.

The Chairman then moved to the next agenda item, fourth quarter investment returns. Jim Newgard was recognized and a summary was provided. Jim stated that the plan exceeded its 10.37% benchmark by returning 11.36%. The assets are at \$260 million, which are up from \$241 million. The increase was primarily due to the performance of the Emerging Market portfolio and the Provident Small Cap. (**Attachment II**)

Jim then informed the committee that the asset allocation study was progressing and that Callan Associates did meet with Norman Parrish of Hewitt regarding the Cash Balance Plan's cash flow requirements. Mary Joyce, Enron Corp., recommended that we invite Norman Parrish to present to the committee the history of the Cash Balance Plan. Cynthia Barrow, Enron Corp., was charged with arrangement of the presentation at a future meeting.



Page 2

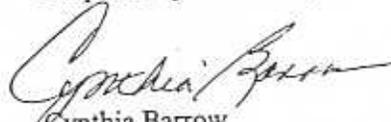
Administrative Committee Meeting  
February 3, 2000

The Chairman then introduced Mikie Rath who provided a summary of the pending 401(k) appeal. The committee reviewed the material and a discussion among the members as well as questions for Pat Mackin, ERISA counsel, ensued. Bill Gulyassy, EES, motioned that the plan honor the cancellation of the January 3rd trade and that the employee be allocated earnings he would have been entitled to receive had the trade been cancelled. The basis for the approval was the verbal commitment made by Mikie Rath to the participant. Mary Joyce seconded the motion and the remaining members unanimously agreed. The committee charged Mikie Rath with the development of an employee communication, advising employees on the proper process for canceling a trade. (Attachment IV)

Cynthia Barrow, reminded the committee of the special meeting to be held on March 9, 2000 in EB 49C3 at 1:00 p.m. and the next quarterly meeting scheduled for May 4<sup>th</sup>. Cynthia Barrow then asked the committee to formally approve the prior minutes that had been distributed via e-mail. Mary Joyce motioned that the minutes be approved, Bill Gulyassy seconded the motion and the remaining members unanimously approved. (Attachment V)

There being no further business, the meeting was adjourned at 10:10 am.

Respectfully submitted,

  
Cynthia Barrow  
Committee Secretary

6  
EC 00000843



# Interoffice Memorandum

To: Administrative Committee  
 From: Cynthia Barrow  
 Subject: Administrative Committee Agenda

Department: Committee Secretary  
 Date: February 1, 2000

## AGENDA

Thursday, February 3, 2000  
 9:00 – 10:30  
 EB49C4

- Investment Guideline Follow-up
- 12/31 Investment Returns
- Update on Trustee Search
- Appeals
  - 401(k)
- Meetings
  - May 4, 2000 - Quarterly Committee Meeting, 9:00 – 10:30, Location TBD
  - March 9, 2000 – Special Meeting to Discuss Administration, Trust and Fiduciary Duties, 1:00 – 3:00, EB49C3
- Prior Minutes

### Administrative Committee

Keith Crane  
 William J. Gulyassy  
 Mary K. Joyce  
 Sheila Knudsen  
 Tod Lindholm  
 Paula Rieker  
 James Prentice, Chairman

### Non Member Presenters

Jim Newgard - Asset Allocation, Investment Guidelines and Trustee Search  
 Mikie Rath - Trustee Search and Appeal  
 Patrick Mackin - Appeal

EC 00000844

Respect

Integrity

Communication

Excellence

(360) 956 9168  
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9

Enron Corp. Cash Balance Plan  
Enron Corp. Savings Plan  
Enron Corp. Employee Stock Ownership Plan  
March 9, 2000

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Minutes of the meeting of the Administrative Committee held pursuant to notice in EB49C4.

Members Present

Keith Crane  
William J. Gulyassy  
Mary K. Joyce  
Sheila Knudsen  
Tod Lindholm  
James S. Prentice, Chairman

Others Present

Cynthia Barrow, Secretary  
Pat Mackin  
Jim Newgard  
Catherine Queiroga  
Mikie Rath

Members Not Present

Paula H. Rieker

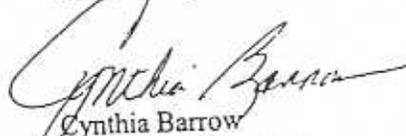
Mr. Prentice, Chairman, called the meeting to order at 1:05 p.m. Mr. Prentice introduced Pat Mackin, ERISA Counsel, to the members present and stated that the meeting had been called for the purpose of a review of the members duties and responsibilities.

Pat Mackin presented to the members. (Attachment I) The presentation described the members' as well as Enron Corp.'s Administrative, Trustee and Fiduciary duties as defined in the plans. The plans referenced included the Enron Corp. Cash Balance Plan, the Enron Corp. Savings Plan and the ESOP.

All information was presented as documented. There were follow-up items that were to be researched by Pat Mackin. These items included, the appointing of a Voting Fiduciary, differentiation between "power to" versus "responsibility" and whether the committee has shared or sole responsibility for the administration of the plans.

Following the presentation, Mr. Prentice asked if there was any further business, there being none the meeting was adjourned at 3:00 p.m.

Respectfully submitted,

  
Cynthia Barrow  
Committee Secretary

EC 000000938

7



Interoffice Memorandum

Handwritten notes on the right margin.

To: Administrative Committee  
From: Cynthia Barrow  
Subject: Administrative Committee Agenda

Department: Committee Secretary  
Date: May 8, 2000

AGENDA

Thursday, May 11, 2000  
2:00 - 3:30  
EB49C4

- Approve Minutes from February 3 & March 9, 2000 Meetings – Cynthia Barrow (5 minutes)
- Communication Follow-up – Mikie Rath (10 minutes)
- Update on [REDACTED] – Mikie Rath & Jim Newgard (10 minutes)
- 1<sup>st</sup> Quarter Investment Returns – Jim Newgard (15 minutes)
- Present Investment Guidelines for Adoption – Jim Newgard (15 minutes)
- Update Regarding Proposed Change to Pension Plan & Administrative RFP – Cynthia Barrow (15 minutes)
- Asset/Liability Result – Jim Newgard (15 minutes)
- Next Meeting is Scheduled for Thursday, August 3, 2000, 9:00 – 10:30  
Cynthia Barrow (5 minutes)
- Norman Parrish, Hewitt Associates, will Present a History of the Cash Balance Plan

Administrative Committee

- Keith Crane
- William J. Gulyassy
- Mary K. Joyce
- Sheila Knudsen
- Tod Lindholm
- James Prentice, Chairman
- Paula Rieker

Non Member Presenters

- Jim Newgard
- Mikie Rath

EC 00000939

Enron Corp. Cash Balance Plan  
Enron Corp. Savings Plan  
Enron Corp. Employee Stock Ownership Plan  
May 11, 2000

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Minutes of the meeting of the Administrative Committee held pursuant to notice in EB49C4.

Members Present

William J. Gulyassy  
Sheila Knudsen  
Tod Lindholm  
James S. Prentice, Chairman

Others Present

Cynthia Barrow, Secretary  
Mikie Rath  
Jim Newgard

Members Not Present

Keith Crane  
Mary Joyce  
Paula H. Rieker

Mr. Prentice, Chairman, called the meeting to order at 2:10 p.m. The Agenda is made a part of these minutes. Related materials were delivered to the committee members prior to the meeting.

The minutes from the last meetings held February 3 and March 9, 2000 were approved as written.

The Chairman recognized Mikie Rath, Enron Corp., who presented a change of communication related to the Savings Plan transfers at market close. Jim Prentice, Chairman, asked that this be communicated on the quarterly statements at least for one year.

  
The Chairman then recognized Jim Newgard who provided a summary regarding the first quarter investment manager performance. The Enron Cash Balance Plan held assets of \$266.7 million on March 31, 2000, versus \$260.3 million at year-end 1999. The Plan beat its benchmark by 200 b/p. The improved results are due to a turnaround by the Provident small-cap portfolio and very strong results from the Morgan Stanley emerging markets product. Jim Newgard then walked the committee through a new schedule that highlights the returns. Mr. Prentice emphasized the importance of the schedule and how useful of a tool this will be to the committee and its review of our returns. Jim Newgard recommended another discussion with Morgan Stanley regarding their EAFE. Jim is to do a slight modification to the investment guidelines and get Callan to give a deviation percentage.

12

Jim Newgard also presented the investment guidelines for adoption. It was agreed by the committee to adopt these guidelines.

Cynthia Barrow, Enron Corp., then updated the committee regarding proposed changes to the pension plan and an administrative RFP. PriceWaterhouseCoopers (PWC) proposed a change to the Enron Corp. Cash Balance Plan in March/April 1999. This proposed change would allow employees to move assets from DC to DB and invest these DB dollars into mirror assets. Enron is working with Vinson and Elkins to determine the ultimate design. A feasibility study is underway. Cynthia Barrow also informed the committee that there is an administrative RFP on the market as a result of the McKinsey study.

Jim Newgard then gave a summary of the asset/liability study results that Callan Associates prepared for the Enron Corp. Cash Balance Plan. Callan recommends that the Plan either maintain its present asset allocation or increase its non-US equity allocation target from 15% to 19% with a corresponding decrease in US equity. This recommendation is made in light of expected cashflows related to Plan benefit obligations over the next five years. It was recommended that Hewitt Associates and Callan Associates be invited to go over the study in detail at a future meeting. Cynthia Barrow will request Norman Parrish, Hewitt Associates, to present a history of the Cash Balance Plan at the same meeting.

The next Qualified Administrative Committee meeting is to be held Thursday, August 3, 2000, 9:00 - 10:30.

There being no further business, the meeting was adjourned at 3:20 p.m.

Respectfully submitted,

Cynthia Barrow  
Committee Secretary

40

13

Enron Corp. Cash Balance Plan  
Enron Corp. Savings Plan  
Enron Corp. Employee Stock Ownership Plan  
September 26, 2000

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Minutes of the meeting of the Administrative Committee held pursuant to notice in EB49C4.

Members Present

Keith Crane  
Sheila Knudsen  
James Prentice, Chairman  
Paula H. Rieker

Others Present

Jim Newgard  
Mikie Rath, ad hoc secretary

Members Not Present

William J. Gulyassy  
Mary K. Joyce  
Tod Lindholm

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Mr. Prentice, Chairman, called the meeting to order at 2:05 p.m.

The minutes from the meeting held May 11, 2000 were approved as written.

The Chairman recognized Mikie Rath, Enron Corp., who represented Cynthia Barrow, secretary for the committee. Mr. Prentice stressed the need to have the administrative committee meetings quarterly and emphasized the importance of commitment to attendance. The committee revisited the responsibilities of the committee members and referenced the March 9, 2000 meeting. Mr. Prentice then charged the representatives from the finance department and the benefits department to list their duties and responsibilities for supporting the administrative committee.

A discussion took place to determine future agenda items. Mr. Prentice suggested that the meeting start with a review of the last quarter's performance for the various managers. The Chairman then recognized Jim Newgard, Enron Capital Management, who then reviewed the second quarter investment manager performance. The Enron Cash Balance Plan held assets of \$268 million on June 30, 2000. Mr. Newgard reported that the portfolio lost 2.1% and did not meet targets for the second quarter. Mr. Prentice made a motion to initiate a search for the domestic large cap fund.

Keith Crane, Azurix, then suggested a review of the Provident Investment Counsel, the large cap growth manager, for the purpose of a potential replacement. He further suggested that Jim Newgard engage Callan & Associates to conduct a formal search and that the committee considers moving money into something that looks like an index fund much like what was done with the Delaware fund in the interim.

Mr. Prentice agreed with Mr. Crane and said that Callan should present at least two or three alternative fund managers. The performance of the portfolio should be reviewed first and as a result of that review a recommendation can then be made. Mr. Prentice charged Mr. Newgard with the responsibility of arranging for two portfolio managers to present to the committee. At the same time, allow Provident Investment Counsel large cap to make a similar presentation. Mr. Newgard was instructed to advise Callan of their charge for coming up with two other potential fund managers. Keith Crane seconded. Amended motion to include Provident Stellar. Motion was passed. The committee decided that the target completion date would have to be early to mid December.

Page 2  
Administrative Committee Meeting  
September 26, 2000

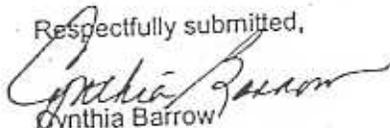
Paula Rieker, Enron Corp., asked that the committee look at minority owned firms in the fund manager study.

The Committee discussed the need for regular rebalancing, which should be made part of the investment guidelines. Jim Newgard will take the lead to incorporate rebalancing into the guidelines.

Ms. Rieker suggested that the administrative committee meetings be held later in the day from 3:30 - 5:00 p.m. The next Qualified Administrative Committee meeting is to be held on November 2<sup>nd</sup> from 3:30 - 5:00 in EB49C4.

There being no further business, the meeting was adjourned at 3:25 p.m.

Respectfully submitted,

  
Cynthia Barrow  
Committee Secretary

In response to the committee's request, the following are the duties and the responsibilities of the committee secretary:

1. Record and hold minute records.
2. Facilitate addition and removal of committee members.
3. Type agenda items as determined by the committee.
4. Facilitate meeting location and time.
5. Distribute agenda referenced in item number 3 above to committee members as well as review materials provided by presenters or members themselves.

As the Sr. Director of Benefits, appeals requiring committee vote are brought before the committee and added to the agenda on an as needed basis.

Committee meetings are set by the committee as well as agenda items.

\*\*\*\*Please note correction to minutes below:

The Committee charged Mr. Newgard to conduct a search for a replacement for the large cap value equity manager during the first quarter of 2001.

15

**Enron Corp. Cash Balance Plan  
Enron Corp. Savings Plan  
Enron Corp. Employee Stock Purchase Plan**

**Administrative Committee Meeting  
November 2, 2000**

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Minutes of the meeting of the Administrative Committee held pursuant to notice in EB49

**Members Present:**

James Prentice, Chairman  
Keith Crane  
William J. Gulyassy  
Sheila Knudsen  
Tod Lindholm  
Paula H. Rieker

**Members Not Present**

None

**Others Present**

Cynthia Barrow, Secretary  
Jim Newgard  
Norman Parrish, Hewitt Associates LLC  
Bill Badger, Callan Associates Inc.  
Jim McKee, Callan Associates Inc

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Mr. Prentice, Chairman, called the meeting to order at 3:35 p.m. The Agenda, (Attachment I) is made a part of these minutes. Related materials were delivered to the committee members either prior to the meeting or during the meeting.

The minutes from the meeting held on September 26, 2000 were discussed and it was determined that missing from the minutes was the charge by the Committee to Mr. Newgard to conduct a search for a replacement for the large cap value equity manager during the first quarter of 2001. This correction was motioned by Keith Crane and seconded by Sheila Knudsen. All members voted unanimously to approve the motion. The correction has been made to the prior minutes and will be re-presented at the next meeting for approval.

Also discussed was the desire of Paula Rieker to not have the minutes recorded and referenced that the request was made at the prior meeting. Cynthia Barrow, Secretary, explained to the committee that recordings are made for the purpose of ensuring quality minutes. However there being no disagreement, the committee agreed to Ms. Rieker's request and the recording was stopped.

Ms. Rieker stated that she was not clear as to the committee's responsibilities with regard to the decision of the outsourcing of the Benefit plans. Mr. Crane was also concerned as to whether the committee was responsible for reviewing the expenses of the outsourcing. Cynthia Barrow advised the committee that according to the responsibility presentation made by the ERISA counsel, Pat Mackin on March 9, 2000, this issue was specifically addressed and determined to be a role of Enron Corp. versus the Committee. Ms. Rieker charged Ms. Barrow with the responsibility of obtaining written documentation from Pat Mackin for the committee. Ms. Barrow will contact ERISA counsel to obtain the documentation prior to the next meeting.

The Chairman then recognized Jim Newgard to provide the committee with an update concerning the Provident funds. Mr. Newgard advised the committee that at the search process has begun for the replacement of both the Provident large cap and small cap funds. Mr. Newgard advised the committee that the review of the finalists will take a full afternoon and requested the presentation take place December 12, 2000. The Committee agreed to let Provident do presentations to compete for the business if they choose to do so. The Chairman agreed and instructed Mr. Newgard to proceed to the next agenda item, Callan Associates Asset/Liability Study for the Enron Corp. Cash Balance Plan.

16

Mr. Newgard introduced Mr. Bill Badger and Mr. Jim McKee of Callan Associates and Mr. Norman Parrish of Hewitt Associates and described the work performed by each. A lengthy discussion ensued of the study results lead by the gentlemen from Callan. In addition, a discussion of the pension plan cash flow requirements was lead by Hewitt Associates. The study results (Attachment II) which in summary blended the capital market assumptions with the Plan's actuarial liability status to create a profile of the Plan's financial condition.

During the review of the study results, Callan provided an overview of asset mix alternatives and recommended that the Plan either maintain its present asset allocation or increase its non-US equity allocation target from 15% to 19% with a corresponding decrease in US equity. The presentation of the recommendation included a forward look (5-year outlook) for returns on various asset classes. During the discussions Mr. Crane noted that a cash allocation was not in the recommended mix. In answer to Mr. Crane's inquiry, Callan representatives stated that cash was not considered a strategic asset allocation alternative although a level of cash must be maintained to sufficiently handle pay out requirements. It was further expressed that a strategic asset allocation to cash results in the need to hold a greater portion of equity hence a greater risk than Callan recommends. Callan also provided an overview to an asset mix scenario with a 5% allocation to alternative investments (e.g., private equity), which is an asset class where the plan does not currently participate. This allocation would result in a reduction in equity by 9% of Plan assets and an increase in fixed income by 4% thereby reducing the overall portfolio risk slightly via greater diversification while producing slightly higher returns. The Chairman summarized that the result of the study was a determination that the current asset allocation is not far from Callan's recommended mix and that the committee needed to concentrate on individual manager performance and that a rebalance to target was probably in order.

In response, Mr. Crane questioned whether the committee was charging Mr. Newgard with the responsibility of rebalancing the mix. Ms. Reiker suggested that the Committee continue to digest the information prior to making a formal decision, which the members unanimously agreed. Mr. Newgard stated that he had rebalancing guidelines that he could present to the committee. Ms. Reiker then questioned Mr. Newgard on his recommendation on how frequent the funds should be rebalanced. The representatives from Callan interjected that this was best done on a fund by fund decision. The discussion ended with Mr. Newgard being charged with the responsibility of working with Callan on a set of recommended rebalancing guidelines specific to the plan's recommended mix; however, the Committee did agree that the rebalancing would be done once a year.

Mr. Newgard then proceeded to update the Committee on the US Equity Manager Structure Review for the Enron Corp. Cash Balance Plan. A copy of the review results (Attachment III) which in summary described the fund allocation as being on target with the exception of a need to provide an explicit small cap value exposure / recognition. In general terms it was recommended that the fund provide for the following equity allocation in regard to large versus small cap, value versus growth and active versus passive.

Percentage by Fund Type	Value	Growth	Active	Passive
80% Large Cap	50%	50%	50%	50%
20% Small Cap	50%	50%	100%	0%

Keith Crane charged Mr. Newgard with the responsibility of putting together a spreadsheet of the parameters in relation to the search underway. Jim said he would have something together the week following this meeting. At this point the representatives from Callan and Hewitt were dismissed from the meeting.

16A

Mr. Chairman then requested that Mr. Newgard provide the committee with a brief update of the Third Quarter Investment Manager Performance (Attachment IV). In summary, Mr. Newgard informed the committee that the quarter was not good for the US equity markets due to interest rate increases. During this period, the strong dollar and rising oil prices also negatively impacted the non-US equity markets. However, it was noted that the bond market rose due to the Fed's inflation fighting stance and the tensions in the Middle East.

Overall the Plan's assets earned a quarterly return of +.33% and for the year the return was +14.01% beating its benchmark by over 400 basis points. It was also pointed out that while Provident Investment Counsel exceeded its benchmark, its performance ranked only in the 41st percentile of the PICs style Group. The Chairman then stated that the meeting on the 12<sup>th</sup> of December would not only focus on the review of potential replacement funds, but also communicate the objective of meeting the Plan's investment to the proposing investment managers.

The Chairman then announced to the committee that Mary Joyce had resigned her position on the committee. Mr. Prentice then charged each member with the responsibility of providing him with feedback concerning the appropriate size, structure and representation for the committee. Mr. Prentice announced that upon receipt of their feedback that he and Cynthia Barrow would meet to discuss any actions necessary to position the committee for any changes that might be advisable.

Cynthia Barrow asked the committee for feedback on future meeting dates. It was decided that the next meeting would be held on December 12, 2000 from 1 to 5 p.m. to allow for sufficient time to review the fund manager presentations. Mr. Prentice then charged Cynthia Barrow with presenting requested meeting dates within the next agenda, which provided the following guidelines. Starting with January 2001, a meeting will be held on the last Thursday of each month following a calendar close or on the first Thursday of the second month following a calendar close. The timing must correlate with the ability of the Global Finance Department to provide quarterly investment returns.

There being no further business, the meeting was adjourned at approximately 6:00 p.m.

Respectfully submitted,

Cynthia Barrow  
Committee Secretary



# Interoffice Memorandum

To: Administrative Committee  
From: Cynthia Barrow  
Subject: Administrative Committee Agenda

Department: Committee Secretary  
Date: October 31, 2000

## AGENDA

Thursday, November 2, 2000  
3:30 – 5:00  
EB49C4

- Approve minutes from September 26, 2000 meeting
- Callan Associates to review Asset Liability Study
- Present proposed equity manager structure
- Review 3<sup>rd</sup> Quarter Investment Performance

### Administrative Committee

Keith Crane  
William J. Gulyassy  
Sheila Knudsen  
Tod Lindholm  
James Prentice, Chairman  
Paula Rieker

### Non Member Presenters

Jim Newgard  
Mikie Rath

EC 000001047

17A

Enron Corp. Cash Balance Plan  
Enron Corp. Savings Plan  
Enron Corp. Employee Stock Ownership Plan  
December 12, 2000

Minutes of the meeting of the Administrative Committee held pursuant to notice in EB49C4.

Members Present

Keith Crane  
William J. Gulyassy  
James Prentice, Chairman  
Paula H. Rieker

Others Present

Jim Newgard  
Bill Badger, Callan Associates

Presenting:

Large Cap – First Capital Group; Nicholas Applegate  
Capital Management; Provident  
Investment  
Small Cap – Provident Investment Counsel; Sit  
Investment Associates; and Cordillera  
Assets Management.

Members Not Present

Tod Lindholm  
Sheila Knudsen

Mr. Prentice, Chairman, called the meeting to order at 1:06 p.m. Mr. Prentice advised the Committee of Mary Joyce's decision to resign from the Committee November 1, 2000 and the appointment of Cindy Olson effective January 1, 2001.

The Committee reviewed the minutes from the meetings held on September 26 and November 2, 2000. A discussion ensued regarding the corrections made to the September 26<sup>th</sup> minutes and then William J. Gulyassy provided the motion to accept the minutes as written, Paula Rieker seconded the motion and the remaining members unanimously agreed.

Mr. Prentice then recognized Cynthia Barrow who presented suggested 2001 meeting dates to the Committee. After Committee discussion the Committee agreed upon the following dates.

February 1, 2001	May 3, 2001	July 26, 2001
November 1, 2001	December 13, 2001	

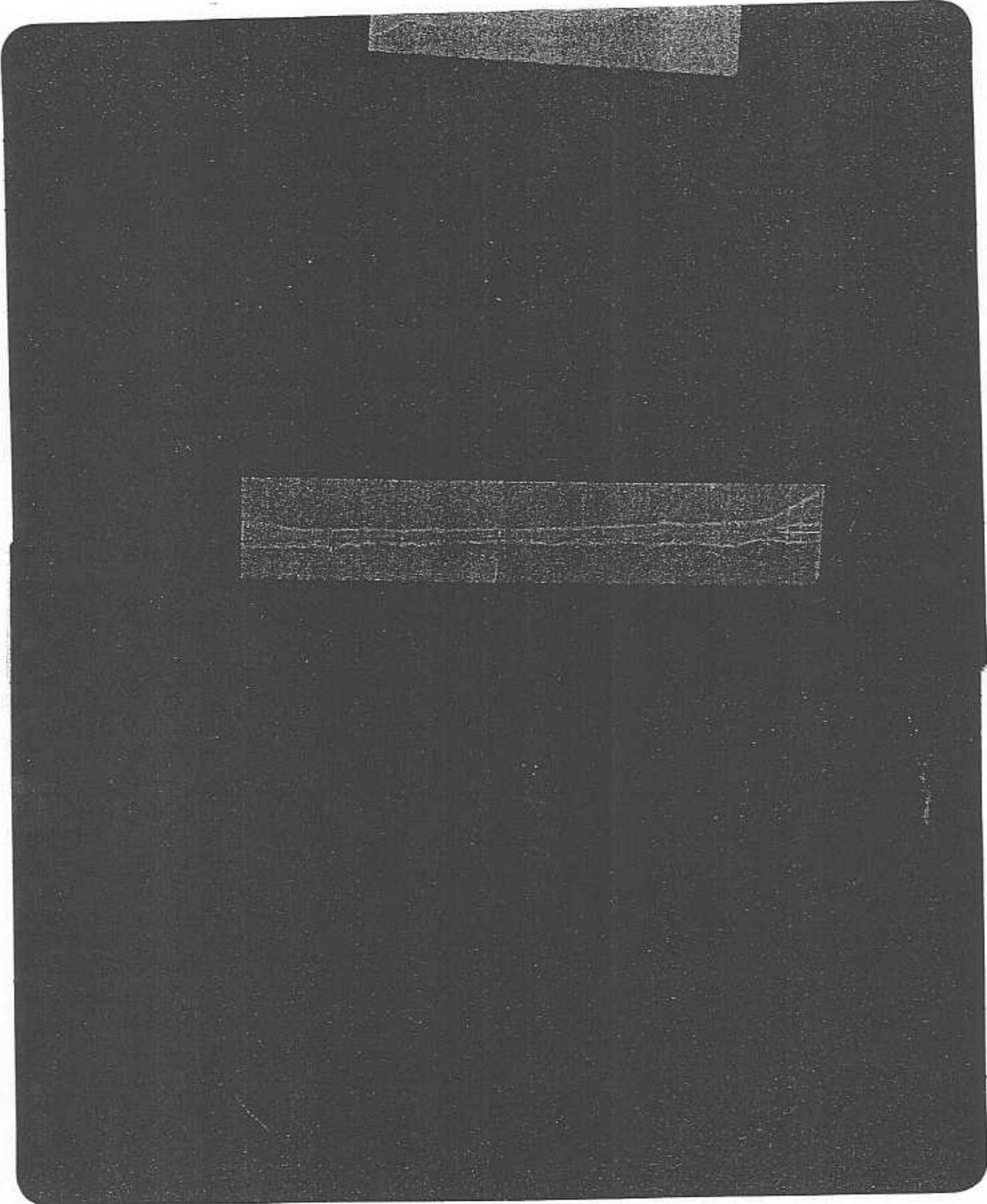
It was further agreed that the meeting times would be from 3:00 p.m. to 4:30 p.m.

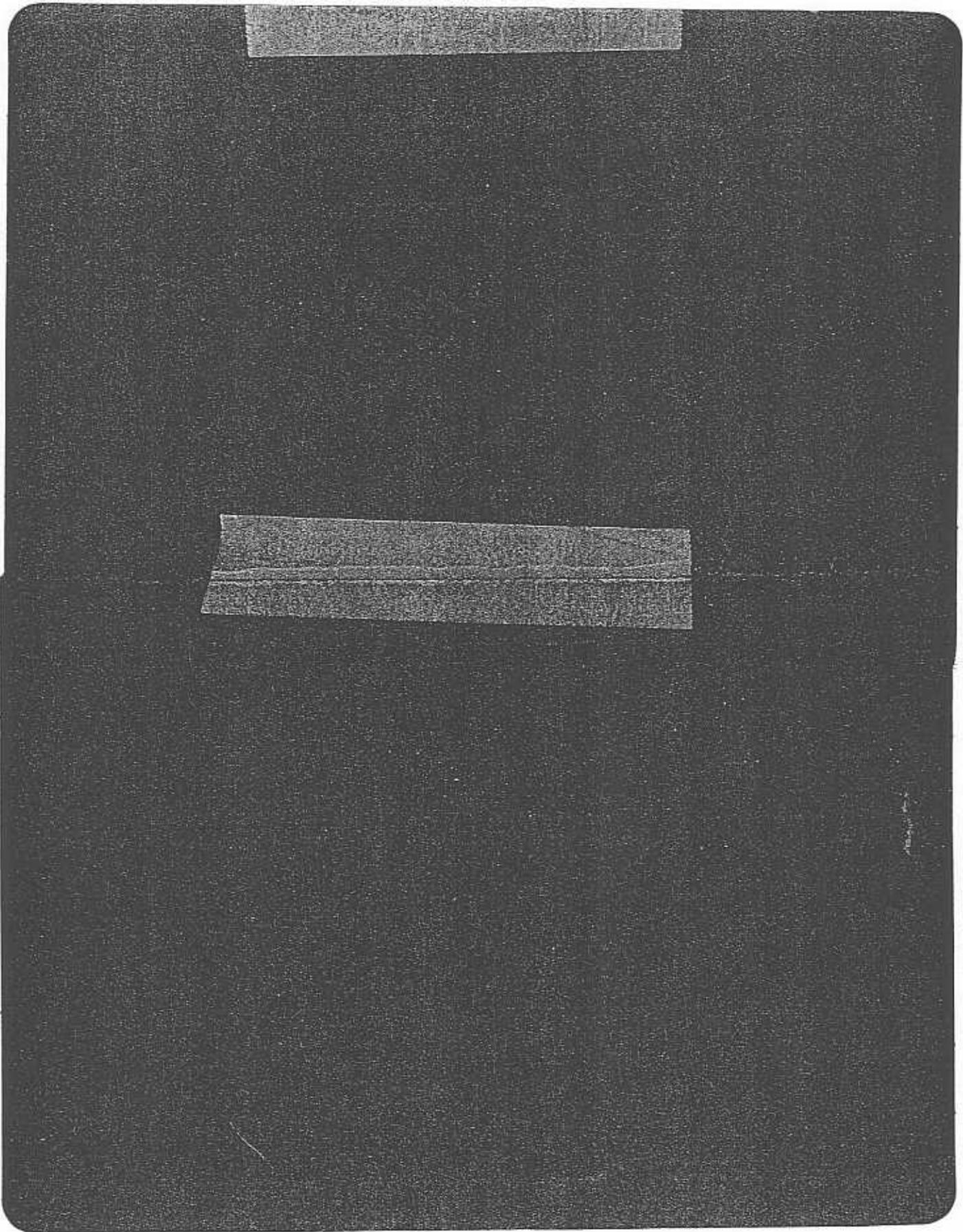
Pursuant to a prior meeting request Cynthia Barrow then presented the Committee with requested information from Enron Corp.'s ERISA counsel regarding Third Party Administrative Services.

Mr. Prentice expressed to the Committee that one of their most important roles was the review of the investment performance and the management of the Cash Balance Plan's investment managers. Mr. Prentice then provided the Committee with Relevant Performance Charts developed by Jim Newgard for each of the Trust's seven funds. These worksheets provided relevant performance against Enron's targeted performance (Top 33% of Peer Group) on a quarterly, yearly, 3-year and 5-year basis. A discussion by the Committee ensued wherein it was decided that regular reports such as these would be helpful for the Committee. Mr. Crane suggested that Callan Associates could produce this report as a part of their services. The Committee agreed and asked Jim Newgard to work with Callan Associates to prepare the reports and submit to Committee members as part of the quarterly performance review process.

Mr. Prentice then discussed the main purpose of the meeting which was the presentation by Small and Large Cap Investment Fund Managers and ultimately a Committee vote on whether to continue with the current Manager, Provident Steller (Small Cap Growth) and Provident Investment Counsel (Large Cap Growth). Mr. Prentice turned the floor over to Mr. Newgard who had been charged with the task of interviewing and selecting the group of managers for the presentations. Mr. Newgard started the meeting by providing the Committee with an Investment Manager Evaluation handout prepared by Callan Associates.

18





30

There being no further business, the meeting was adjourned at 6:35 p.m.



Respectfully submitted,

*Cynthia Barrow*  
Cynthia Barrow  
Committee Secretary

21

EC 000001156



Interoffice  
Memorandum

To: Administrative Committee

From: Cynthia Barrow

Department: Benefits

Subject: Administrative Committee Agenda

Date: December 7, 2000

AGENDA

Tuesday, December 12, 2000  
1:00 – 5:00  
EB23C2

- Re-vote on minutes based on requested changes made:
  - September 26, 2000
  - November 2, 2000
- Approve meeting dates and time for 2001:
  - January 25 or February 1
  - April 26 or May 3
  - July 26 or August 2
  - October 25 or November 1
  - December 13 (if needed)
    - Scheduled time for all meetings 3:00 – 4:30
- Distribution of counsel comments and relevant plan document sections regarding responsibilities of the Administrative Committee
- Small Cap and Large Cap Investment Fund Manager presentations – materials will be distributed by Jim Newgard

Administrative Committee

Keith Crane - YES  
 William J. Gulyassy - YES  
 Sheila Knudsen - NO  
 Tod Lindholm - ~~NO~~  
 James Prentice, Chairman - YES  
 Paula Rieker - YES

cc: Jim Newgard

EC 000001157

Respect

Integrity

Communication

Excellence

22

Enron Corp. Cash Balance Plan  
Enron Corp. Savings Plan  
Enron Corp. Employee Stock Purchase Plan

Administrative Committee Meeting  
February 8, 2001

Minutes of the meeting of the Administrative Committee held pursuant to notice in EB872.

Members Present:

James Prentice, Chairman  
Keith Crane  
William J. Gulyassy (\*)  
Sheila Knudsen  
Paula Rieker  
Cindy Olson

Members Not Present:

Tod Lindholm

Others Present:

Cynthia Barrow, Secretary  
Mikie Rath, Manager Qualified Plans  
Jim Newgard, Treasury

(\*) Mr. Gulyassy was present as the meeting was called to order. At which time, the Chairman notified the Committee of Mr. Gulyassy's decision to resign. Following the announcement, Mr. Gulyassy excused himself from the meeting.

Mr. Prentice, Chairman called the meeting to order at 3:45 p.m. The Agenda (Attachment I) is made a part of these minutes. Related materials were delivered to the Committee members prior to the meeting.

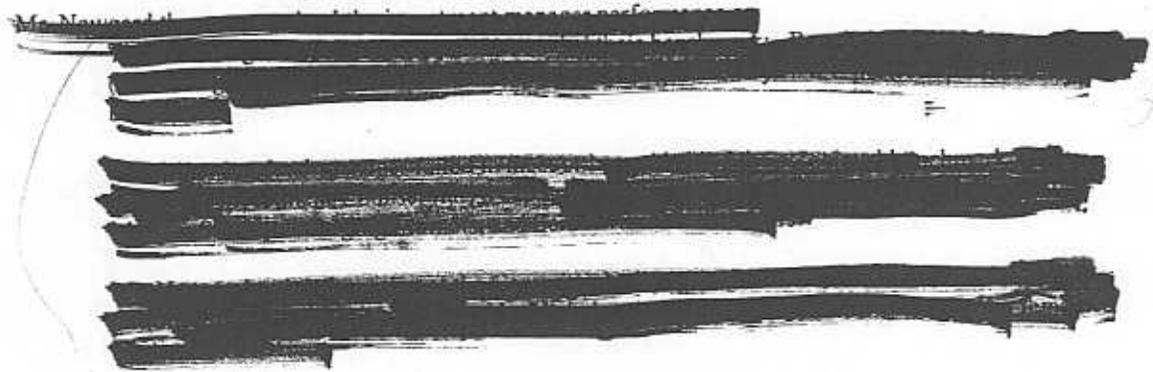
The minutes from the meeting held December 12, 2000 were approved as written based on a motion by Keith Crane, second by Paula Rieker and unanimous vote by the remaining Committee members.

The Chairman recognized Jim Newgard who presented the financial results for the fourth quarter of year 2000. Mr. Newgard highlighted the results of the investment manager performance as follows:  
(Attachment II)

US stocks continued to suffer, as the NASDAQ had it worst year in its 30-year history. Drivers were rising interest rates during the first half of the year and an economic slowdown in the later half of year. Foreign stock markets were also negative while bonds enjoyed strong returns.

Enron's Cash Balance Plan earned a quarterly and 1-year returns of -2.9% and -0.96% respectively. Both outperformed the plan's benchmark. The outperformance was attributable to strong non-US equity and bond portfolio returns.

At the end of the year, the plan held assets totaling \$254.3 million and included a \$15 million contribution and 12 months of benefits paid from the portfolio.

Mr. Newgard  


EC 000001484





Interoffice  
Memorandum

To: Administrative Committee

From: Cynthia Barrow

Department: Committee Secretary

Subject: Administrative Committee Agenda

Date: January 26, 2001

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**AGENDA**

**Thursday, February 8, 2001**

**3:30 – 5:00**

**EB872**

- Approve Minutes from December 12, 2000 Meeting
- Review 4th Quarter Investment Performance – to be provided by Jim Newgard
- Draft Rebalancing Procedures

**Administrative Committee**

Keith Crane

William J. Gulyassy

Sheila Knudsen

Tod Lindholm

Cindy Olson

James Prentice, Chairman

Paula Rieker

cc: Jim Newgard

Mikie Rath

EC 000001486

Respect

Integrity

Communication

Excellence

25

Enron Corp. Cash Balance Plan  
Enron Corp. Savings Plan  
Enron Corp. Employee Stock Ownership Plan  
June 25, 2001

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Minutes of the Meeting of the Administrative Committee held in EB 49C4.

Members Present

James S. Prentice, Chairman  
Cindy Olson  
Sheila Knudsen  
Rod Hayslett

Others Present

Cynthia Barrow, Secretary  
Mikie Rath  
Jim Newgard  
Jeannie Valcik of Callan Associates

Members Not Present

Tod Lindholm  
Paula Riecker

Mr. Prentice, Chairman, called the meeting to order at 2:10 p.m.

The Chairman recognized Jim Newgard who provided an overview of the agenda:

Special Meeting for Investment Manager Presentation to Administrative Committee.

- 2:20 p.m. Progress Investment Management Co. – Minority Investment Manager of Managers
- 3:00 p.m. Metropolitan West Asset Management – Large-Cap Value Equity Manager Finalist
- 3:40 p.m. Deutsche Asset Management – Large Cap Value Equity Manager Finalist
- 4:00 p.m. Discussions / Decisions by the Committee

Mr. Newgard, began the meeting by providing an overview of the reasons why the Committee was considering replacement of Paradigm Asset Management, Enron Corp. Cash Balance Plan's Large Cap Manager. In summary, Paradigm had performed for the Plan for approximately two and one-half years with performance well under the plan's relative performance targets.

Mr. Newgard also provided a summary of the search process for the Committee. The details of the process are provided in the Callan Evaluation Report (Attachment I). In summary, Callan has a database of thousands of managers who are tracked and reviewed and approximately 1,000 individual manager visits are conducted each year. Callan worked with Enron to develop a Client and Candidate Manager Profile. Callan then selects the top 12 candidates. These candidates are brought before and reviewed by Callan's Manager Search Committee to narrow the list to six candidates, which are brought before Enron Treasury Management who further narrows the selection to the candidates presenting today.

[REDACTED]

[REDACTED] remaining members maintaining

[REDACTED] as the

[REDACTED] ic

[REDACTED] s,

There being no further business the meeting adjourned at 4:50 p.m.

Respectfully submitted  
*Cynthia Barrow*  
Cynthia Barrow  
Committee Secretary

Enron Corp. Cash Balance Plan  
Enron Corp. Savings Plan  
Enron Corp. Employee Stock Ownership Plan  
November 1, 2001

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Minutes of the Special Meeting of the Administrative Committee held in EB 30 C2.

Members Present

Paula H. Riecker  
Sheila Knudsen  
James S. Prentice, Chairman  
Cindy Olson

Others Present

Cynthia Barrow, Secretary  
Mikie Rath  
Sharon Butcher  
Pat Mackin (by phone)

Hewitt Associates:

Cathy Graham  
Scott Letendre  
Norman Parrish

Members Not Present

Rod Hayslett  
Tod Lindholm

Courtney & Associates  
Cal Courtney

Mr. Prentice, Chairman, called the meeting to order at 2:00 p.m. The Agenda (Attachment I) is made a part of these minutes.

Due to the volatility of Enron's stock and the fiduciary responsibility of the Committee, a special meeting was called to discuss prudent steps that the Committee may need to consider as it relates to the Enron qualified plans. The Chairman recognized Cynthia Barrow who introduced Cal Courtney an attorney representing the firm Courtney Associates. Mr. Courtney is being considered as a replacement for Jerry Martin of Mayor, Day, Caldwell & Keeton due to the merger of his firm with Andrews & Kurth, which does business with Enron. To avoid a potential conflict of interest, Mr. Courtney's firm was suggested as a possible replacement.

Mr. Courtney ran a conflict check and provided background information on the members of his firm (attached) for the Committee's consideration. Mr. Courtney's firm specializes in ERISA and employment law.

The Committee then requested that all non-Enron employees be excused from the meeting. Discussion ensued as to whether the Committee was hiring Mr. Courtney. It was decided that Mr. Courtney would represent the Committee for this meeting as well as the meeting scheduled for November 6, 2001. Cynthia Barrow was instructed to prepare an engagement letter for consideration at the next meeting.

At this point, all other attendees were invited back into the meeting.

The Chairman recognized Mikie Rath who presented the Committee with a snapshot of the current Savings and ESOP plan stock holdings as of October 26, September 30 and January 1, 2001. The Committee was advised that it has no duty to put out cautionary advice on the value/risk of holding Enron stock since the Committee does not act in the capacity of an investment advisor. The Committee is charged with administering the plans in accordance with the terms of the plan documents and in compliance with ERISA.

Paula Rieker suggested that the Committee hire an independent investment advisor that could monitor the performance of Enron Stock.

Cindy Olson made a motion that the Committee hire a reputable firm to advise the Committee on Enron stock. It was suggested that Jim Newgard search for some potential investment advisors. Sheila Knudsen seconded the motion that was passed and approved.

The Chairman recognized Hewitt Associates' employees Cathy Graham, the Project Manager for the Enron account and the Savings Plan transition, along with Scott Letendre, the Implementation Manager, who summarized the decision to move forward with the Savings Plan transfer from Northern Trust to Hewitt Associates. Cathy discussed the implications of unwinding and stated that to do so would extend the blackout period beyond November 20.

The Committee asked Hewitt if it was possible to speed up the process to potentially grant limited access to all participants by November 13. Hewitt stated that it was to receive the file from Northern Trust on November 7 and it would take at least five days to review. Hewitt further stated that the ability to speed up the transition period was dependent on the quality of the data received.

The Committee agreed that it was most prudent to move forward with the transition to Hewitt Associates. The Committee asked Mikie Rath to set up an external website and mail out a postcard to all participants informing them to check the website for updates on the transition. It was decided that this was the most prudent and reasonable action to take under the circumstances.

The Chairman then recognized Cynthia Barrow who discussed the ESOP plan. It was determined that the Administrative Committee has no duty to take action since adequate communication has been given to participants over the years. The Committee would review the recommendations of the Investment Advisor as to what, if any, action might be required.

The Committee determined that weekly meetings should be held during the transition period. The next meeting was set for Tuesday, November 06, 2001. At this meeting, Jim Newgard will present the Investment Advisor candidates.

The meeting was adjourned at 4:50PM.

Respectfully submitted,

  
Cynthia Barrow  
Committee Secretary

EC 000001848



Interoffice  
Memorandum

To: Administrative Committee  
From: Cynthia Barrow  
Subject: Administrative Committee Agenda

Department: Committee Secretary

Date: November 1, 2001

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AGENDA

Thursday, November 1, 2001  
2:00 – 5:00PM  
EB30C2

- Introduce Cal Courtney from Courtney Associates (Cynthia Barrow)
- Current Plan Holdings (Mikie Rath)
- Monitoring Enron Stock During the Transition from Northern Trust to Hewitt & Associates (Mikie Rath/Hewitt)
- Diversification Rules Regarding Company Match (Cynthia Barrow/Mikie Rath/Pat Mackin/Hewitt)
- Stock Investment Fund in 401(k) (Cynthia Barrow/Mikie Rath/Hewitt)
- ESOP (Cynthia Barrow/Mikie Rath)

Administrative Committee

Rod Hayslett  
Sheila Knudsen  
Tod Lindholm  
Cindy Olson  
James Prentice, Chairman  
Paula Rieker

cc: Jim Newgard  
Mikie Rath

EC 000001849

30

Enron Corp. Cash Balance Plan  
Enron Corp. Savings Plan  
Enron Corp. Employee Stock Ownership Plan  
November 6, 2001

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Minutes of the meeting of the Administrative Committee held in EB 16C1

Members Present

Tod Lindholm (by phone)  
Sheila Knudsen  
James S. Prentice, Chairman  
Rod Hayslett  
Cindy Olson

Others Present

Cynthia Barrow, Secretary  
Mikie Rath  
Jim Newgard  
Sharon Butcher  
Pat Mackin (by phone)

Hewitt Associates (by phone)

Cathy Graham  
Scott Letendre

Members Not Present

Courtney & Associates

Cal Courtney

Mr. Prentice, Chairman, called the meeting to order at 2:35 p.m. The Agenda (Attachment I) is made a part of these minutes.

The Chairman recognized Jim Newgard who discussed the search for an investment advisor to the Committee. Jim reported that he spoke to Bill Badger of Callan Associates who suggested that we speak to the Investment Managers of the Enron Pension Plan. Jim spoke with Deutsche, Morgan Stanley and Nicholas Applegate. Mr. Newgard, asked the Committee for clarification of the advisor's role. A discussion ensued as to the responsibility of the advisor and it was agreed that the role of the advisor would be to give advise on Enron Stock that would be helpful for the Committee's duty of operating the plans in the best interest of its participants. Sheila Knudsen made a motion that Jim Newgard makes the selection of the Investment Advisor on behalf of the Committee. The role will be to give guidance to the Committee on Enron Corp. Stock in relation to the Blackout Period related to the Savings Plan Transition as well as current market conditions surrounding Enron Corp. stock. Tod Lindholm seconded the motion that was passed and approved by all members.

The Chairman then raised the question of any pending shareholder suits that may involve the plans. Mikie Rath agreed to contact the plan's Trustee and inquire as to whether any suit notifications have been received. Ms. Rath will report on this at the next meeting. Sharon Butcher agreed to report at the next Committee meeting as to the number of known suits related to shareholders as well as information on special disposition requirements related to the sale of approximately 15 million shares.

At this point, Mr. Courtney was excused from the meeting so that the Committee could discuss his Engagement. Cynthia Barrow provided the Committee with a summary of the search for the Committee's attorney. Cindy Olson motioned that the Committee engage Mr. Courtney subject to negotiations of reasonable terms. Rod Hayslett seconded the motion that was passed and approved by all members.

EC 000001876

At this point, Mr. Courtney was allowed to rejoin the meeting and the Hewitt representatives were invited into the conversation.

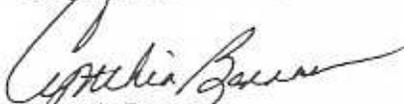
Mr. Prentice then recognized Mikie Rath who gave an update to the Committee on the status of the participant communication and related Hewitt transition process. Ms. Rath, reported, that the website was live on the day of this meeting and that a notification postcard was being mailed to all participants on Thursday, November 8<sup>th</sup>. Mr. Letendre of Hewitt then informed the Committee that the transition to Hewitt was on target and that Hewitt would make every prudent effort possible to shorten the blackout transition period. It was agreed that another update would be provided at the next meeting.

Hewitt was then dismissed from the meeting. Mr. Prentice then advised the Committee of Ms. Riecker's resignation from the Committee.

Cynthia Barrow then presented the minutes of the November 1<sup>st</sup> meeting, which were reviewed by the committee and a motion for approval was made by Cindy Olson, seconded by Sheila Knudsen and passed and approved by all.

There being no further business, the meeting was adjourned at 3:45 pm.

Respectfully submitted,

  
Cynthia Barrow  
Committee Secretary

EC 000001877

33

Enron Corp. Cash Balance Plan  
Enron Corp. Savings Plan  
Enron Corp. Employee Stock Ownership Plan  
November 13, 2001

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Minutes of the meeting of the Administrative Committee held in EB 49C3

Members Present

Tod Lindholm (by phone)  
Sheila Knudsen  
James S. Prentice, Chairman  
Rod Hayslett

Others Present

Cynthia Barrow, Secretary  
Mikie Rath  
Jim Newgard  
Sharon Butcher  
Pat Mackin (by phone)

Hewitt Associates (by phone)

Cathy Graham  
Scott Letendre  
Norman Parrish

Members Not Present

Cindy Olson

Courtney & Associates

Cal Courtney

Mr. Prentice, Chairman, called the meeting to order at 2:35 p.m. The Agenda (**Attachment I**) is made a part of these minutes.

Mr. Prentice recognized Mikie Rath who gave an update to the Committee on the status of the Hewitt transition process. Ms. Rath, reported, that the Savings Plan was live as of 8:00 am November 13, 2001, 5 days ahead of schedule. Ms. Rath informed the committee that the Transition Update website and phone line reflected the live date. Ms. Rath reminded the Committee that these were created for the purpose of getting immediate notification to all participants as soon as the Savings Plan Transition was complete. It was reported that the plan website experienced 200 – 250 hits prior to today's meeting and that the plan had not seen large movements in accounts. Mr. Prentice asked that another e-mail be sent to employees to remind them that the Transition Period had been completed. Hewitt was then dismissed from the meeting.

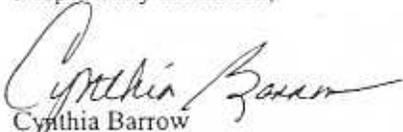
The Chairman then recognized Jim Newgard who provided an update on his search for an investment advisor to the Committee. Jim reported that Morgan Stanley was the leading candidate and that he was in the final stages of negotiations, which included the finalization of the advisor's compensation. Mr. Newgard indicated that he would have the selection process finalized by Friday, November 16, 2001.

The Chairman then recognized Sharon Butcher who reported the number of total suits against Enron. Ms. Butcher confirmed that suits do exist that are on behalf of all shareholders of Enron Stock. It was agreed that no action is required of the Administrative Committee at this time. Mikie Rath, advised the Committee that as of today no notifications of any class actions have been provided to the Trustee. At the prior request of the Committee, Sharon Butcher confirmed that a Form S8 has been filed and that no new filing would be required should the Committee determine that an asset disposition, of Enron Stock held in the plan, be made.

EC 000001878

Mr. Prentice asked Mikie Rath to work with Enron's legal counsel to finalize Mr. Courtney's agreement. Cynthia Barrow was to provide copies of plan documents and trust agreements to Cal Courtney. There being no further business, the meeting was adjourned at 3:20 pm.

Respectfully submitted,

  
Cynthia Barrow  
Committee Secretary

34

Enron Corp. Cash Balance Plan  
Enron Corp. Savings Plan  
Enron Corp. Employee Stock Ownership Plan  
November 20, 2001

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Minutes of the meeting of the Administrative Committee held in EB 42C1

Members Present

Tod Lindholm  
Sheila Knudsen  
James S. Prentice, Chairman  
Cindy Olson

Others Present

Cynthia Barrow, Secretary  
Mikie Rath  
Jim Newgard  
Sharon Butcher

Members Not Present

Rod Hayslett

Courtney & Associates

Cal Courtney

Mr. Prentice, Chairman, called the meeting to order at 3:42 p.m. The Agenda (Attachment I) is made a part of these minutes.

The Chairman recognized Jim Newgard who provided an update on his search for an investment advisor to the Committee. [REDACTED] Mr. Newgard informed the Committee that State Street, who provides similar, advice for Polaroid and Lucent Technologies were interested in providing advisory services to the Committee. Mr. Prentice revisited with the members the reasons for the need for the advisor being that of assisting the Committee with information as it relates to protection of participant investments in Enron Corp. Stock. A discussion ensued and it was agreed that Mr. Newgard would move forward with State Street as an advisor with no power to buy or sell. Mr. Newgard stated that he would work to finalize the arrangement with State Street by the end of the week. At this point Mr. Newgard was excused from the meeting.

The Chairman recognized Sharon Butcher who provided a summary of the known suits against Enron. Mr. Courtney requested assistance from Ms. Butcher in obtaining copies of any suits potentially related to the plans.

The Chairman then recognized Cynthia Barrow, who presented a draft summary of events leading to the change in recordkeeper. The timeline presented was reviewed with the Committee and Ms. Barrow was asked to finalize the summary and make it a part of the minutes.

The Chairman then recognized Chris Rahaim, who briefed the Committee on the request by the DOL for an audit in late January of the Qualified Retirement Plans. Chris shared with the Committee the DOL's reasons for the audit, which are related to orders from the National Office of all companies engaged in Mergers.

The Chairman then asked the Members if they had any corrections to the November 6 and 13<sup>th</sup> minutes. Sheila Knudsen brought to the Members attention that the date on the November 6<sup>th</sup> minutes was incorrect and requested that this be corrected for the record. There being no other changes, Tod Lindholm motioned for the correction and acceptance of the November 6<sup>th</sup> minutes and Cindy Olson seconded the motion. The motion was passed and the minutes approved by the remaining members. Sheila Knudsen then motioned for the approved of the November 13<sup>th</sup> minutes, which were seconded by Tod Lindholm and approved by all.

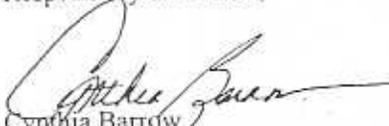
35

EC 000001884

Page 2  
Administrative Committee Meeting  
November 20, 2001

There being no further business, the meeting was adjourned at 4:55 pm.

Respectfully submitted,



Cynthia Barrow  
Committee Secretary

EC 000001885

36

Enron Corp. Cash Balance Plan  
Enron Corp. Savings Plan  
Enron Corp. Employee Stock Ownership Plan  
November 27, 2001

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Minutes of the meeting of the Administrative Committee held pursuant to notice in EB8C2.

Members Present

Jim Prentice, Chairman  
Cindy Olson  
Sheila Knudsen

Others Present

Cynthia Barrow, Secretary  
Jim Newgard  
Mikie Rath  
Chris Rahaim  
Sharon Butcher  
Cal Courtney

Members Not Present

Rod Hayslett  
Tod Lindholm

Mr. Prentice, Chairman, called the meeting to order at 2:40 pm. The Agenda (Attachment I) is made a part of these minutes.

Ms. Knudsen asked that corrections be made to the minutes from November 20 related to the conference room number and a typographical error. The minutes from the meeting held November 20, 2001 were approved with corrections requested.

The Chairman requested that meetings be held on a weekly basis until lawsuit issues are resolved. The Chairman then recognized Jim Newgard who discussed Investment Advisors. Mr. Newgard informed the Committee that he has just received a copy of the State Street consulting agreement and has sent it to Cal Courtney for review today. Mr. Newgard stated that he would try to finalize the agreement by the end of the week. State Street will provide advice going forward but will not be granted decision-making authority. Nicholas Applegate is willing to provide advice on an informal basis. Mr. Newgard reported that Nicholas Applegate said they would not sell but would hold because all the bad news was out. The issue is whether the Company can restore investor confidence.

Mr. Prentice then recognized Sharon Butcher who reported on the pending lawsuits. Ms. Butcher reported that there were currently 51 lawsuits, three of which have ERISA claims that have been served. One lawsuit specifically names the Administrative Committee; one Enron Corp and Northern Trust; and one names Enron Corp and the Board. Ms. Butcher stated that she has heard that there is a fourth. Mr. Courtney will review the lawsuits and requested information on how they were served. Ms. Butcher described the process that all suits must be served through a process server.

37

EC 000001880

The Chairman then recognized Cynthia Barrow who updated the Committee on proposed plan design changes. Ms. Barrow explained to the Committee that amendments were drafted, but not presented to the Board as of the meeting. The proposed changes were for the Cash Balance plan to be amended to stop accruals; the Savings Plan to be amended to stop the Company matching contributions and allow diversification of company matching contributions for participants under age 50. The final company matching contributions be made to the Fidelity Freedom 2000 fund in cash rather than the Company Stock Fund.

The Chairman recognized Mikie Rath who asked the Committee to consider blocking contributions into the Stock fund. Mr. Courtney stated that it was premature to make a decision prior to hiring State Street. Mr. Prentice stated that the Committee should focus on those items that employees do not have control over. The Committee requested that Ms. Rath provide an update for each meeting on the number of transfers and the number of shares held in order to track changes weekly. Ms. Rath stated that she would do this if at all possible, but due to current workload this may not be feasible for each weekly meeting. The Chairman requested that she make every effort to meet the request.

The Chairman recognized Chris Rahaim who updated the Committee on the Department of Labor (DOL) audit. Mr. Rahaim stated that on January 28<sup>th</sup>, the DOL is bringing three auditors who will be focused on the Savings Plan. The auditors will provide a document list and informed Mr. Rahaim that they are auditing all companies involved in mergers.

The next Special Qualified Administrative Committee meeting is to be held December 4, 2001 in EB8C2.

There being no further business, the meeting was adjourned at 3:40 pm.

Respectfully submitted,

Cynthia Barrow  
Committee Secretary

EC 000001881



Interoffice  
Memorandum

To: Administrative Committee  
From: Cynthia Barrow  
Subject: Administrative Committee Agenda

Department: Committee Secretary

Date: November 27, 2001

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**AGENDA**

**Tuesday, November 27, 2001  
2:30 – 3:30PM  
EB8C2**

- Discuss Investment Advisors (Jim Newgard)
- Investment Fund Decision (Mikie Rath)
- Update on Department of Labor Audit (Chris Rahaim)
- Next Meeting Date:

	<u>Time</u>	<u>Location</u>
Thursday, December 13 <sup>th</sup> (Qtrly Mtg)	3:00-4:30PM	EB49C4

Administrative Committee

Rod Hayslett  
Sheila Knudsen  
Tod Lindholm  
Cindy Olson  
James Prentice, Chairman

cc: Jim Newgard  
Mikie Rath

EC 000001882

Potential Plan design considerations:

Freeze future accruals of the pension plan

Stop future 401(k) match

Remove diversification rule of Company Match

Consideration for Committee:

Stop future investments in Enron Stock Fund.

(X)  
Enron Corp. Cash Balance Plan  
Enron Corp. Savings Plan  
Enron Corp. Employee Stock Ownership Plan  
November 28, 2001

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Minutes of a special meeting of the Administrative Committee held pursuant to notice in EB30C1.

Members Present

Jim Prentice, Chairman  
Cindy Olson  
Sheila Knudsen

Others Present

Cynthia Barrow, Secretary  
Sharon Butcher  
Mikie Rath  
Cal Courtney

Members Not Present

Rod Hayslett  
Tod Lindholm

Mr. Prentice, Chairman, called the meeting to order at 3:10 pm. There being no Agenda, there is no attachment as part of these minutes.

The Committee held a general discussion on the announcement of Dynegy calling off the merger and the drop of Enron stock to \$.63 as of last look.

Chairman then recognized Sharon Butcher who reported on her staff meeting held at 11:00am and outlined the various filings under bankruptcy protection. Ms. Butcher explained the difference between a Chapter 11 filing where the Company continues to do business and look at assets to determine which can be sold versus Chapter 7 where a Trustee is appointed by the Bankruptcy Court to handle the liquidation.

Mr. Prentice asked if the Committee was of the opinion that no effort should be made to liquidate all remaining shares in the ESOP or Savings Plan without the guidance of an investment advisor. Cindy Olson and Sheila Knudsen agreed. It was agreed that efforts should continue to be made for an investment advisor.

Mr. Prentice then recognized Cal Courtney who discussed the State Street agreement presented. State Street needs two weeks to review the documents and wanted a nine month contractual agreement. [REDACTED] Mr. Courtney stated that he and Jim Newgard have been trying to get in touch with State Street to discuss to no avail.

Mr. Prentice then recognized Cynthia Barrow who updated the Committee on the plan amendments that were presented to the Board this morning. Greg Whalley had not been briefed on the changes before the meeting so the amendments will be presented again tonight to eliminate the Company Match, make the November 30 Company Match in cash, and remove the diversification age restriction on Company Contributions. The Cash Balance was not presented for amendment.

EC 000001886

41

Ms. Barrow also explained that Wilmington Trust had asked Enron to reconsider the liquidity levels due to the volume of shares being liquidated on a daily basis. Due to the volume and liquidity issues, Wilmington has moved to share accounting. After some discussion, it was agreed to keep the liquidity levels in place and continue T+3 (trade date plus 3 settlement days) as required due to liquidity issues. The Committee was informed that participants were being notified through the Savings Plan website and voice response system.

The Chairman recognized Chris Rahaim who updated the Committee on the Department of Labor (DOL) audit. Mr. Rahaim stated that the DOL has accelerated the audit date to December 10.

Sharon Butcher updated the Committee on a discussion with Paula Rieker regarding the pending litigation with respect to the former members of the Committee. When the litigation is being discussed by the Committee, she asked that a process be setup to have former members of the Committee present during discussions of litigation strategy. Ms. Barrow was asked to furnish Mr. Courtney with a listing of all former members.

Mr. Prentice stated that the Committee does not need to meet daily but will continue to hold weekly meetings and special meetings will be held as needed. Ms. Barrow informed the Chairman of the potential need to have Chris Rahaim, Director of Benefits to periodically act as Secretary for the Committee due to workload in the department. Ms. Barrow explained that the department's staff was severely strained due to the effects of the bankruptcy announcements.

Mr. Prentice then recognized Cal Courtney to discuss the pending lawsuits. Mr. Courtney received a call from the Washington, D.C. lawyer who wants a listing of all Committee members from 1995 forward. Karen Oshman, the attorney from Sussman Godfrey, LLP, representing Enron in the ERISA lawsuits has agreed to waive service. Mr. Courtney recommended that the Committee agree to waive service because it provides for an additional 30 days to respond. The Committee agreed to waive service and provide the names of the Committee members. Mr. Courtney agrees to represent the Committee not individual attorneys.

The next Special Qualified Administrative Committee meeting is to be held December 4, 2001 in EB8C2.

There being no further business, the meeting was adjourned at 3:40 pm.

Respectfully submitted,

Cynthia Barrow  
Committee Secretary

42  
EC 000001887

Enron Corp. Cash Balance Plan  
Enron Corp. Savings Plan  
Enron Corp. Employee Stock Ownership Plan  
December 4, 2001

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Minutes of a special meeting of the Administrative Committee held pursuant to notice in EB30C1.

Members Present

Jim Prentice, Chairman  
Cindy Olson

Others Present

Cynthia Barrow, Secretary  
Sharon Butcher  
Mikie Rath  
Cal Courtney

Members Not Present

Sheila Knudsen  
Rod Hayslett  
Tod Lindholm

Mr. Prentice, Chairman, called the meeting to order at 9:35am. There being no agenda, there is no attachment as part of these minutes.

The Committee held a general discussion on the current state of Enron after the bankruptcy filing and receipt of First Day Order. Ms. Rath updated the Committee that Towers Perrin shut off the internet and voice response access to the pension system on Monday morning as part of their normal course of business due to the bankruptcy filing. Service will be restored upon receipt of the First Day Order.

The Chairman then signed the engagement letter for Courtney & Associates to represent the Committee. The letter was presented to Cal Courtney for signature and is attached as part of the minutes.

The Chairman expressed concern regarding the lack of members in attendance. It was noted that Ms. Knudsen may have been terminated during the recent layoff and that Mr. Lindholm was on leave. Mr. Prentice directed Cynthia Barrow to prepare a letter to Ken Lay apprising him of the shortage of Administrative Committee members, as currently there are not enough members. The Administrative Committee could consist of five members if all were available for every meeting. Seven people would be better and allow for some members to be absent as required for other duties. Ms. Barrow was directed to obtain a list of the remaining Vice Presidents and Senior Management staff so that a recommendation of potential members could be presented to Mr. Lay.

The Chairman recognized Sharon Butcher who reported that there were no new lawsuits filed against the Plans and only two against the Committee. Ms. Tittle has amended her lawsuit asking for an injunction against any waiver of rights to sue under ERISA as part of a severance agreement.

EC 000001888

The Chairman recognized Cal Courtney. Mr. Courtney asked the Committee if it was possible for him to engage a bankruptcy lawyer to assist him in the litigation. He stressed that the Committee must have separate law firms to help with procedural matters. Mr. Prentice approved Mr. Courtney's request. Mr. Courtney asked for a copy of the bankruptcy filing and the stay order.

Mr. Courtney then reviewed the search for outside guidance on an investment advisor. State Street suggested in the Washington, D.C. area who has expertise in advising plans. [REDACTED] is willing to evaluate and advise on whether to hold or sell stock. [REDACTED] The Chairman requested an estimate of the costs. There was a discussion on the impact of charging the Plan to the value of the Enron stock. The Committee will determine whether it should be spending money from plan assets on an Enron Stock advisor since mutual fund fees are reflected in earnings on other funds but rebates from those funds are returned to the plan to offset expenses.

Ms. Butcher will check on what is covered under the fiduciary policy and exactly what expenses are chargeable to the insurance policy.

Mr. Prentice asked Mr. Courtney whether the Committee could liquidate the shares without an amendment to the plan. Mr. Courtney explained that the Committee could vote to liquidate shares in the plan without plan amendments.

Mr. Courtney stated that he had a conversation with Pat Mackin on 404 (c). A separate meeting will be held to discuss 404(c).

The next Qualified Administrative Committee meeting is to be held December 11, 2001.

There being no further business, the meeting was adjourned at 11:00am.

Respectfully submitted,

Cynthia Barrow  
Committee Secretary

44  
EC 000001889

417

Enron Corp. Cash Balance Plan  
Enron Corp. Savings Plan  
Enron Corp. Employee Stock Ownership Plan  
December 5, 2001

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Minutes of a special meeting of the Administrative Committee held pursuant to notice *via* teleconference.

Members Present

Jim Prentice, Chairman  
Cindy Olson  
Sheila Knudsen

Others Present

Chris Rahaim, Secretary (*Acting*)  
Sharon Butcher  
Cal Courtney

Members Not Present

Rod Hayslett  
Tod Lindholm

Mr. Prentice, Chairman, called the meeting to order at 3:10 pm. There being no agenda, there is no attachment as part of these minutes.

The Chairman recognized that Chris Rahaim could act as Secretary.

The Committee held a general discussion on the current state securing an investment advisor. State Street informed the Committee that they would not be interested in an engagement. [REDACTED] State Street did provide a reference for [REDACTED] who would be interested in the role. Mr. Courtney, at the request of the Chairman, engaged in conversations with [REDACTED] and an initial review of the Enron Stock Fund would be approximately [REDACTED]

The Chairman recognized Mr. Courtney who provided an update on Enron Stock being delisted and the implications of such action. Mr. Courtney also updated the committee on his research on the appropriateness of his retention of a bankruptcy attorney to assist in representation. Mr. Courtney is researching the appropriateness of legal fees being paid by the company or the Plan.

The Committee held a general discussion of engaging [REDACTED]. The decision made was that it would be prudent, at this time, to have the Enron Stock Fund professionally and externally evaluated by an independent group. Moreover, the engagement letter and subsequent contract will [REDACTED]. The Chairman requested the Benefits Department to seek payment for these services from Enron Corp.

A motion was made by Ms. Olson to engage and retain [REDACTED] effective immediately. The motion was seconded by Ms. Knudsen and unanimously approved by the Committee. [REDACTED]

[REDACTED]

EC 00001893

WS

Mr. Courtney requested that the next agenda reflect an item for discussion of litigation strategy.

The next Special Qualified Administrative Committee meeting is to be held December 11, 2001 via teleconference.

There being no further business, the meeting was adjourned at 3:40 pm.

Respectfully submitted,

Chris Rahaim  
Committee Secretary (*Acting*)