V. MATERIALS PROVIDED TO ENRON BY OUTSIDE CONSULTANTS REGARDING EXECUTIVE COMPENSATION

AUTHENTICATED
U.S. GOVERNMENT
INFORMATION
GPO

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Towers Perrin

PRIVATE & CONFIDENTIAL

December 3, 2001

Dr. Charles A. LeMaistre
Chairman, Enron Compensation Committee
Enron Corp.
7 Bristol Green
San Antonio, TX 78209

Dear Dr. LeMaistre:

As requested by Enron's Compensation Committee, Tower Perrin has prepared this letter providing our opinion regarding the competitiveness of the executive compensation programs at Enron Corp. Our comments about pay competitiveness relates to organizations that are going concerns, without any adjustments for a company's financial condition. The remainder of this letter provides a discussion of Enron's pay philosophy, the methodology used to assess pay competitiveness, and the competitiveness of specific executive compensation programs.

Pay Philosophy

Enron's executive pay philosophy has been to target approximately the market median (50th percentile) for base salaries, the 75th percentile for total cash (i.e., base plus bonus), and the 75th percentile for long-term incentives. However, actual bonus payments and long-term incentive awards are to vary based on performance.

Market Pay Assessment Methodology

Enron has for years collected marketplace compensation data for as many of its jobs as possible. Towers Perrin's involvement in this process has varied over time, ranging from actually developing market compensation rates for hundreds of jobs to opining on the overall methodology used by Enron's executive compensation staff. Towers Perrin has also reviewed the individual market pay rate and recommendations developed by Enron Executive Compensation staff for the Management Committee. However, the Compensation Committee has consistently relied on Towers Perrin for market pay data for the CEO and at least two other senior officer positions each year.

In Towers Perrin's experience, the appropriate market data to be used depends on the size of the company (most often measured by revenues, as shown in most reputable executive pay surveys) and industry affiliation (for certain commercial jobs). In our opinion, the data sources relied upon by Enron for developing executive and commercial market compensation rates are widely accepted and utilized surveys, such as those produced by Towers Perrin, Hewitt, and McLagan Partners.

As alluded to above, company size, as measured by revenues, is an important factor in determining market pay competitiveness. Traditionally, Enron, like most of its energy industry competitors, considered the Company's full revenues in assessing its size for market pay determination purposes. However, with increased trading volumes and volatility, the Company's 2001 actual and 2002 expected revenues escalated dramatically. For example, 2000 actual revenues were about $100 billion and 2001 expected revenues (until the turmoil experienced in the last quarter) were estimated at about $200 million. Because these revenue growth rates were so unpresidented and because the Company's size had not increased as dramatically using other measures (such as assets, employees), the Compensation Committee agreed to moderate the revenue growth impact on compensation decision-making for 2000 and 2001. For 2000, budgeted revenues of $56 billion (versus actual revenues of about $100 billion) were used to determine company size. For 2001, the recommended methodology was to use revenues equal to the revenues of companies with market capitalization equal to roughly 50% to 200% of Enron's market cap for a trailing 6 month period. This methodology produced net adjusted revenue of $45 billion for Enron to use as of August of this year.

Please note that most of Enron's energy industry peer companies still use total gross revenues to determine their size for executive pay purposes. Consequently, the methodology used by Enron in 2000 and 2001 was conservative.

Competitiveness of Enron Pay Programs

While Towers Perrin and Enron's executive compensation staff have worked together in assessing the competitiveness of executive pay at Enron over time, a comprehensive analysis examining the relationship between pay and performance was conducted in April 2001. This "stress test" analysis (which was requested by the Compensation Committee) included:

- Interviews with senior management and members of the Board on the perceived effectiveness of Enron's executive pay programs;

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- A competitive compensation analysis for 60 key executive positions;
- A review of the in-the-money value of equity-based pay;
- An analysis of expected total direct pay at various share prices; and
- An assessment of potential stock overhang under various projected share price levels.

As part of this analysis, Enron's performance was compared to selected investment banking and energy industry peer companies for 1998 to 2000. A copy of this analysis is shown in Attachment A. As shown, Enron's performance on ROE and TSR was typically above the median and was often around the 75th percentile compared to its energy industry peers. On a market cap basis, Enron was larger than all of the energy and investment banking companies analyzed, except Morgan Stanley Dean Witter.

The competitive pay assessment showed that Enron's base salaries were 91% of the market median (using the $56 billion sales figure regression analysis previously sited) and that total pay levels for 2000 (including base, bonus, and the expected value of long-term incentives) was 113% of 75th percentile. Towers Perrin believes an organization's pay levels are competitive if they fall within 90% to 110% of a market reference point. Therefore, we concluded that Enron's total direct pay levels for the executives in the study were slightly above the 75th percentile, based on the Compensation Committee's judgement regarding company performance.

Annual Incentive Pay Structure

Until the year 2000, Enron funded bonus pools for each business unit and corporate staff based on market levels of incentive funding by business line (e.g., trading versus asset business). In 2000, senior management expressed concern that this bonus funding structure discouraged key commercial employees from leaving profitable units to take critical positions in less profitable units (since funding was based on a percentage of net income for each unit).

To address this concern, Towers Perrin recommended (and the Compensation Committee adopted) a new bonus funding scheme under which bonuses throughout the Company would be funded at the equivalent of 16% of corporate earnings before interest and taxes (EBIT). (This recommendation was revised at management's request to be expressed as about 24.5% of recurring net income so that taxes and

interest expenses would impact the calculation, assuming a 35% tax rate). Individual employee bonus allocations from the pool were then to be made using discretion, but considering the value of the individual's position using market data and individual performance.

In Towers Perrin's experience, this annual incentive plan design is consistent with market 75th percentile practices for energy trading and marketing entities.

Long-Term Incentive Plan Design

Enron's long-term incentive plan consists of two parts: stock options and performance accelerated restricted stock (TARSAP). Under this program, 50% of the expected value of long-term incentives is delivered using each vehicle.

Enron is consistent with market practice in using stock options. According to Towers Perrin's 2001 Long-Term Incentive Plan Survey, 89% of companies use stock options.

The Company's use of restricted stock is somewhat less common. Towers Perrin's survey data show that 20% of companies use restricted stock. Prior to 1999, the Company used a combination of stock options and a long-term performance plan. However, the Company began experiencing retention problems in 1998/99 that led to the need to provide retention incentives. The restricted stock element of this program was intended to meet this objective. However, Enron's restricted stock plan provides for awards to cliff vest 4 years after the date of grant, with vesting to be accelerated if certain performance levels are achieved relative to the S&P 500 index. This plan feature increases the performance sensitivity of the restricted stock element of the plan while at the same time aiding in employee retention.

Other Pay Actions

This fall, Enron experienced a sudden and unexpected decline in its share price and investor confidence. Because the Company has relied significantly on stock-based pay and cash incentive pay to attract and retain employees, this turn of fortunes resulted in significant concerns about how to hold the Company together during this time of turbulence.

Enron then entered into a merger agreement with Dynegy. Because compensation issues during an expected merger are unique, Towers Perrin prepared the November 14, 2001 letter (Attachment B) to help guide Enron's Compensation Committee in its decision-making. This letter recommended that the Committee

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provide fully competitive 2001 bonuses for key commercial employees (based on their performance and market values), since their talent is significantly in demand in the market and since Enron's ultimate value to shareholders would depend on keeping key talent in this area. Based on these facts and market pressures, the Compensation Committee established a 2001 annual bonus pool of $50 million to be paid to up to 100 key commercial employees in Enron Americas. This funding equals about 2.5% of Enron Americas' (its most important commercial unit) ~~EBIT,~~ which is dramatically less than market median funding of 15% of EBIT for energy trading units.

Following Dynegy's withdrawal from the merger agreement, Enron then faced the issue of retention of critical non-commercial staff. Enron's Compensation Committee chose to establish a 2001 bonus pool for this group of about $54 million. This plan excluded any payments to 16(b) officers and contains a requirement that any recipient who voluntarily terminates employment prior to 90 days after receipt of payment must pay back 125% of the award.

This bonus plan was approved for 528 individuals (out of an employee population of 20,000) who are considered critical to the Company's ability to function. In essence, the plan pays awards equal to about 90% of prior year bonuses (on average) in order to retain key staff not covered by the Enron Americas plan cited above. As shown in Attachment B, 45% of surveyed companies report using stay bonuses. The Enron bonus payments to these critical employees were structured to be a form of stay bonus, since the payouts contain a claw-back feature and a premium repayment to the Company of 25% in the event of voluntary termination.

★ ★ ★ ★ ★

I hope this letter meets Enron's needs. Please call me with any questions.

Sincerely,

CEE:mhm

cc: Ms. Mary Joyce
Mr. John Duncan

EC2 000028645

Table I

Enron Corp.
Financial Analysis
Selected Financial Measures for Enron and Selected Peer Companies

Company	Calendar Year End 2000 Market Capitalization ($Millions)	Total Shareholder Return (as of the end of 2000) 1-Year (%)	3-Year (%)	5-Year (%)	Return on Equity 2000 (%)	1999 (%)	1998 (%)	Current PE Ratio* (Ratio)	Share Price Used to Calculate PE Ratio	Earnings Per Share
Investment Banking Peers										
MORGAN STANLEY DEAN WITTER	$87,761	12%	40%	47%	29%	29%	25%	13	$57.40	$4.42
MERRILL LYNCH & CO	$55,024	65%	25%	42%	21%	21%	13%	16	$60.55	$4.04
GOLDMAN SACHS GROUP INC	$51,702	14%	N/A	N/A	19%	27%	38%	16	$91.78	$5.74
LEHMAN BROTHERS HOLDINGS INC	$16,986	60%	39%	46%	24%	19%	14%	11	$68.23	$6.02
BEAR STEARNS COMPANIES INC	$5,624	20%	7%	27%	15%	15%	16%	11	$48.49	$4.41
25th Percentile:	$15,986	14%	20%	38%	19%	19%	14%	11	$57.40	$4.41
Median:	$51,702	20%	32%	44%	21%	21%	16%	13	$60.55	$4.42
75th Percentile:	$55,024	60%	39%	46%	24%	27%	25%	15	$86.23	$5.74
Energy Industry Peers										
DUKE ENERGY CORP	$31,457	76%	20%	17%	17%	9%	15%	18	$42.51	$2.36
DYNEGY INC	$17,473	220%	66%	56%	13%	12%	10%	36	$53.15	$1.48
EL PASO CORP	$16,736	88%	32%	41%	16%	-8%	11%	28	$67.77	$2.42
RELIANT ENERGY INC	$12,762	99%	24%	19%	14%	31%	-3%	31	$47.00	$1.52
UTILICORP UNITED INC	$2,890	69%	12%	16%	11%	11%	9%	15	$33.89	$2.26
25th Percentile:	$12,762	76%	20%	17%	13%	9%	9%	18	$42.51	$1.82
Median:	$16,736	88%	24%	19%	14%	11%	10%	28	$47.00	$2.26
75th Percentile:	$17,473	99%	32%	41%	16%	12%	11%	31	$53.15	$2.36
ENRON CORP **	$65,344	88%	62%	26%	12%	12%	11%	53	$59.44	$1.12

* P/E ratio taken from April 17, 2001 Wall Street Journal and is calculated by dividing the closing market price by the Company's diluted per-share earnings, as available, for the most recent four quarters. Charges and other adjustments usually are excluded when they qualify as extraordinary items under generally accepted accounting rules.

** Data presented for Enron developed by Enron staff.

Source: Standard & Poor's Compustat Database

EC2 000028646

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Attachment B

November 14, 2001

Dr. Charles A. LeMaistre
Chairman, Enron Compensation Committee
Enron Corp.
7 Bristol Green
San Antonio, TX 78209

Dear Dr. LeMaistre:

As requested by Enron, Towers Perrin has prepared this letter addressing potential strategies Enron may want to consider in dealing with 2001 bonus allocations and possible ways to retain key employees during the period before the merger with Dynegy is completed. We have also outlined our understanding of how Enron's Compensation Committee is impacted by the announced merger.

Special Merger-Related Decision-Making Considerations

Before discussing specific compensation strategies, we want to remind the Compensation Committee about the extra importance of its decisions in light of the Company's "in-play" status and other pending litigation. We believe it is critical that the Compensation Committee understand how the announced merger needs to impact is decision-making. This input reflects our extensive experience as compensation consultants and advisors to Enron and its board, but should not be taken as legal advice. **TOWERS PERRIN DOES NOT ENGAGE IN THE PRACTICE OF LAW, SO THE COMPANY SHOULD SEEK LEGAL COUNSEL'S OPINION ON THESE ISSUES.**

Also note that lawyers and courts do not always interpret these matters in exactly the same way. What we're outlining here reflects what we have seen as mainstream interpretations of law firms with which we deal.

Under most circumstances, Compensation Committee actions are governed by the Business Judgment Rule. Under this rule, Compensation Committee (and full Board) decisions are not to be second-guessed if good processes have been used in making decisions, even if the impact of the decisions turn out to be unfavorable. A helpful

condition for demonstrating sound business judgment is the use of reputable professional experts (such as compensation consultants in the case of making compensation decisions).

However, once a company is "in play" a higher standard of decision-making may apply. Many legal experts believe the burden of proof that the decisions taken by a Board of Directors are reasonable shifts to a higher standard. This standard, in essence, is that decisions made must be directly in the shareholders' interest. Consequently, actions taken by a Compensation Committee during this period are scrutinized much more closely and documentation of the reasons for decisions taken is critical. At such a time, company should not be making significant increases in pay or other program changes unless it can substantiate a compelling business rationale for doing so. Otherwise, charges of Corporate Waste or other breach of fiduciary duty could be levied.

Enron Compensation Issues

Enron faces a variety of critical compensation issues in light of the announced merger with Dynegy. In our opinion, it is critical that these decisions be made recognizing the following facts:

- Enron's financial performance for the year (as measured by recurring net income) is likely to be good. However, its stock price has dropped dramatically.

- Enron's greatest value is in its core trading, other commercial and pipeline businesses. With respect to the trading and other commercial businesses, the value imbedded in the business resides largely in the intellectual capital of the employees. Therefore, it is critical that key people associated with these businesses be retained in order for the Company pre- and post-merger to have value to shareholders. This is particularly true of key commercial people who, in our opinion, can find other job opportunities with equivalent pay opportunities instantly.

To deal with these concerns, Towers Perrin has developed some suggested parameters for Enron to consider in making 2001 compensation decisions. We will address possible 2002 compensation structure issues at a later date.

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Suggested 2001 Compensation Decision Parameters

Given the announced merger, Enron's financial performance, Enron's stock price performance, and the fact that Enron's commercial talent has highly portable skills, Towers Perrin suggests that Enron make its 2001 compensation decisions within the following parameters:

- *Equity Compensation* – In most companies, immediate vesting of equity compensation takes place upon a change-in-control. In Enron's case, the equity plans only accelerate vesting in the event of a hostile takeover. (It is our understanding that the Dynegy merger does not represent a hostile takeover.)

  This lack of vesting complicates matters for Dynegy following the merger. Specifically, Dynegy's stock overhang (i.e., the percentage of shares reserved for stock-based pay) is about 10% while Enron's overhang is about 15%. With no acceleration of vesting (which is typically coupled with a requirement that options be exercised or cancelled within 3 months of the change-in-control), Dynegy will inherit Enron's overhang. What is more, this overhang may exist for years since Enron's stock options are deeply underwater. (However, this overhang problem may decline if there are significant employee terminations.)

  In addition, since most companies accelerate vesting of equity incentives in the event of a change-in-control, there is little precedence for making any new equity grants to the acquired company's employees once a merger is announced.

  Given these issues, Towers Perrin recommends that Enron generally not make additional equity grants to its employees. The one exception to this rule is in the case of employees who have equity award guarantees within their employment agreements. In this case, Enron may want to buy-out the equity award portion of the contract with deferred cash payouts over the next year. However, unless contract employees agree to a buyout, we believe Enron must honor its contracts.

- *2001 Annual Incentives* – Enron's annual incentive plan is funded with up to 24.5% of recurring after-tax net income. This funding level was established based on market 75th percentile norms of 16% of EBIT for energy trading and marketing organizations, converted to a percentage of after-tax net income using an assumed tax rate of 35%. Enron then allocates bonuses to individuals based on targeting market 75th percentile bonus awards for comparable positions, adjusted

for performance.

Towers Perrin understands that Enron expects to have a 2001 bonus pool of about $280 million for 2001 performance. (Note: We believe this figure is based on recurring net income levels and does not reflect restatements of earnings or write-downs. The Committee clearly should consider the impact of these one-time events on the size of the bonus pool.) While we understand that the merger agreement with Dynegy allows Enron's Compensation Committee to make 2001 bonus (and other pay) decisions, we recommend that the following parameters be considered in the bonus allocation process:

- The CEO and other key corporate officers named in the proxy and/or directly involved in the ongoing SEC investigation should receive no bonus for the year. This recommendation is based on the dramatic decline in Enron's share price and the fact that questions exist regarding the actions (or inactions) of these officers that led to the market decline.

- Key commercial (e.g., trading) and pipeline employees who have contributed to Enron's profitability and who are key to its ongoing success should be receiving bonuses fully commensurate with their market value and performance.

- Certain officers (including those who may have recently become proxy-named executives) who have been, and continue to be, critical to the past and future success of the core pipeline and commercial business should receive bonuses based on their market value and performance, but adjusted in the case of newly-named proxy officers to reflect the time spent in commercial roles.

- Other key staff support people (e.g., IT, Accounting, Risk Control) who played a critical role in Enron's 2001 success and who are critical to maintaining the current systems required to run the company should receive competitive bonuses, adjusted to reflect their performance.

In considering the timing of bonus payouts, Enron should note that most companies pay the full bonus with no mandatory deferrals based upon audited financial results (e.g., late February or early March of the year following the performance period). The one notable exception to this practice exists within energy trading and marketing units. Approximately 60% of the major energy trading and marketing groups defer a

portion of trader/originator bonuses in excess of some threshold amount over a 2-year period. A conservative model for this deferral would be to defer 50% of any bonus over $1 million over two years, with one-half of this amount payable one year after the initial payout and the remainder payable two years after the initial payout. This deferral feature is intended to help retain key trading talent. We recommend that Enron consider deferring a portion of its 2001 commercial employee bonuses for at least a one to two year period to aid in retaining key talent, which should aid in employee retention. However, we recognize that the Company will need to handle this issue with great care, since it has not deferred these bonus payouts in the past and since its best commercial employees have tremendous market opportunities.

Finally, to help Enron in making bonus allocations to key commercial talent, please note that while the data contained in Towers Perrin's 2001 Energy Trading and Marketing Survey provides a good starting point for determining competitive bonus levels, market practice varies widely based on performance. Specifically, the survey shows statistics based on the average pay rates reported by a company for all employees in a given position. Therefore, intra-company pay differences among employees in a given job are not shown.

While Towers Perrin has not conducted a formal survey of individual incumbent pay levels among energy trading and marketing units, we know from our consulting experience that many individuals who are not corporate officers received annual bonuses in excess of $1 million in 2001 for 2000 performance. We also were told by one company that they paid a bonus of about $10 million to their leading trader, and that a small number of traders received bonuses of $5 million to $9 million. We are not providing this information to recommend any specific pay actions for Enron, but to simply give you the information you need to compete in today's commercial market.

Other Retention Issues

Given that most of Enron's businesses are based largely on the intellectual capital of its people, retention of key talent is critical in order to ensure that shareholder value is maximized in the merged entity. Since the merger will impact both Enron and Dynegy employees (and since Dynegy has infused significant capital into Enron), we believe that any significant retention strategies should be discussed jointly between Enron and Dynegy.

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Nevertheless, Towers Perrin believes Enron faces some immediate and significant retention issues as a result of having no current positive spread in its stock options, the fact that many of its best employees are questioning whether they will be paid for their contributions in 2001 or 2002, and the Company's history of relying heavily on stock-based pay. We believe Enron and Dynegy need to move quickly to address the retention of key employees that will be needed during the merger transition period and beyond.

The traditional tools used to retain employees are restricted stock grants, contracts and/or change-in-control agreements, and stay bonuses. Enron has already used restricted stock to provide 50% of the expected value of long-term incentives in recent years. However, while this stock has some retention value, this value has been vastly diminished as a result of Enron's stock price decline. Enron also has hundreds of employment agreements that provide severance pay and contain non-compete clauses, which should help with retention, as well.

However, we believe these devices alone will not likely hold all of the employees Enron needs to continue operating and to provide value to shareholders in the newly merged company. To effectively retain key employees, we believe Enron and Dynegy need to work together quickly to:

- Identify critical functions and people that need to be retained until the merger is closed and after closing;
- Determine (based on current pay and market opportunities) the magnitude of the handcuffs required to lock in key staff, considering the value of existing employment contracts and unvested restricted stock; and
- Consider establishing a stay bonus plan for critical employees who do not have sufficient retention hooks through existing devices.

In evaluating the need for a stay bonus plan, Enron should note that the 2nd Annual Retention Bonus Survey conducted by WorldatWork showed that 45% of 550 companies adopted retention bonus programs in the last year and that eligibility was extended to key employees in technical, professional, and management positions. While the data from this survey show a wide range of practices in terms of the size of awards, Towers Perrin believes that awards would need to be in the following ranges

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to have meaning to Enron employees (given historical pay practices and market conditions).

Employee Group/Level	Potential Stay Bonus as % of Base Pay
Executives/Key Commercial	100% to 200%
Key Technical	50% to 100%
Key Staff Support	20% to 40%

These payout ranges assume the retention period is one year, so the numbers would need to be reduced for a shorter retention period on a pro-rata basis. Also, the value of any employment contracts should be netted out against the value of stay bonuses. Finally, Towers Perrin believes that a properly designed 2002 annual bonus program may mitigate the need for stay bonuses to some degree. We plan to work with Enron on this issue in the coming weeks.

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Dr. LeMaistre, I hope this letter is helpful. However, Towers Perrin re-emphasizes the need to coordinate retention pay issues with Dynegy's Top Management and Board. In the overall scheme of the merger, Dynegy's plans for the core business of Enron will have a major impact on the number of key employees they will want to retain. Please call me with any questions.

Sincerely,

CEE:mhm

cc: Mary K. Joyce – Enron
John Ellerman – Towers Perrin/Dallas
Paula Todd – Towers Perrin/Stamford

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Dick Foster -

Confidential

ENRON CORP.

May

EXECUTIVE COMPENSATION STRESS TEST FINDINGS

D-141

Revised Draft Report #2

~~John Duncan~~ Norm Blake

① Very comprehensive & reassuring. Conclusions - don't overreact - Concur 100%.
Understand Exhibit 17. options 5+6.

② Function of Mkt Multi

③ Justified to have off cycle grants

④ R/S is good.

⑤ Enter your grants.

April 20, 2001

EC 002634703

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EC 002634704

Overview

- As a result of recent volatility in U.S. equity markets and in Enron's stock price, the Compensation Committee of the Board asked Towers Perrin and Enron's Executive Compensation Group to assess the impact of this volatility on Enron's ability to attract and retain key talent within a pay-for-performance philosophy.

- To this end, Towers Perrin and Enron's Executive Compensation Group have prepared this report providing an analysis of the impact of higher and lower Enron stock prices on executive pay.

- The remainder of this report provides the following information:

  — Summary of interview findings;

  — Competitive compensation analysis;

  — Review of in-the-money value of Enron long-term incentives at various share prices;

  — An analysis of expected total direct compensation levels at various share prices; and

  — An assessment of potential stock "overhang" for Enron assuming current levels of expected long-term incentive value are provided, but under various share price scenarios.

- In addition, Towers Perrin has provided a number of case studies showing how other companies have dealt with a declining stock price in terms of long-term incentive management.

D-143

EC 002634705

I. Interview Findings

EC 00263470

Interview Findings

- Towers Perrin conducted interviews with the following executives and Board members to determine the issues to be covered by this study and to determine the major business issues that may impact Enron's total executive pay program:

Executives	Board Members
— Ken Lay	— John Duncan
— Jeff Skilling	— Dr. Charles LeMaistre
— Andy Fastow	

After Jeff - call + work w/ other members before 5/1/01 meeting.

- The key interview findings are as follows:

  — While there are a number of factors that could negatively affect Enron's earnings (e.g., India, California), there is generally a sense of optimism about the Company's earnings growth potential.

  — The major concern raised is not how Enron will perform; rather, it is the multiple of earnings Wall Street will apply to the market in general and to Enron in particular.

  — Thus, the key risk to Enron's stock-based pay program producing value for participants is a potential decline in market multiples to more traditional levels. This could result in the paradox of the Company's financial performance being strong, while realized executive compensation declines.

"Too much paid for value delivered" comment → cultural residue from "old" Plans. EI, EES, ECI...

EC 002634707

Interview Findings (continued)

— Further, since Enron's stock trades at a premium multiple compared to most of its industry peers (e.g., Reliant, Dynegy, El Paso), Enron may experience greater pressure on its stock price than its competitors. This, in turn, could lead key talent to leave the Company and join a competitor that is perceived to have more upside potential. (Note: The financial analyses shown for Enron and selected energy and investment banking peer companies demonstrates that Enron's P/E multiple is extremely high.)

EC 002634708

Table I

Enron Corp.
Financial Analysis
Selected Financial Measures for Enron and Selected Peer Companies

Company	Calendar Year End 2000 Market Capitalization ($Millions)	Total Shareholder Return (as of the end of 2000) 1-Year (%)	3-Year (%)	5-Year (%)	Return on Equity 2000 (%)	1999 (%)	1998 (%)	Current PE Ratio* (Ratio)	Share Price Used to Calculate PE Ratio	Earnings Per Share
Investment Banking Peers										
MORGAN STANLEY DEAN WITTER	$87,751	12%	40%	47%	29%	29%	25%	13	$57.40	$4.42
MERRILL LYNCH & CO	$55,024	65%	25%	42%	21%	21%	13%	15	$60.55	$4.04
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25th Percentile:	**$15,986**	**14%**	**20%**	**38%**	**19%**	**19%**	**14%**	**11**	**$57.40**	**$4.41**
Median:	**$51,702**	**20%**	**32%**	**44%**	**21%**	**21%**	**18%**	**13**	**$60.55**	**$4.42**
75th Percentile:	**$55,024**	**60%**	**39%**	**46%**	**24%**	**27%**	**25%**	**15**	**$66.23**	**$5.74**
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UTILICORP UNITED INC	$2,890	69%	12%	16%	11%	11%	9%	15	$33.89	$2.26
25th Percentile:	**$12,762**	**76%**	**20%**	**17%**	**13%**	**9%**	**9%**	**18**	**$42.51**	**$1.52**
Median:	**$16,736**	**88%**	**24%**	**19%**	**14%**	**11%**	**10%**	**28**	**$47.00**	**$2.26**
75th Percentile:	**$17,473**	**99%**	**32%**	**41%**	**16%**	**12%**	**11%**	**31**	**$53.15**	**$2.36**
ENRON CORP **	**$65,344**	**88%**	**62%**	**36%**	**12%**	**12%**	**11%**	**53**	**$59.44**	**$1.12**

* P/E ratio taken from April 17, 2001 Wall Street Journal and is calculated by dividing the closing market price by the Company's diluted per-share earnings, as available, for the most recent four quarters. Charges and other adjustments usually are excluded when they qualify as extraordinary items under generally accepted accounting rules.

** Data presented for Enron developed by Enron staff.

Source: Standard & Poor's Compustat Database

EC 002634709

II. Competitive Compensation Analysis

EC 00263471O

Competitive Compensation Analysis

- Enron's Executive Compensation Group, with oversight and input provided by Towers Perrin, developed market base salary, total cash (i.e., base plus bonus), long-term incentive, and total direct compensation (i.e., the sum of base, bonus, and long-term incentives) rates for Policy Committee members, Executive Committee members, as well as other key contributors within Enron (which consistent about 60 key executive positions).

- These data are the same as those presented to the Compensation Committee in late 2000/ early 2001 and reflect the following methodology:

  — For corporate positions, data are for general industry companies with revenues of about $56 billion (regressed);

  — For business unit positions the data reflect a blend of general industry data for comparably sized businesses (as measured by revenues) and investment banking, high-tech, or other industry specific data relevant to the unit, as available.

- The long-term incentive levels shown reflect the Black-Scholes value of stock option and restricted stock awards made in 2001 to Enron employees, but are 2000 annualized long-term incentive awards in the market data.

- Also, the market data provided are consistent with Enron's compensation philosophy of targeting the 50th percentile for base salaries and the 75th percentile for total cash, long-term incentives, and total direct pay.

mkt cap / earnings / % margin / revenue / n

Plan Rev
79 B
1.5 %
1.8% margin

recommend market cap for use in job market match

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EC 002634711

Competitive Compensation Analysis (continued)

- The following exhibits summarize the findings:

Exhibit	Pay Element	Findings
Exhibit 1	Base Salaries	Enron is 91% of market median
Exhibit 2	Total Cash	Enron is 140% of market 75th percentile*
Exhibit 3	Long-Term Incentives	Enron is 97% of market 75th percentile*
Exhibit 4	Total Direct Pay	Enron is 113% of market 75th percentile*

*Excludes 9 stellar performers from the overall average, since these incumbents received extraordinary incentive awards for 2000 performance. Based on weighted average.

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EC 002634712

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III. In-The-Money Value of Enron Long-Term Incentives

EC 00263471 3

Value of All Enron Long-Term Incentives

- One of the key issues facing Enron is the extent to which the Company's current long-term incentive plan can help retain key executives if the Company experiences downward pressure on its stock price.

- To assess this issue, the following exhibits show the value of in-the-money stock options and unvested restricted stock for key executives at various share prices:

Exhibit	Share Price Scenario	Value in Millions	
		Total Unvested Value	Total Value
Exhibit 5	$40 stock price	$87	$263
Exhibit 6	$60 stock price	$226	$630
Exhibit 7	$80 stock price	$446	$1,126
Exhibit 8	$100 stock price	$758	$1,746
Exhibit 9	$120 stock price	$1,073	$2,358

10 to 1 multiple w/ 3 x's stk price

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IV. Analysis of Potential Realized Total Direct Compensation Levels at Various Share Prices

EC 00263471S

Total Direct Compensation Sensitivity Analysis

- For compensation planning and design purposes, Enron (like the vast majority of companies in the market) uses the Black-Scholes model to value stock options.

- While Towers Perrin recommends that Enron continue using this methodology, we also believe that it is useful for this stress testing exercise to look at the potential value of Enron's compensation package assuming various earnings and share price levels in terms of potential realized compensation.

- The following exhibits show the potential realized compensation for key Enron executives under various stock price and corporate net income scenarios. Please note these figures include current base salary, 2000 earned bonus (adjusted linearly to reflect the assumed changes in corporate net income shown below), and the actual in-the-money future value of stock options and restricted stock at the share price assumptions shown:

Exhibit	Assumptions		Total Estimated Realized TDC Value (in millions)
	Share Price	Net Income as % of 2000 Net Income	
Exhibit 10	$40	80%	$346
Exhibit 11	$60	90%	$721
Exhibit 12	$80	100%	$1,225
Exhibit 13	$100	115%	$1,856
Exhibit 14	$120	125%	$2,486

EC 002634716

V. Assessment of Stock Overhang Sensitivity to Share Price

EC 002634717

Stock Overhang Analysis

- One of the critical statistics tracked by institutional shareholders and shareholder services groups is stock overhang.
- Stock overhang is simply the percentage of common shares outstanding available for employee stock compensation awards or currently held by employees as stock compensation awards.
- As a point of reference, the median share overhang for Fortune 200 companies is 13.9%, according to the 1999 Equity Stake Report prepared by Pearl Meyer & Partners.
- Exhibit 15 provides a summary of projected April 1, 2002 stock overhang levels for Enron at various share price assumptions.
- The analyses in this exhibit are also based on the assumption that Enron's long-term incentives for the next year deliver the same Black-Scholes value as its 2001 grants.
- As shown, the projected overhang levels after one year vary from 15% (assuming a $40 share price) to 8.6% (assuming a $120 share price).
- This results from two primary facts:
  - A company must issue more shares of stock options or restricted stock at lower share prices to achieve a comparable level of Black-Scholes long-term incentive value; and
  - Fewer options are exercised by employees at lower share prices than at higher prices.

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Stock Overhang Analysis (continued)

- In Towers Perrin's opinion, this stock overhang issue is critical to how Enron might deal with a lower share price in its executive compensation planning, since a high level of overhang can adversely impact the Company's range of alternatives to address executive pay competitiveness.

EC 002634719

VI. Case Studies

EC 002634720

Case Studies

- This section provides a brief description of how major companies have addressed sustained stock price declines in their executive compensation plan administration.
- Exhibit 16 summarizes recent actions taken by the following companies:*
  - — Dell
  - — Lucent Technologies
  - — Microsoft
  - — Sprint
  - — Cisco Systems

* Please note that these findings were developed from published materials and executive interviews within these companies.

EC 002634721

Case Studies (continued)

- As shown in Exhibit 16, the most common approach taken by these companies has been to simply issue additional stock options to employees (at new, lower share prices). In addition, some of these companies have increased the frequency of long-term incentive awards.

- Finally, Towers Perrin has prepared Exhibit 17 showing alternative approaches taken by general industry companies to address the issue of underwater stock options.

- In reviewing these alternatives, please note that the alternative that is most acceptable to shareholders for 16(b) officers is alternative #1. However, alternatives #4 and #5 are increasingly being used for non-16 (b) officers among companies that have had a downward trend in their stock price for an extended period (typically 18 months or more), companies in the high-tech industry, and companies whose stock overhang is very high.

EC 002634722

VII. Conclusions

EC 002634723

Conclusions

- Based on our assessment of Enron's executive compensation program, Towers Perrin concludes that the basic structure of the program is consistent with the Company's stated pay philosophy and that the program is appropriately tied to performance.

- In addition, we conclude that the basic structure of the program should allow Enron to retain most key employees even during a period of lower share prices (as long as the share price rebounds within a period of 18 months or so) for the following reasons:

  - Enron (unlike Duke, Dynegy, El Paso, and most other companies) delivers a significant portion of its long-term incentive value in the form of restricted stock. (Most of Enron's direct industry competitors depend primarily on stock options and, to some extent, long-term bonus plans). Since restricted stock has value at any share price, this element of pay provides some value to participants even during a period of weaker share price.

  - Enron's annual incentive plan allows for bonuses to be funded at a level of about 15% of EBIT, which is equivalent to a funding pool of approximately 23% to 27% of after-tax net income. Also, this funding begins at the first dollar of profit. This bonus pool funding mechanism gives the Company the flexibility to allocate bonus dollars to key contributors in a given year, even if results are depressed. Similarly, the Compensation Committee can reduce the size of the pool based on corporate performance on a variety of measures, which ensures pay-for-performance is maintained.

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EC 002634724

Conclusions (continued)

- Nevertheless, it is likely that Enron will need to provide some short-term relief to certain key employees if the Company's stock price stays in the $55 to $65 range. For example, the Company may need to make out-of-cycle option awards to employees who are relatively new and who have little in the way of past in-the-money stock option and restricted stock awards outstanding.

- The Company could also consider taking normal annual option and restricted stock grants, dividing the grants by 4, and making awards quarterly to dollar price average future grant prices.

- However, Towers Perrin suggests that Enron not make any broad-based, programmatic changes to its executive pay programs at this point. The decline in the Company's share price is relatively recent and follows a period of significant increase in stock price. Pay-for-performance systems work when pay (including options gains) rise and fall according to the gains realized by shareholders.

EC 002634725

Executive Pay Elements

Base Compensation

Exhibit 1

Name	Job Group	Title	2001 Base Salary	Base Salary @ 50th %ile	Variance %
Lay, Ken	OOC	CHAIRMAN & CEO**	975,000	839,000	116%
Skilling, Jeff	OOC	CHIEF EXEC OFFICER**	1,300,000	1,417,000	92%
Baxter, John C.	Policy Committee	VICE CHAIRMAN & CHIEF STRATEGY OFFICER	500,000	402,000	124%
Causey, Richard A.	Policy Committee	EVP CHIEF ACCTG OFFICER	400,000	494,000	81%
Delainey, David W	Policy Committee	CHAIRMAN & CEO	350,000	488,800	72%
Derrick Jr., James V.	Policy Committee	EVP GEN COUNSEL	470,000	527,600	89%
Fastow, Andrew S	Policy Committee	EVP & CHIEF FINANCIAL OFFICER	400,000	347,200	115%
Frevert, Mark A	Policy Committee	CHMN & CEO	520,000	662,000	79%
Hannon, Kevin P.	Policy Committee	PRES & COO	400,000	546,000	73%
Horton, Stanley C	Policy Committee	CHAIRMAN & CEO	520,000	523,800	99%
Kean, Steven J.	Policy Committee	EVP CHIEF OF STAFF	400,000	487,000	82%
Rice, Kenneth D	Policy Committee	CHIEF EXEC OFFICER	420,000	622,400	67%
Sherriff, John R	Policy Committee	PRESIDENT & CEO	400,000	415,000	96%
Whalley, Lawrence G.	Policy Committee	PRESIDENT & COO	400,000	507,000	79%
Bibi, Philippe A	Exec. Committee	PRESIDENT & CEO	325,000	245,200	133%
Blachman, Jeremy M	Exec. Committee	CO-CHIEF OPERATING OFFICER EES	240,000	249,000	96%
Bowen Jr, Raymond M	Exec. Committee	CHIEF OPERATING OFFICER	265,000	409,400	65%
Buy, Richard B	Exec. Committee	EVP CHIEF RISK OFFICER	325,000	187,800	173%
Cox, David	Exec. Committee	MD ORIGINATION	300,000	258,100	116%
Dietrich, Janet***	Exec. Committee	PRESIDENT	225,000	442,300	51%
Glisan Jr, Ben F	Exec. Committee	MD, FINANCE & TREASURER	300,000	223,950	134%
Hayslett, Roderick J.	Exec. Committee	MANAGING DIRECTOR ETS FINANCE & ACCTG	250,000	257,400	97%
Kitchen, Louise	Exec. Committee	CHIEF OPERATING OFFICER	216,765	522,200	42%
Koenig, Mark E	Exec. Committee	EVP INVESTOR REL	300,000	264,300	114%
Lavorato, John J	Exec. Committee	PRESIDENT & CEO	300,000	488,800	61%
Leff, Daniel P	Exec. Committee	CHIEF OPERATING OFFICER	265,000	395,500	67%
McCarty, Danny J.	Exec. Committee	MANAGING DIRECTOR	300,000	185,200	162%
McConnell, Mike	Exec. Committee	PRESIDENT & CEO	350,000	573,000	61%
McDonald, Rebecca	Exec. Committee	PRESIDENT & CEO	390,938	375,500	104%
McMahon, Jeffrey	Exec. Committee	PRESIDENT & CEO	350,000	573,000	61%
Metts, Mark	Exec. Committee	EVP CORP DEVELOPMENT	350,000	331,800	105%
Muller, Mark S	Exec. Committee	MANAGING DIRECTOR	240,000	186,500	129%
Olson, Cindy K	Exec. Committee	EVP HR & COMMUNITY REL	315,000	400,100	79%
Piper, Gregory F	Exec. Committee	CHIEF OPERATING OFFICER	250,000	161,200	155%
Shankman, Jeffrey A.	Exec. Committee	CHIEF OPERATING OFFICER	300,000	409,400	73%
Sunde, Martin	Exec. Committee	VICE CHAIRMAN	265,000	311,300	85%
Allen, Phillip K.	MD	MNG DIR TRADING	200,000	148,200	135%
Belden, Timothy N.	MD	MNG DIR TRADING	219,962	181,800	121%
Butts, Robert H	MD	MNG DIR & CONTROLLER	250,000	297,000	84%
Carter, Rebecca C.	MD	MNG DIR CORPORATE SECRETARY	252,000	250,800	100%
Colwell, Wesley	MD	MNG DIR ACCTG	275,004	298,600	92%

EC 002634726

Executive Pay Elements

Base Compensation

Exhibit 1

Name	Job Group	Title	2001 Base Salary	Base Salary @ 50th %tile	Base Salary Variance %tile
Haedicke, Mark E	MD	MNG DIR LEGAL	350,004	289,200	121%
Hermann, Robert J	MD	MNG DIR AND GENERAL TAX COUNSEL	250,000	304,300	82%
Hickerson, Gary J	MD	MNG DIR, TRADING	200,000	131,900	152%
Kopper, Michael J	MD	MNG DIR FIN	275,000	328,500	84%
Meyer, Rockford G	MD	PRESIDENT CITRUS	260,000	284,900	91%
Sharp, Victoria T	MD	MNG DIR & GEN CNSL	240,000	227,900	105%
Arnold, John D	VP	VP, TRADING	160,000	148,200	108%
Bradley, Michael W	VP	VP, EQUITY TRADING	175,000	147,500	119%
Gorte, David	VP	VP UNDERWRITING	200,000	152,800	131%
Jones, Robert W	VP	VP HR	190,000	238,300	80%
Joyce, Mary K	VP	VP EXECUTIVE COMPENSATION	234,563	209,000	112%
Lynch, Drew C	VP	VP HR	230,400	238,300	97%
Mintz, Jordon	VP	VP & GEN CNSL	200,000	235,900	85%
Oxley, David	VP	VP HR	204,000	282,700	72%
Palmer, Mark A.	VP	VP COMMUNICATIONS	206,000	272,000	76%
Perlman, Beth S.	VP	VP IT-DEVELOPMENT	210,000	189,300	111%
Presto, Kevin M	VP	VP, TRADING	185,004	147,500	125%
Schuler, W Lance	VP	VP & ASST GEN CNSL	175,000	n/a	n/a
Shively, Hunter S	VP	VP, TRADING	170,000	141,700	120%
Swerzbin, Michael J	VP	VP, TRADING	120,000	147,500	81%
Taylor, Mark E	VP	VP & GEN CNSL	175,000	n/a	n/a
Weighted Variance Excluding Key Commercial (Shaded)					91%

* Market data has been trended to 7/1/2001

** Base and LTI grant value reflect new roles as Chairman of the Board and CEO, respectively.

*** TDC reflects new role; additional grants pending

Indicates key commercial employees in 2000. Bonus and long-term grants reflect significant revenue generation in 2000.

EC 002634727

Executive Pay Elements

Total Cash Compensation
(Base + Bonus)

Exhibit 2

Name	Job Group	Title	2001 Total Cash	Total Cash @ 50th %ile	Variance %
Lay, Ken	OOC	CHAIRMAN & CEO**	7,975,000	4,225,000	189%
Skilling, Jeff	OOC	CHIEF EXEC OFFICER**	6,900,000	3,422,000	202%
Baxter, John C.	Policy Committee	VICE CHAIRMAN & CHIEF STRATEGY OFFICER	1,700,000	892,000	191%
Causey, Richard A.	Policy Committee	EVP CHIEF ACCTG OFFICER	1,400,000	1,152,000	122%
Delainey, David W	Policy Committee	CHAIRMAN & CEO	3,350,000	1,750,000	191%
Derrick Jr., James V.	Policy Committee	EVP GEN COUNSEL	1,270,000	1,245,000	102%
Fastow, Andrew S	Policy Committee	EVP & CHIEF FINANCIAL OFFICER	1,700,000	1,622,000	105%
Frevert, Mark A	Policy Committee	CHMN & CEO	2,520,000	2,423,000	104%
Hannon, Kevin P.	Policy Committee	PRES & COO	1,900,000	1,324,000	144%
Horton, Stanley C	Policy Committee	CHAIRMAN & CEO	1,720,000	1,161,000	148%
Kean, Steven J.	Policy Committee	EVP CHIEF OF STAFF	1,400,000	1,194,000	117%
Rice, Kenneth D	Policy Committee	CHIEF EXEC OFFICER	2,170,000	1,513,000	143%
Shemin, John R	Policy Committee	PRESIDENT & CEO	1,900,000	1,396,400	136%
Whalley, Lawrence G.	Policy Committee	PRESIDENT & COO	3,400,000	1,859,000	183%
Bibi, Philippe A	Exec. Committee	PRESIDENT & CEO	1,325,000	846,000	157%
Blachman, Jeremy M	Exec. Committee	CO-CHIEF OPERATING OFFICER EES	840,000	507,000	166%
Bowen Jr, Raymond M	Exec. Committee	CHIEF OPERATING OFFICER	865,000	1,025,000	84%
Buy, Richard B	Exec. Committee	EVP CHIEF RISK OFFICER	1,225,000	1,960,500	62%
Cox, David	Exec. Committee	MD ORIGINATION	1,100,000	562,000	196%
Dietrich, Janet***	Exec. Committee	PRESIDENT	525,000	1,019,000	52%
Glisan Jr, Ben F	Exec. Committee	MD, FINANCE & TREASURER	900,000	433,425	208%
Hayslett, Roderick J.	Exec. Committee	MANAGING DIRECTOR ETS FINANCE & ACCTG	650,000	523,000	124%
Kitchen, Louise	Exec. Committee	CHIEF OPERATING OFFICER	1,296,300	1,383,000	94%
Koenig, Mark E	Exec. Committee	EVP INVESTOR REL	1,000,000	504,000	198%
Lavorato, John J	Exec. Committee	PRESIDENT & CEO	3,300,000	1,750,000	189%
Leff, Daniel P	Exec. Committee	CHIEF OPERATING OFFICER	965,000	843,000	114%
McCarty, Danny J.	Exec. Committee	MANAGING DIRECTOR	675,000	324,000	208%
McConnell, Mike	Exec. Committee	PRESIDENT & CEO	1,450,000	1,298,000	112%
McDonald, Rebecca	Exec. Committee	PRESIDENT & CEO	990,938	766,000	129%
McMahon, Jeffrey	Exec. Committee	PRESIDENT & CEO	1,450,000	1,298,000	112%
Metts, Mark	Exec. Committee	EVP CORP DEVELOPMENT	950,000	728,000	130%
Muller, Mark S	Exec. Committee	MANAGING DIRECTOR	940,000	301,000	312%
Olson, Cindy K	Exec. Committee	EVP HR & COMMUNITY REL	1,065,000	956,000	111%
Piper, Gregory F	Exec. Committee	CHIEF OPERATING OFFICER	750,000	420,400	178%
Shankman, Jeffrey A	Exec. Committee	CHIEF OPERATING OFFICER	2,800,000	1,025,000	224%
Sunde, Martin	Exec. Committee	VICE CHAIRMAN	965,000	634,000	152%
Allen, Philip K.	MD	MNG DIR TRADING	3,700,000	322,900	1146%
Belden, Timothy N.	MD	MNG DIR TRADING	2,969,962	516,300	575%
Butts, Robert H	MD	MNG DIR & CONTROLLER	625,000	633,000	99%
Carter, Rebecca C.	MD	MNG DIR CORPORATE SECRETARY	552,000	501,800	110%
Colwell, Wesley	MD	MNG DIR ACCTG	875,004	577,900	151%

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Executive Pay Elements

Total Cash Compensation

(Base + Bonus)

Exhibit 2

Name	Job Group	Title	2001 Total Cash *	Total Cash @ 75th %ile *	Variance %
Haedicke, Mark E	MD	MNG DIR LEGAL	750,004	637,400	118%
Hermann, Robert J	MD	MNG DIR AND GENERAL TAX COUNSEL	650,000	625,800	104%
Hickerson, Gary J	MD	MNG DIR TRADING	1,200,000	704,100	170%
Kopper, Michael J	MD	MNG DIR FIN	1,075,000	692,900	155%
Meyer, Rockford G	MD	PRESIDENT CITRUS	560,000	564,800	99%
Sharp, Victoria T	MD	MNG DIR & GEN CNSL	640,000	475,100	135%
Arnold, John D	VP	VP TRADING	810,000	322,900	251%
Bradley, Michael W	VP	VP EQUITY TRADING	1,425,000	777,700	183%
Gorte, David	VP	VP UNDERWRITING	450,000	322,400	140%
Jones, Robert W	VP	VP HR	490,000	434,200	113%
Joyce, Mary K	VP	VP EXECUTIVE COMPENSATION	534,563	375,000	143%
Lynch, Drew C	VP	VP HR	530,400	434,200	122%
Mintz, Jordon	VP	VP & GEN CNSL	500,000	482,400	104%
Oxley, David	VP	VP HR	604,000	545,300	111%
Palmer, Mark A	VP	VP COMMUNICATIONS	606,000	561,400	108%
Perlman, Beth S.	VP	VP IT-DEVELOPMENT	460,000	364,100	126%
Presto, Kevin M	VP	VP TRADING	685,004	406,500	169%
Schuler, W Lance	VP	VP & ASST GEN CNSL	375,000	365,900	102%
Shively, Hunter	VP	VP TRADING	1,420,000	276,600	513%
Swerzbin, Michael J	VP	VP TRADING	2,120,000	406,500	522%
Taylor, Mark E	VP	VP & GEN CNSL	350,000	365,900	96%
Weighted Variance Excluding Key Commercial (Shaded)					140%

* Market data has been trended to 7/1/2001

** Base and LTI grant value reflect new roles as Chairman of the Board and CEO, respectively.

*** TDC reflects new role; additional grants pending

indicates key commercial employees in 2000. Bonus and long-term grants reflect significant revenue generation in 2000.

EC 002634729

Executive Pay Elements

Long-Term Incentives

Exhibit 3

Name	Job Group	Title	2001 LTI Award Value	LTI @ 75th %ile	% Variance
Lay, Ken	OOC	CHAIRMAN & CEO**	16,000,000	14,612,000	109%
Skilling, Jeff	OOC	CHIEF EXEC OFFICER**	19,000,000	21,532,000	88%
Baxter, John C.	Policy Committee	VICE CHAIRMAN & CHIEF STRATEGY OFFICER	900,000	1,413,100	64%
Causey, Richard A.	Policy Committee	EVP CHIEF ACCTG OFFICER	1,750,000	1,981,000	88%
Delainey, David W	Policy Committee	CHAIRMAN & CEO	4,500,000	4,937,400	91%
Derrick Jr., James V.	Policy Committee	EVP GEN COUNSEL	1,750,000	2,412,200	73%
Fastow, Andrew S	Policy Committee	EVP & CHIEF FINANCIAL OFFICER	4,000,000	1,449,800	276%
Frevert, Mark A	Policy Committee	CHMN & CEO	4,200,000	5,285,000	79%
Hannon, Kevin P.	Policy Committee	PRES & COO	3,650,000	3,160,500	115%
Horton, Stanley C	Policy Committee	CHAIRMAN & CEO	2,000,000	2,070,600	97%
Kean, Steven J.	Policy Committee	EVP CHIEF OF STAFF	1,750,000	1,819,000	96%
Rice, Kenneth D	Policy Committee	CHIEF EXEC OFFICER	3,800,000	3,731,500	102%
Sherriff, John R	Policy Committee	PRESIDENT & CEO	3,250,000	4,726,200	69%
Whalley, Lawrence G.	Policy Committee	PRESIDENT & COO	5,835,000	4,975,400	117%
Bibi, Philippe A	Exec. Committee	PRESIDENT & CEO	1,000,000	760,100	132%
Blachman, Jeremy M	Exec. Committee	CO-CHIEF OPERATING OFFICER EES	700,000	817,800	86%
Bowen Jr, Raymond M	Exec. Committee	CHIEF OPERATING OFFICER	750,000	1,479,400	51%
Buy, Richard B	Exec. Committee	EVP CHIEF RISK OFFICER	1,000,000	861,450	116%
Cox, David	Exec. Committee	MD ORIGINATION	2,266,000	2,453,000	92%
Dietrich, Janet***	Exec. Committee	PRESIDENT	500,000	1,650,000	30%
Glisan Jr, Ben F	Exec. Committee	MD, FINANCE & TREASURER	2,600,000	555,375	468%
Hayslett, Roderick J.	Exec. Committee	MANAGING DIRECTOR ETS FINANCE & ACCTG	625,000	1,161,800	54%
Kitchen, Louise	Exec. Committee	CHIEF OPERATING OFFICER	1,900,000	2,929,500	65%
Koenig, Mark E	Exec. Committee	EVP INVESTOR REL	800,000	562,600	142%
Lavorato, John J	Exec. Committee	PRESIDENT & CEO	4,250,000	4,937,000	86%
Leff, Daniel P	Exec. Committee	CHIEF OPERATING OFFICER	800,000	1,534,800	52%
McCarty, Danny J.	Exec. Committee	MANAGING DIRECTOR	1,500,000	169,200	887%
McConnell, Mike	Exec. Committee	PRESIDENT & CEO	2,600,000	2,349,000	111%
McDonald, Rebecca	Exec. Committee	PRESIDENT & CEO	1,013,000	1,013,000	100%
McMahon, Jeffrey	Exec. Committee	PRESIDENT & CEO	2,600,000	2,349,000	111%
Metts, Mark	Exec. Committee	EVP CORP DEVELOPMENT	800,000	833,600	96%
Muller, Mark S	Exec. Committee	MANAGING DIRECTOR	800,000	264,200	303%
Olson, Cindy K	Exec. Committee	EVP HR & COMMUNITY REL	1,200,000	1,320,500	91%
Piper, Gregory F	Exec. Committee	CHIEF OPERATING OFFICER	650,000	169,300	384%
Shankman, Jeffrey A.	Exec. Committee	CHIEF OPERATING OFFICER	2,000,000	1,479,400	135%
Sunde, Martin	Exec. Committee	VICE CHAIRMAN	800,000	1,437,900	56%
Allen, Phillip K	MD	MNG DIR TRADING	3,500,000	136,500	2509%
Belden, Timothy N	MD	MNG DIR TRADING	2,750,000	244,200	1126%
Bulls, Robert H	MD	MNG DIR & CONTROLLER	500,000	638,000	78%
Carter, Rebecca C.	MD	MNG DIR CORPORATE SECRETARY	450,000	488,400	92%
Colwell, Wesley	MD	MNG DIR ACCTG	600,000	740,500	81%

EC 002634730

Executive Pay Elements

Long-Term Incentives **Exhibit 3**

Name	Job Group	Title	2001 LTI Award Value	LTI @ 75th %ile	Variance %
Haedicke, Mark E	MD	MNG DIR LEGAL	750,000	724,600	104%
Hermann, Robert J	MD	MNG DIR AND GENERAL TAX COUNSEL	600,000	756,300	79%
Hickerson, Gary J	MD	MNG DIR TRADING	1,000,000	187,900	532%
Kopper, Michael J	MD	MNG DIR FIN	1,150,000	863,700	133%
Meyer, Rockford G	MD	PRESIDENT CITRUS	250,000	646,000	39%
Sharp, Victoria T	MD	MNG DIR & GEN CNSL	625,000	422,800	148%
Arnold, John D	VP	VP TRADING	950,000	199,500	609%
Bradley, Michael W	VP	VP EQUITY TRADING	1,250,000	85,200	675%
Gorte, David	VP	VP UNDERWRITING	250,000	93,200	268%
Jones, Robert W	VP	VP HR	375,000	455,100	82%
Joyce, Mary K	VP	VP EXECUTIVE COMPENSATION	400,000	531,000	75%
Lynch, Drew C	VP	VP HR	300,000	455,100	66%
Mintz, Jordon	VP	VP & GEN CNSL	375,000	519,500	72%
Oxley, David	VP	VP HR	400,000	643,900	62%
Palmer, Mark A.	VP	VP COMMUNICATIONS	375,000	574,200	65%
Perlman, Beth S.	VP	VP IT-DEVELOPMENT	250,000	359,400	70%
Presto, Kevin M	VP	VP TRADING	500,000	139,600	358%
Schuler, W Lance	VP	VP & ASST GEN CNSL	375,000	225,100	167%
Shively, Hunter	VP	VP TRADING	1,250,000	119,300	1048%
Swerzbin, Michael	VP	VP TRADING	2,000,000	139,600	1433%
Taylor, Mark E	VP	VP & GEN CNSL	300,000	225,100	133%
Weighted Variance Excluding Key Commercial (Shaded)					97%

* Market data has been trended to 7/1/2001

** Base and LTI grant value reflect new roles as Chairman of the Board and CEO, respectively.

*** TDC reflects new role; additional grants pending

Indicates key commercial employees in 2000. Bonus and long-term grants reflect significant revenue generation in 2000.

EC 002634731

Executive Pay Elements

Total Compensation
(Cash + Equity)

Exhibit 4

Name	Job Group	Title	2001 Total Direct Comp (TDC)	Total Compensation @ 75th %ile	Variance %
Lay, Ken	OOC	CHAIRMAN & CEO**	23,975,000	18,837,000	127%
Skilling, Jeff	OOC	CHIEF EXEC OFFICER**	25,900,000	24,954,000	104%
Baxter, John C.	Policy Committee	VICE CHAIRMAN & CHIEF STRATEGY OFFICER	3,400,000	2,304,900	148%
Causey, Richard A	Policy Committee	EVP CHIEF ACCTG OFFICER	3,150,000	3,133,000	101%
Delainey, David W	Policy Committee	CHAIRMAN & CEO	7,850,000	6,687,200	117%
Derrick Jr., James V.	Policy Committee	EVP GEN COUNSEL	3,020,000	3,657,100	83%
Fastow, Andrew S	Policy Committee	EVP & CHIEF FINANCIAL OFFICER	5,700,000	3,071,500	186%
Frevert, Mark A	Policy Committee	CHMN & CEO	6,720,000	7,707,000	87%
Hannon, Kevin P.	Policy Committee	PRES & COO	5,550,000	4,484,300	124%
Horton, Stanley C	Policy Committee	CHAIRMAN & CEO	3,720,000	3,231,300	115%
Kean, Steven J.	Policy Committee	EVP CHIEF OF STAFF	3,150,000	3,013,000	105%
Rice, Kenneth D	Policy Committee	CHIEF EXEC OFFICER	5,970,000	5,244,700	114%
Sherriff, John R	Policy Committee	PRESIDENT & CEO	5,150,000	6,122,600	84%
Whalley, Lawrence G.	Policy Committee	PRESIDENT & COO	9,235,000	6,835,000	135%
Bibi, Philippe A	Exec. Committee	PRESIDENT & CEO	2,325,000	1,598,200	145%
Blachman, Jeremy M	Exec. Committee	CO-CHIEF OPERATING OFFICER EES	1,540,000	972,800	158%
Bowen Jr, Raymond M	Exec. Committee	CHIEF OPERATING OFFICER	1,615,000	2,504,600	64%
Buy, Richard B	Exec. Committee	EVP CHIEF RISK OFFICER	2,225,000	2,822,175	79%
Cox, David	Exec. Committee	MD ORIGINATION	3,366,000	2,953,000	114%
Dietrich, Janet***	Exec. Committee	PRESIDENT	1,025,000	2,669,000	38%
Glisan Jr, Ben F	Exec. Committee	MD, FINANCE & TREASURER	3,500,000	994,275	352%
Hayslett, Roderick J.	Exec. Committee	MANAGING DIRECTOR ETS FINANCE & ACCTG	1,275,000	1,086,400	117%
Kitchen, Louise	Exec. Committee	CHIEF OPERATING OFFICER	3,196,300	4,225,900	76%
Koenig, Mark E	Exec. Committee	EVP INVESTOR REL	1,800,000	1,066,100	169%
Lavorato, John J	Exec. Committee	PRESIDENT & CEO	7,550,000	6,687,000	113%
Leff, Daniel P	Exec. Committee	CHIEF OPERATING OFFICER	1,765,000	2,101,900	84%
McCarty, Danny J.	Exec. Committee	MANAGING DIRECTOR	2,175,000	523,900	415%
McConnell, Mike	Exec. Committee	PRESIDENT & CEO	4,050,000	3,647,000	111%
McDonald, Rebecca	Exec. Committee	PRESIDENT & CEO	2,003,938	1,778,900	113%
McMahon, Jeffrey	Exec. Committee	PRESIDENT & CEO	4,050,000	3,647,000	111%
Metts, Mark	Exec. Committee	EVP CORP DEVELOPMENT	1,750,000	1,561,500	112%
Muller, Mark S	Exec. Committee	MANAGING DIRECTOR	1,740,000	565,000	308%
Olson, Cindy K	Exec. Committee	EVP HR & COMMUNITY REL	2,265,000	2,276,000	100%
Piper, Gregory F	Exec. Committee	CHIEF OPERATING OFFICER	1,400,000	589,700	237%
Shankman, Jeffrey A.**	Exec. Committee	CHIEF OPERATING OFFICER	14,300,000	12,504,600	172%
Sunde, Martin	Exec. Committee	VICE CHAIRMAN	1,765,000	1,394,200	127%
Allen, Phillip K	MD	MNG DIR TRADING	7,200,000	461,800	1559%
Belden, Timothy N	MD	MNG DIR TRADING	5,719,962	762,500	750%
Butts, Robert H	MD	MNG DIR & CONTROLLER	1,125,000	1,271,000	89%
Carter, Rebecca C.	MD	MNG DIR CORPORATE SECRETARY	1,002,000	990,200	101%
Colwell, Wesley	MD	MNG DIR ACCTG	1,475,004	1,325,700	111%

EC 002634732

Executive Pay Elements

Total Compensation
(Cash + Equity)

Exhibit 4

Name	Job Group	Title	2001 Total Direct Comp (TDC)	Total Compensation @ 75th %ile	Variance %
Haedicke, Mark E	MD	MNG DIR LEGAL	1,500,004	1,361,800	110%
Hermann, Robert J	MD	MNG DIR AND GENERAL TAX COUNSEL	1,250,000	1,382,100	90%
Hickerson, Gary J	MD	MNG DIR TRADING	2,200,000	892,100	247%
Kopper, Michael J	MD	MNG DIR FIN	2,225,000	1,556,600	143%
Meyer, Rockford G	MD	PRESIDENT CITRUS	810,000	1,210,900	67%
Sharp, Victoria T	MD	MNG DIR & GEN CNSL	1,265,000	898,100	141%
Arnold, John D. III	VP	VP TRADING	1,660,000	461,800	359%
Bradley, Michael W	VP	VP EQUITY TRADING	2,675,000	962,900	278%
Gorte, David	VP	VP UNDERWRITING	700,000	415,600	168%
Jones, Robert W	VP	VP HR	865,000	889,200	97%
Joyce, Mary K	VP	VP EXECUTIVE COMPENSATION	934,563	907,000	103%
Lynch, Drew C	VP	VP HR	830,400	889,200	93%
Mintz, Jordon	VP	VP & GEN CNSL	875,000	1,001,900	87%
Oxley, David	VP	VP HR	1,004,000	1,189,200	84%
Palmer, Mark A.	VP	VP COMMUNICATIONS	981,000	1,135,600	86%
Perlman, Beth S.	VP	VP IT-DEVELOPMENT	710,000	723,500	98%
Presto, Kevin M	VP	VP TRADING	1,185,004	546,000	217%
Schuler, W Lance	VP	VP & ASST GEN CNSL	750,000	590,900	127%
Shively, Hunter	VP	VP TRADING	2,870,000	395,900	674%
Swerzbin, Michael J.	VP	VP TRADING	4,120,000	546,000	755%
Taylor, Mark E	VP	VP & GEN CNSL	650,000	590,900	110%
Weighted Variance Excluding Key Commercial (Shaded)					113%

* Market data has been trended to 7/1/2001

** Base and LTI grant value reflect new roles as Chairman of the Board and CEO, respectively.

*** TDC reflects new role; additional grants pending

Indicates key commercial employees in 2000. Bonus and long-term grants reflect significant revenue generation in 2000.

EC 002634733

LTI Current Value Analysis

Value of In-The-Money Stock Options and Restricted Stock

Exhibit 5

(At $40.00 stock price)

Name	Job Group	Title	Exercisable Stock Options ($)	Unexercisable Stock Options ($)	Unearned Restricted Stock ($)	Total Value ($)
Lay, Ken	OOC	CHAIRMAN OF THE BOARD	75,620,518	4,155,549	6,077,960	85,854,027
Skilling, Jeff	OOC	CHIEF EXEC OFFICER	4,928,555	2,039,888	5,887,080	12,855,523
Baxter, John C.	Policy Committee	VICE CHAIRMAN & CHIEF STRATEGY OFFICER	0	3,110,139	239,840	3,349,979
Causey, Richard A.	Policy Committee	EVP CHIEF ACCTG OFFICER	439,097	481,877	1,306,680	2,227,654
Delainey, David W	Policy Committee	CHAIRMAN & CEO	0	789,650	996,720	1,785,370
Derrick Jr., James V.	Policy Committee	EVP GEN COUNSEL	35,890,091	1,498,498	746,680	38,135,270
Fastow, Andrew S	Policy Committee	EVP & CHIEF FINANCIAL OFFICER	2,005,048	1,524,579	1,065,800	4,595,427
Frevert, Mark A	Policy Committee	CHMN & CEO	8,148,736	3,751,596	293,120	12,193,452
Hannon, Kevin P.	Policy Committee	PRES & COO	5,565,499	2,903,500	506,280	8,975,279
Horton, Stanley C	Policy Committee	CHAIRMAN & CEO	2,880,842	1,322,886	813,320	5,017,048
Kean, Steven J.	Policy Committee	EVP CHIEF OF STAFF	2,393,108	463,273	583,120	3,439,501
Pai, Lou L	Policy Committee	CHAIRMAN AND CEO ENRON XCCELERATOR	7,491,995	0	0	7,491,995
Rice, Kenneth D	Policy Committee	CHIEF EXEC OFFICER	6,583,436	3,751,596	466,280	10,801,312
Whalley, Lawrence G.	Policy Committee	PRESIDENT & COO	0	1,158,278	1,983,280	3,141,558
Sherriff, John R	Policy Committee	PRESIDENT & CEO	1,117,233	662,928	1,189,040	2,969,202
Bibi, Philippe A	Exec. Committee	PRESIDENT & CEO	628,964	424,185	740,080	1,793,228
Blachman, Jeremy M	Exec. Committee	CO-CHIEF OPERATING OFFICER EES	443,723	320,541	186,520	950,784
Bowen Jr, Raymond M	Exec. Committee	CHIEF OPERATING OFFICER	552,835	288,346	298,560	1,139,741
Brown, Michael	Exec. Committee	CHIEF OPERATING OFFICER	90,234	81,781	399,680	571,695
Buchanan, Harold G	Exec. Committee	CO-CHIEF OPERATING OFFICER EES	0	297,387	146,560	443,947
Buy, Richard B	Exec. Committee	EVP CHIEF RISK OFFICER	0	983,192	266,480	1,249,672
Cline, Wade	Exec. Committee	MNG DIR	1,508,471	0	289,440	1,797,911
Cox, David	Exec. Committee	MNG DIR ORIGINATION	44,430	66,595	463,840	574,865
Dietrich, Janet	Exec. Committee	PRESIDENT	673,427	358,041	133,240	1,164,708
Glisan Jr, Ben F	Exec. Committee	MNG DIR, FINANCE & TREASURER	0	149,482	988,760	1,138,242
Hayslett, Roderick J.	Exec. Committee	MNG DIR ETS FINANCE & ACCTG	694,321	83,041	213,320	990,681
Hughes, James	Exec. Committee	CHIEF OPERATING OFFICER	137,546	264,613	418,880	821,039
Kitchen, Louise	Exec. Committee	CHIEF OPERATING OFFICER	609,901	241,061	943,880	1,794,842
Koenig, Mark E	Exec. Committee	EVP INVESTOR REL	287,220	232,808	306,640	826,668
Lavorato, John J	Exec. Committee	PRESIDENT & CEO	0	1,047,615	799,360	1,846,975
Leff, Daniel P	Exec. Committee	CHIEF OPERATING OFFICER	27,252	0	213,160	240,412
McCarty, Danny J.	Exec. Committee	MNG DIR & CHIEF COMMERCIAL OFF	2,256,347	673,851	394,640	3,324,838
McConnell, Mike	Exec. Committee	PRESIDENT & CEO	440,929	529,722	1,087,400	2,058,052
McDonald, Rebecca	Exec. Committee	PRESIDENT & CEO	303,088	303,088	334,480	940,656
McMahon, Jeffrey	Exec. Committee	PRESIDENT & CEO	419,464	552,876	687,760	1,660,100
Metts, Mark	Exec. Committee	EVP CORP DEVELOPMENT	0	14,426	213,160	227,586
Muller, Mark S	Exec. Committee	MANAGING DIRECTOR	0	231,301	213,160	444,461
Olson, Cindy K	Exec. Committee	EVP HR & COMMUNITY REL	87,472	108,221	360,680	556,373
Piper, Gregory F	Exec. Committee	CHIEF OPERATING OFFICER	543,012	436,960	469,200	1,449,192

EC 002634734

LTI Current Value Analysis

Value of In-The-Money Stock Options and Restricted Stock

Exhibit 5

(At $40.00 stock price)

Name	Job Group	Title	Exercisable Stock Options ($)	Unexercisable Stock Options ($)	Unearned Restricted Stock ($)	Total Value ($)
Scrimshaw, Mathew	Exec. Committee	PRESIDENT & CEO - EES EUROPE	0	241,061	330,600	571,661
Shankman, Jeffrey A.	Exec. Committee	CHIEF OPERATING OFFICER	3,094,634	396,516	532,920	4,024,070
Sherrick, Jeffrey B	Exec. Committee	CEO	30,689	552,176	500,400	1,083,265
Sunde, Martin	Exec. Committee	VICE CHAIRMAN	130,687	0	370,280	500,967
Allen, Phillip K	MD	MNG DIR TRADING	0	242,849	1,169,360	1,412,209
Belden, Timothy N	MD	MNG DIR TRADING	88,827	133,206	1,127,400	1,349,433
Butts, Robert H	MD	MNG DIR & CONTROLLER	386,410	145,285	215,040	746,735
Carter, Rebecca C.	MD	MNG DIR & CORP SECY	375,068	113,654	178,360	667,082
Colwell, Wesley	MD	MNG DIR ACCTG	17,309	17,307	159,680	194,496
Elliott, Steven	MD	MNG DIR TRADING	68,062	852,513	1,542,880	2,463,455
Fallon, James	MD	MNG DIR TRADING	0	496,703	1,485,280	1,981,983
Haedicke, Mark E	MD	MNG DIR LEGAL	778,339	578,339	199,840	1,556,518
Hermann, Robert J	MD	MNG DIR AND GENERAL TAX COUNSEL	3,742,136	155,163	241,680	4,138,980
Hickerson, Gary J	MD	MNG DIR TRADING	71,780	116,159	463,840	651,779
Kopper, Michael J	MD	MNG DIR FIN	1,340,961	433,505	543,240	2,317,706
Meyer, Rockford G	MD	PRESIDENT CITRUS	78,000	133,373	125,080	336,453
Sharp, Victoria T	MD	MNG DIR & GEN CNSL	176,576	49,315	166,560	392,451
Arnold, John D	VP	VP TRADING	332,504	396,214	463,280	1,191,998
Bradley, Michael W	VP	VP EQUITY TRADING	4,328	8,656	333,080	346,064
Gorte, David	VP	VP UNDERWRITING	0	3,749	119,920	123,669
Jones, Robert W	VP	VP HR	325,183	37,557	99,920	462,661
Joyce, Mary K	VP	VP EXECUTIVE COMPENSATION	0	41,032	130,000	171,032
Lynch, Drew C	VP	VICE PRESIDENT, COMMERCIAL SUPPORT	466,175	78,126	277,320	821,621
Mintz, Jordon	VP	VP & GEN CNSL	26,651	271,261	218,320	516,233
Oxley, David	VP	VP HR	109,798	59,179	225,000	393,976
Palmer, Mark A.	VP	VP COMMUNICATIONS	338,706	33,127	120,320	492,154
Perlman, Beth S.	VP	VP IT-DEVELOPMENT	125,308	0	103,720	229,028
Presto, Kevin M	VP	VP TRADING	0	99,129	133,240	232,369
Schuler, W Lance	VP	VP & ASST GEN CNSL	177,169	78,312	99,920	355,401
Shively, Hunter	VP	VP TRADING	0	33,306	431,800	465,106
Sturm, Fletcher	VP	VP TRADING	0	0	266,480	266,480
Swerzbin, Michael J	VP	VP TRADING	176,506	66,612	730,280	973,398
Taylor, Mark E	VP	VP & GEN CNSL	302,321	66,781	79,960	449,062
Total			175,576,921	41,232,559	45,909,280	262,718,760

EC 002934735

LTI Current Value Analysis

Value of In-The-Money Stock Options and Restricted Stock

Exhibit 6

(At $60.00 stock price)

Name	Job Group	Title	Exercisable Stock Options ($)	Unexercisable Stock Options ($)	Unearned Restricted Stock ($)	Total Value ($)
Lay, Ken	OOC	CHAIRMAN OF THE BOARD	176,994,826	25,624,550	9,116,940	211,736,316
Skilling, Jeff	OOC	CHIEF EXEC OFFICER	13,857,157	16,399,572	8,830,620	39,087,349
Baxter, John C.	Policy Committee	VICE CHAIRMAN & CHIEF STRATEGY OFFICER	0	8,825,847	359,760	9,185,607
Causey, Richard A.	Policy Committee	EVP CHIEF ACCTG OFFICER	1,348,461	1,702,125	1,960,020	5,010,606
Delainey, David W	Policy Committee	CHAIRMAN & CEO	117	1,880,474	1,495,080	3,375,671
Derrick Jr., James V.	Policy Committee	EVP GEN COUNSEL	65,360,659	3,731,547	1,120,020	70,212,226
Fastow, Andrew S	Policy Committee	EVP & CHIEF FINANCIAL OFFICER	5,311,935	4,699,420	1,598,700	11,610,055
Frevert, Mark A	Policy Committee	CHMN & CEO	21,454,668	11,670,521	439,680	33,564,869
Hannon, Kevin P.	Policy Committee	PRES & COO	15,718,707	10,952,379	759,420	27,430,506
Horton, Stanley C	Policy Committee	CHAIRMAN & CEO	7,181,323	3,496,459	1,219,980	11,897,762
Kean, Steven J.	Policy Committee	EVP CHIEF OF STAFF	5,263,112	1,276,811	874,680	7,414,603
Pai, Lou L	Policy Committee	CHAIRMAN AND CEO ENRON XCCELERATOR	18,948,355	0	0	18,948,355
Rice, Kenneth D	Policy Committee	CHIEF EXEC OFFICER	16,304,662	10,694,536	699,420	27,698,617
Whalley, Lawrence G.	Policy Committee	PRESIDENT & COO	40,505	3,993,001	2,974,920	7,008,426
Sherriff, John R	Policy Committee	PRESIDENT & CEO	2,968,264	2,223,643	1,783,560	6,975,466
Bibi, Philippe A	Exec. Committee	PRESIDENT & CEO	1,483,433	1,112,725	1,110,120	3,706,278
Blachman, Jeremy M	Exec. Committee	CO-CHIEF OPERATING OFFICER EES	928,654	694,874	279,780	1,903,308
Bowen Jr, Raymond M	Exec. Committee	CHIEF OPERATING OFFICER	1,307,368	668,535	447,840	2,423,764
Brown, Michael	Exec. Committee	CHIEF OPERATING OFFICER	245,205	310,748	599,520	1,155,473
Buchanan, Harold G	Exec. Committee	CO-CHIEF OPERATING OFFICER EES	34,731	828,945	219,840	1,083,516
Buy, Richard B	Exec. Committee	EVP CHIEF RISK OFFICER	162,666	2,966,445	399,720	3,528,832
Cline, Wade	Exec. Committee	MNG DIR	3,062,732	86,657	434,160	3,583,548
Cox, David	Exec. Committee	MNG DIR ORIGINATION	183,328	292,055	695,760	1,171,141
Dietrich, Janet	Exec. Committee	PRESIDENT	1,680,543	1,385,952	199,860	3,266,355
Glisan Jr, Ben F	Exec. Committee	MNG DIR, FINANCE & TREASURER	72,239	501,796	1,483,140	2,057,174
Hayslett, Roderick J.	Exec. Committee	MNG DIR ETS FINANCE & ACCTG	1,562,554	246,390	319,980	2,128,924
Hughes, James	Exec. Committee	CHIEF OPERATING OFFICER	532,935	707,420	628,320	1,868,674
Kitchen, Louise	Exec. Committee	CHIEF OPERATING OFFICER	1,358,633	647,904	1,415,820	3,422,357
Koenig, Mark E	Exec. Committee	EVP INVESTOR REL	1,257,215	892,134	459,960	2,609,309
Lavorato, John J	Exec. Committee	PRESIDENT & CEO	184,739	2,252,209	1,199,040	3,635,987
Leff, Daniel P	Exec. Committee	CHIEF OPERATING OFFICER	101,886	46,269	319,740	467,895
McCarty, Danny J.	Exec. Committee	MNG DIR & CHIEF COMMERCIAL OFF	5,340,415	2,261,955	591,960	8,194,331
McConnell, Mike	Exec. Committee	PRESIDENT & CEO	1,237,090	1,859,375	1,631,100	4,727,565
McDonald, Rebecca	Exec. Committee	PRESIDENT & CEO	1,184,854	1,156,889	501,720	2,843,463
McMahon, Jeffrey	Exec. Committee	PRESIDENT & CEO	996,923	1,506,224	1,031,640	3,534,787
Metts, Mark	Exec. Committee	EVP CORP DEVELOPMENT	0	270,886	319,740	590,626
Muller, Mark S	Exec. Committee	MANAGING DIRECTOR	0	491,490	319,740	811,230
Olson, Cindy K	Exec. Committee	EVP HR & COMMUNITY REL	400,529	648,476	541,020	1,590,025
Piper, Gregory F	Exec. Committee	CHIEF OPERATING OFFICER	1,225,370	1,065,054	703,800	2,994,225

EC 002634736

LTI Current Value Analysis

Value of In-The-Money Stock Options and Restricted Stock

Exhibit 6

(At $60.00 stock price)

Name	Job Group	Title	Exercisable Stock Options ($)	Unexercisable Stock Options ($)	Unearned Restricted Stock ($)	Total Value ($)
Scrimshaw, Mathew	Exec. Committee	PRESIDENT & CEO - EES EUROPE	0	613,290	495,900	1,109,190
Shankman, Jeffrey A.	Exec. Committee	CHIEF OPERATING OFFICER	6,078,500	878,738	799,380	7,756,618
Sherrick, Jeffrey B	Exec. Committee	CEO	562,246	1,835,486	750,600	3,148,331
Sunde, Martin	Exec. Committee	VICE CHAIRMAN	312,961	823,730	555,420	1,692,110
Allen, Phillip K	MD	MNG DIR TRADING	0	609,082	1,754,040	2,363,122
Belden, Timothy N	MD	MNG DIR TRADING	326,038	474,453	1,691,100	2,491,591
Butts, Robert H	MD	MNG DIR & CONTROLLER	1,145,644	396,394	322,560	1,864,598
Carter, Rebecca C.	MD	MNG DIR & CORP SECY	869,879	304,981	267,540	1,442,400
Colwell, Wesley	MD	MNG DIR ACCTG	374,469	353,954	239,820	968,243
Elliott, Steven	MD	MNG DIR TRADING	692,121	10,855,221	2,314,320	13,861,661
Fallon, James	MD	MNG DIR TRADING	59	1,916,811	2,227,920	4,144,790
Haedicke, Mark E	MD	MNG DIR LEGAL	1,550,844	1,150,835	299,760	3,001,438
Hermann, Robert J	MD	MNG DIR AND GENERAL TAX COUNSEL	7,267,432	428,095	362,520	8,058,047
Hickerson, Gary J	MD	MNG DIR TRADING	210,146	399,002	695,760	1,304,908
Kopper, Michael J	MD	MNG DIR FIN	2,819,965	1,055,944	814,860	4,690,768
Meyer, Rockford G	MD	PRESIDENT CITRUS	186,971	339,459	187,620	714,050
Sharp, Victoria T	MD	MNG DIR & GEN CNSL	391,817	141,367	249,840	783,044
Arnold, John D	VP	VP TRADING	972,730	1,269,716	694,920	2,937,365
Bradley, Michael W	VP	VP EQUITY TRADING	14,328	121,082	499,620	635,030
Gorte, David	VP	VP UNDERWRITING	13,100	296,462	179,880	489,462
Jones, Robert W	VP	VP HR	680,163	105,528	149,880	935,571
Joyce, Mary K	VP	VP EXECUTIVE COMPENSATION	23,202	122,265	195,000	340,467
Lynch, Drew C	VP	VICE PRESIDENT, COMMERCIAL SUPPORT	1,099,266	280,972	415,980	1,796,218
Mintz, Jordon	VP	VP & GEN CNSL	112,333	602,054	327,480	1,041,868
Oxley, David	VP	VP HR	367,456	285,908	337,500	990,864
Palmer, Mark A.	VP	VP COMMUNICATIONS	801,397	125,894	180,480	1,107,771
Perlman, Beth S.	VP	VP IT-DEVELOPMENT	266,256	14,544	155,580	436,380
Presto, Kevin M	VP	VP TRADING	28,971	219,776	199,860	448,607
Schuler, W Lance	VP	VP & ASST GEN CNSL	417,237	204,856	149,880	771,974
Shively, Hunter	VP	VP TRADING	23,202	134,579	647,700	805,481
Sturm, Fletcher	VP	VP TRADING	23,202	23,193	399,720	446,115
Swerzbin, Michael J	VP	VP TRADING	412,983	222,880	1,095,420	1,731,283
Taylor, Mark E	VP	VP & GEN CNSL	750,429	187,085	119,940	1,057,454
Total			404,092,156	156,865,961	66,863,920	629,822,037

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EC 002634737

LTI Current Value Analysis

Value of In-The-Money Stock Options and Restricted Stock

Exhibit 7

(At $80.00 stock price)

Name	Job Group	Title	Exercisable Stock Options ($)	Unexercisable Stock Options ($)	Unearned Restricted Stock ($)	Total Value ($)
Lay, Ken	OOC	CHAIRMAN OF THE BOARD	281,439,715	51,366,286	12,155,920	344,961,921
Skilling, Jeff	OOC	CHIEF EXEC OFFICER	27,873,374	37,805,679	11,774,160	77,453,213
Baxter, John C.	Policy Committee	VICE CHAIRMAN & CHIEF STRATEGY OFFICER	14,952	14,806,917	479,680	15,301,549
Causey, Richard A.	Policy Committee	EVP CHIEF ACCTG OFFICER	2,441,154	3,391,854	2,613,360	8,446,368
Delainey, David W	Policy Committee	CHAIRMAN & CEO	1,380,191	7,762,384	1,993,440	11,136,015
Derrick Jr., James V.	Policy Committee	EVP GEN COUNSEL	95,169,253	6,434,075	1,493,360	103,096,688
Fastow, Andrew S	Policy Committee	EVP & CHIEF FINANCIAL OFFICER	9,365,155	8,712,940	2,131,600	20,209,695
Frevert, Mark A	Policy Committee	CHMN & CEO	39,149,301	27,226,001	586,240	66,961,542
Hannon, Kevin P.	Policy Committee	PRES & COO	27,860,205	24,292,150	1,012,560	53,184,914
Horton, Stanley C	Policy Committee	CHAIRMAN & CEO	11,889,460	6,227,939	1,626,640	19,744,039
Kean, Steven J.	Policy Committee	EVP CHIEF OF STAFF	8,323,006	2,411,700	1,166,240	11,900,945
Pai, Lou L	Policy Committee	CHAIRMAN AND CEO ENRON XCCELERATOR	30,404,943	210	0	30,405,153
Rice, Kenneth D	Policy Committee	CHIEF EXEC OFFICER	37,663,109	26,554,127	932,560	65,149,796
Whalley, Lawrence G.	Policy Committee	PRESIDENT & COO	1,799,717	11,644,322	3,966,560	17,410,599
Sherriff, John R	Policy Committee	PRESIDENT & CEO	7,590,528	8,545,220	2,378,080	18,513,828
Bibi, Philippe A	Exec. Committee	PRESIDENT & CEO	2,592,875	2,131,345	1,480,160	6,204,380
Blachman, Jeremy M	Exec. Committee	CO-CHIEF OPERATING OFFICER EES	1,544,486	1,526,753	373,040	3,444,279
Bowen Jr, Raymond M	Exec. Committee	CHIEF OPERATING OFFICER	2,285,360	1,276,524	597,120	4,159,024
Brown, Michael	Exec. Committee	CHIEF OPERATING OFFICER	524,119	848,845	799,360	2,172,324
Buchanan, Harold G	Exec. Committee	CO-CHIEF OPERATING OFFICER EES	197,949	2,792,492	293,120	3,283,561
Buy, Richard B	Exec. Committee	EVP CHIEF RISK OFFICER	435,415	5,328,885	532,960	6,297,261
Cline, Wade	Exec. Committee	MNG DIR	4,927,569	540,225	578,680	6,046,674
Cox, David	Exec. Committee	MNG DIR ORIGINATION	630,467	1,767,595	927,680	3,325,742
Dietrich, Janet	Exec. Committee	PRESIDENT	2,894,856	2,658,610	266,480	5,819,946
Glisan Jr, Ben F	Exec. Committee	MNG DIR, FINANCE & TREASURER	435,164	1,340,143	1,977,520	3,752,827
Hayslett, Roderick J.	Exec. Committee	MNG DIR ETS FINANCE & ACCTG	2,600,242	626,143	426,640	3,653,025
Hughes, James	Exec. Committee	CHIEF OPERATING OFFICER	1,228,054	1,338,269	837,760	3,404,083
Kitchen, Louise	Exec. Committee	CHIEF OPERATING OFFICER	2,416,586	1,506,694	1,887,760	5,811,041
Koenig, Mark E	Exec. Committee	EVP INVESTOR REL	2,430,652	1,812,400	613,280	4,856,332
Lavorato, John J	Exec. Committee	PRESIDENT & CEO	2,163,477	7,437,579	1,598,720	11,199,776
Leff, Daniel P	Exec. Committee	CHIEF OPERATING OFFICER	687,922	404,399	426,320	1,518,640
McCarty, Danny J.	Exec. Committee	MNG DIR & CHIEF COMMERCIAL OFF	8,484,515	3,910,075	789,280	13,183,871
McConnell, Mike	Exec. Committee	PRESIDENT & CEO	2,262,842	6,153,557	2,174,800	10,591,200
McDonald, Rebecca	Exec. Committee	PRESIDENT & CEO	2,653,602	2,134,634	668,960	5,457,197
McMahon, Jeffrey	Exec. Committee	PRESIDENT & CEO	3,070,117	6,589,363	1,375,520	11,035,000
Metts, Mark	Exec. Committee	EVP CORP DEVELOPMENT	61,199	696,967	426,320	1,184,486
Muller, Mark S	Exec. Committee	MANAGING DIRECTOR	92,366	1,063,540	426,320	1,582,226
Olson, Cindy K	Exec. Committee	EVP HR & COMMUNITY REL	845,869	1,523,650	721,360	3,090,879
Piper, Gregory F	Exec. Committee	CHIEF OPERATING OFFICER	2,176,938	2,011,178	938,400	5,126,516

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LTI Current Value Analysis

Value of In-The-Money Stock Options and Restricted Stock

Exhibit 7

(At $80.00 stock price)

Name	Job Group	Title	Exercisable Stock Options ($)	Unexercisable Stock Options ($)	Unearned Restricted Stock ($)	Total Value ($)
Scrimshaw, Mathew	Exec. Committee	PRESIDENT & CEO - EES EUROPE	8,053	1,190,507	661,200	1,859,760
Shankman, Jeffrey A.	Exec. Committee	CHIEF OPERATING OFFICER	9,492,423	1,941,278	1,065,840	12,499,540
Sherrick, Jeffrey B	Exec. Committee	CEO	1,220,466	3,261,686	1,000,800	5,482,951
Sunde, Marlin	Exec. Committee	VICE CHAIRMAN	746,987	5,758,246	740,560	7,245,792
Allen, Phillip K	MD	MNG DIR TRADING	56,357	1,403,112	2,338,720	3,798,189
Belden, Timothy N	MD	MNG DIR TRADING	707,317	1,437,632	2,254,800	4,399,749
Butts, Robert H	MD	MNG DIR & CONTROLLER	2,181,086	852,491	430,080	3,463,657
Carter, Rebecca C.	MD	MNG DIR & CORP SECY	1,491,567	656,986	356,720	2,505,273
Colwell, Wesley	MD	MNG DIR ACCTG	934,337	845,121	319,760	2,099,217
Elliott, Steven	MD	MNG DIR TRADING	1,316,381	20,858,301	3,085,760	25,260,441
Fallon, James	MD	MNG DIR TRADING	32,521	3,519,771	2,970,560	6,522,852
Haedicke, Mark E	MD	MNG DIR LEGAL	2,500,012	2,026,265	399,680	4,925,977
Hermann, Robert J	MD	MNG DIR AND GENERAL TAX COUNSEL	11,363,710	954,902	483,360	12,801,972
Hickerson, Gary J	MD	MNG DIR TRADING	503,927	1,051,682	927,680	2,483,289
Kopper, Michael J	MD	MNG DIR FIN	4,665,860	2,131,465	1,086,480	7,883,606
Meyer, Rockford G	MD	PRESIDENT CITRUS	399,755	668,131	250,160	1,318,046
Sharp, Victoria T	MD	MNG DIR & GEN CNSL	782,449	455,769	333,120	1,571,337
Arnold, John D	VP	VP TRADING	2,024,496	2,647,186	926,560	5,598,242
Bradley, Michael W	VP	VP EQUITY TRADING	44,453	681,153	666,160	1,391,766
Gorte, David	VP	VP UNDERWRITING	75,344	701,833	239,840	1,017,017
Jones, Robert W	VP	VP HR	1,084,472	237,935	199,840	1,522,246
Joyce, Mary K	VP	VP EXECUTIVE COMPENSATION	155,109	434,553	260,000	849,662
Lynch, Drew C	VP	VICE PRESIDENT, COMMERCIAL SUPPORT	1,973,932	630,816	554,640	3,159,388
Mintz, Jordon	VP	VP & GEN CNSL	283,972	1,046,961	436,640	1,767,573
Oxley, David	VP	VP HR	707,840	633,541	450,000	1,791,380
Palmer, Mark A.	VP	VP COMMUNICATIONS	1,389,756	372,500	240,640	2,002,896
Perlman, Beth S.	VP	VP IT-DEVELOPMENT	464,860	112,555	207,440	784,855
Presto, Kevin M	VP	VP TRADING	165,784	523,909	266,480	956,173
Schuler, W Lance	VP	VP & ASST GEN CNSL	720,237	436,067	199,840	1,356,144
Shively, Hunter	VP	VP TRADING	146,447	460,266	863,600	1,470,313
Sturm, Fletcher	VP	VP TRADING	142,423	247,989	532,960	923,372
Swerzbin, Michael J	VP	VP TRADING	682,066	833,250	1,460,560	2,975,875
Taylor, Mark E	VP	VP & GEN CNSL	1,357,904	424,677	159,920	1,942,501
Total			679,848,823	354,040,225	91,818,560	1,125,707,608

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LTI Current Value Analysis

Value of In-The-Money Stock Options and Restricted Stock

Exhibit 8

(At $100.00 stock price)

Name	Job Group	Title	Exercisable Stock Options ($)	Unexercisable Stock Options ($)	Unearned Restricted Stock ($)	Total Value ($)
Lay, Ken	OOC	CHAIRMAN OF THE BOARD	386,670,555	81,789,958	15,194,900	483,655,413
Skilling, Jeff	OOC	CHIEF EXEC OFFICER	44,354,134	66,180,787	14,717,700	125,252,621
Baxter, John C.	Policy Committee	VICE CHAIRMAN & CHIEF STRATEGY OFFICER	74,192	21,126,516	599,600	21,800,308
Causey, Richard A.	Policy Committee	EVP CHIEF ACCTG OFFICER	3,619,874	5,630,328	3,266,700	12,516,902
Delainey, David W	Policy Committee	CHAIRMAN & CEO	4,576,371	19,093,964	2,491,800	26,162,135
Derrick Jr., James V.	Policy Committee	EVP GEN COUNSEL	125,063,873	9,706,443	1,866,700	136,637,015
Fastow, Andrew S	Policy Committee	EVP & CHIEF FINANCIAL OFFICER	13,730,315	13,905,861	2,664,500	30,300,676
Frevert, Mark A	Policy Committee	CHMN & CEO	60,193,341	51,255,943	732,800	112,182,084
Hannon, Kevin P.	Policy Committee	PRES & COO	42,644,416	45,232,733	1,265,700	89,142,849
Horton, Stanley C	Policy Committee	CHAIRMAN & CEO	16,695,900	9,607,622	2,033,300	28,336,822
Kean, Steven J.	Policy Committee	EVP CHIEF OF STAFF	11,468,926	4,090,946	1,457,800	17,017,671
Pai, Lou L	Policy Committee	CHAIRMAN AND CEO ENRON XCCELERATOR	41,861,563	70,819	0	41,932,381
Rice, Kenneth D	Policy Committee	CHIEF EXEC OFFICER	66,322,489	48,248,135	1,165,700	115,736,324
Whalley, Lawrence G.	Policy Committee	PRESIDENT & COO	5,986,437	26,559,442	4,958,200	37,504,079
Sherrift, John R	Policy Committee	PRESIDENT & CEO	14,521,828	20,668,800	2,972,600	38,163,228
Bibi, Philippe A	Exec. Committee	PRESIDENT & CEO	3,751,435	3,428,305	1,850,200	9,029,940
Blachman, Jeremy M	Exec. Committee	CO-CHIEF OPERATING OFFICER EES	2,194,706	3,033,893	466,300	5,694,899
Bowen Jr, Raymond M	Exec. Committee	CHIEF OPERATING OFFICER	3,317,540	2,093,264	746,400	6,157,204
Brown, Michael	Exec. Committee	CHIEF OPERATING OFFICER	876,719	2,137,607	999,200	4,013,526
Buchanan, Harold G	Exec. Committee	CO-CHIEF OPERATING OFFICER EES	388,189	5,490,812	366,400	6,245,401
Buy, Richard B	Exec. Committee	EVP CHIEF RISK OFFICER	757,315	8,017,229	666,200	9,440,744
Cline, Wade	Exec. Committee	MNG DIR	6,829,249	1,202,545	723,600	8,755,394
Cox, David	Exec. Committee	MNG DIR ORIGINATION	1,554,227	5,801,475	1,159,600	8,515,302
Dietrich, Janet	Exec. Committee	PRESIDENT	4,133,736	4,070,430	333,100	8,537,266
Glisan Jr, Ben F	Exec. Committee	MNG DIR, FINANCE & TREASURER	925,804	2,902,183	2,471,900	6,299,887
Hayslett, Roderick J.	Exec. Committee	MNG DIR ETS FINANCE & ACCTG	3,668,642	1,179,883	533,300	5,381,825
Hughes, James	Exec. Committee	CHIEF OPERATING OFFICER	2,124,154	2,177,869	1,047,200	5,349,223
Kitchen, Louise	Exec. Committee	CHIEF OPERATING OFFICER	3,567,866	3,229,314	2,359,700	9,156,881
Koenig, Mark E	Exec. Committee	EVP INVESTOR REL	3,643,452	3,003,787	766,600	7,413,839
Lavorato, John J	Exec. Committee	PRESIDENT & CEO	5,680,197	17,307,219	1,998,400	24,985,816
Leff, Daniel P	Exec. Committee	CHIEF OPERATING OFFICER	1,422,882	1,590,990	532,900	3,546,772
McCarty, Danny J.	Exec. Committee	MNG DIR & CHIEF COMMERCIAL OFF	11,879,865	6,311,945	986,600	19,178,411
McConnell, Mike	Exec. Committee	PRESIDENT & CEO	3,416,342	14,119,617	2,718,500	20,254,460
McDonald, Rebecca	Exec. Committee	PRESIDENT & CEO	4,307,462	3,237,654	836,200	8,381,317
McMahon, Jeffrey	Exec. Committee	PRESIDENT & CEO	6,960,717	16,851,503	1,719,400	25,531,620
Metts, Mark	Exec. Committee	EVP CORP DEVELOPMENT	177,759	1,439,481	532,900	2,150,140
Muller, Mark S	Exec. Committee	MANAGING DIRECTOR	247,106	2,056,180	532,900	2,836,186
Olson, Cindy K	Exec. Committee	EVP HR & COMMUNITY REL	1,350,229	2,788,344	901,700	5,040,273
Piper, Gregory F	Exec. Committee	CHIEF OPERATING OFFICER	3,160,438	3,138,278	1,173,000	7,471,716

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LTI Current Value Analysis

Value of In-The-Money Stock Options and Restricted Stock

Exhibit 8

(At $100.00 stock price)

Name	Job Group	Title	Exercisable Stock Options ($)	Unexercisable Stock Options ($)	Unearned Restricted Stock ($)	Total Value ($)
Scrimshaw, Mathew	Exec. Committee	PRESIDENT & CEO - EES EUROPE	40,673	2,198,216	826,500	3,065,389
Shankman, Jeffrey A.	Exec. Committee	CHIEF OPERATING OFFICER	13,004,583	3,560,498	1,332,300	17,897,380
Sherrick, Jeffrey B	Exec. Committee	CEO	1,878,686	4,687,886	1,251,000	7,817,571
Sunde, Martin	Exec. Committee	VICE CHAIRMAN	1,243,387	11,846,677	925,700	14,015,764
Allen, Phillip K	MD	MNG DIR TRADING	284,637	3,285,612	2,923,400	6,493,649
Belden, Timothy N	MD	MNG DIR TRADING	1,223,677	3,294,992	2,818,500	7,337,169
Butts, Robert H	MD	MNG DIR & CONTROLLER	3,337,726	1,447,751	537,600	5,323,077
Carter, Rebecca C.	MD	MNG DIR & CORP SECY	2,135,367	1,134,266	445,900	3,715,533
Colwell, Wesley	MD	MNG DIR ACCTG	1,649,457	1,503,301	399,700	3,552,457
Elliott, Steven	MD	MNG DIR TRADING	1,940,641	30,861,381	3,857,200	36,659,221
Fallon, James	MD	MNG DIR TRADING	477,283	6,621,599	3,713,200	10,812,082
Haedicke, Mark E	MD	MNG DIR LEGAL	3,514,652	3,196,365	499,600	7,210,617
Hermann, Robert J	MD	MNG DIR AND GENERAL TAX COUNSEL	15,771,190	1,648,722	604,200	18,024,112
Hickerson, Gary J	MD	MNG DIR TRADING	846,827	1,982,702	1,159,600	3,989,129
Kopper, Michael J	MD	MNG DIR FIN	8,567,840	3,527,065	1,358,100	11,453,006
Meyer, Rockford G	MD	PRESIDENT CITRUS	624,815	1,066,391	312,700	2,003,906
Sharp, Victoria T	MD	MNG DIR & GEN CNSL	1,211,029	1,242,697	416,400	2,870,126
Arnold, John D	VP	VP TRADING	3,118,016	4,375,546	1,158,200	8,651,762
Bradley, Michael W	VP	VP EQUITY TRADING	135,973	1,650,113	832,700	2,618,786
Gorte, David	VP	VP UNDERWRITING	149,864	1,176,773	299,800	1,626,437
Jones, Robert W	VP	VP HR	1,511,552	474,755	249,800	2,236,106
Joyce, Mary K	VP	VP EXECUTIVE COMPENSATION	334,329	1,012,633	325,000	1,671,962
Lynch, Drew C	VP	VICE PRESIDENT, COMMERCIAL SUPPORT	2,926,532	1,064,196	693,300	4,684,028
Mintz, Jordon	VP	VP & GEN CNSL	474,032	1,596,281	545,800	2,616,113
Oxley, David	VP	VP HR	1,067,880	1,165,921	562,500	2,796,300
Palmer, Mark A.	VP	VP COMMUNICATIONS	1,996,536	723,520	300,800	3,020,856
Perlman, Beth S.	VP	VP IT-DEVELOPMENT	689,820	322,395	259,300	1,271,515
Presto, Kevin M	VP	VP TRADING	327,164	1,119,589	333,100	1,779,853
Schuler, W Lance	VP	VP & ASST GEN CNSL	1,044,877	781,347	249,800	2,076,024
Shively, Hunter	VP	VP TRADING	331,067	1,255,786	1,079,500	2,666,373
Sturm, Fletcher	VP	VP TRADING	310,763	873,029	666,200	1,849,992
Swerzbin, Michael J	VP	VP TRADING	1,049,386	2,129,050	1,825,700	5,004,135
Taylor, Mark E	VP	VP & GEN CNSL	2,014,444	770,837	199,900	2,985,181
Total			987,354,967	643,375,995	114,773,200	1,745,504,162

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LTI Current Value Analysis

Value of In-The-Money Stock Options and Restricted Stock

Exhibit 9

(At $120.00 stock price)

Name	Job Group	Title	Exercisable Stock Options ($)	Unexercisable Stock Options ($)	Unearned Restricted Stock ($)	Total Value ($)
Lay, Ken	OOC	CHAIRMAN OF THE BOARD	491,901,395	112,255,958	18,233,880	622,391,233
Skilling, Jeff	OOC	CHIEF EXEC OFFICER	60,834,894	94,583,567	17,661,240	173,079,701
Baxter, John C.	Policy Committee	VICE CHAIRMAN & CHIEF STRATEGY OFFICER	133,432	27,462,396	719,520	28,315,348
Causey, Richard A.	Policy Committee	EVP CHIEF ACCTG OFFICER	4,798,594	7,880,208	3,920,040	16,598,842
Delainey, David W	Policy Committee	CHAIRMAN & CEO	7,772,551	30,425,544	2,990,160	41,188,255
Derrick Jr., James V.	Policy Committee	EVP GEN COUNSEL	154,958,493	12,994,123	2,240,040	170,192,655
Fastow, Andrew S	Policy Committee	EVP & CHIEF FINANCIAL OFFICER	18,095,475	19,111,001	3,197,400	40,403,876
Frevert, Mark A	Policy Committee	CHMN & CEO	81,237,381	75,302,823	879,360	157,419,564
Hannon, Kevin P.	Policy Committee	PRES & COO	57,512,796	66,485,813	1,518,840	125,517,449
Horton, Stanley C	Policy Committee	CHAIRMAN & CEO	21,502,340	13,004,242	2,439,960	36,946,542
Kean, Steven J.	Policy Committee	EVP CHIEF OF STAFF	14,614,846	5,780,786	1,749,360	22,144,991
Pai, Lou L	Policy Committee	CHAIRMAN AND CEO ENRON XCCELERATOR	53,318,183	154,459	0	53,472,641
Rice, Kenneth D	Policy Committee	CHIEF EXEC OFFICER	94,981,869	69,955,815	1,398,840	166,336,524
Whalley, Lawrence G.	Policy Committee	PRESIDENT & COO	10,173,157	41,474,562	5,949,840	57,597,559
Sherriff, John R	Policy Committee	PRESIDENT & CEO	21,453,128	32,792,380	3,567,120	57,812,628
Bibi, Philippe A	Exec. Committee	PRESIDENT & CEO	4,909,995	4,725,265	2,220,240	11,855,500
Blachman, Jeremy M	Exec. Committee	CO-CHIEF OPERATING OFFICER EES	2,844,926	4,729,033	559,560	8,133,519
Bowen Jr, Raymond M	Exec. Committee	CHIEF OPERATING OFFICER	4,349,700	2,910,004	895,680	8,155,384
Brown, Michael	Exec. Committee	CHIEF OPERATING OFFICER	1,229,319	3,537,367	1,199,040	5,965,726
Buchanan, Harold G	Exec. Committee	CO-CHIEF OPERATING OFFICER EES	578,429	8,377,132	439,680	9,395,241
Buy, Richard B	Exec. Committee	EVP CHIEF RISK OFFICER	1,079,215	10,714,369	799,440	12,593,024
Cline, Wade	Exec. Committee	MNG DIR	8,730,929	1,864,865	868,320	11,464,114
Cox, David	Exec. Committee	MNG DIR ORIGINATION	2,477,987	9,835,355	1,391,520	13,704,862
Dietrich, Janet	Exec. Committee	PRESIDENT	5,372,616	5,482,250	399,720	11,254,586
Glisan Jr, Ben F	Exec. Committee	MNG DIR, FINANCE & TREASURER	1,416,444	4,464,223	2,966,280	8,846,947
Hayslett, Roderick J.	Exec. Committee	MNG DIR ETS FINANCE & ACCTG	4,737,042	1,733,623	639,960	7,110,625
Hughes, James	Exec. Committee	CHIEF OPERATING OFFICER	3,020,254	3,017,469	1,256,640	7,294,363
Kitchen, Louise	Exec. Committee	CHIEF OPERATING OFFICER	4,719,146	5,016,934	2,831,640	12,567,721
Koenig, Mark E	Exec. Committee	EVP INVESTOR REL	4,856,252	4,204,127	919,920	9,980,299
Lavorato, John J	Exec. Committee	PRESIDENT & CEO	9,196,917	27,176,859	2,398,080	38,771,856
Leff, Daniel P	Exec. Committee	CHIEF OPERATING OFFICER	2,157,842	3,028,250	639,480	5,825,572
McCarty, Danny J.	Exec. Committee	MNG DIR & CHIEF COMMERCIAL OFF	15,323,965	8,860,065	1,183,920	25,367,951
McConnell, Mike	Exec. Committee	PRESIDENT & CEO	4,569,842	22,085,677	3,262,200	29,917,720
McDonald, Rebecca	Exec. Committee	PRESIDENT & CEO	5,961,322	4,340,674	1,003,440	11,305,437
McMahon, Jeffrey	Exec. Committee	PRESIDENT & CEO	10,851,317	27,113,643	2,063,280	40,028,240
Metts, Mark	Exec. Committee	EVP CORP DEVELOPMENT	294,319	2,193,401	639,480	3,127,200
Muller, Mark S	Exec. Committee	MANAGING DIRECTOR	401,846	3,124,020	639,480	4,165,346
Olson, Cindy K	Exec. Committee	EVP HR & COMMUNITY REL	1,854,589	4,063,304	1,082,040	6,999,933
Piper, Gregory F	Exec. Committee	CHIEF OPERATING OFFICER	4,143,938	4,265,378	1,407,600	9,816,916

EC 002634742

LTI Current Value Analysis

Value of In-The-Money Stock Options and Restricted Stock

Exhibit 9

(At $120.00 stock price)

Name	Job Group	Title	Exercisable Stock Options ($)	Unexercisable Stock Options ($)	Unearned Restricted Stock ($)	Total Value ($)
Scrimshaw, Mathew	Exec. Committee	PRESIDENT & CEO - EES EUROPE	73,293	3,331,256	991,800	4,396,349
Shankman, Jeffrey A.	Exec. Committee	CHIEF OPERATING OFFICER	16,516,743	5,179,718	1,598,760	23,295,220
Sherrick, Jeffrey B	Exec. Committee	CEO	2,536,906	6,114,086	1,501,200	10,152,191
Sunde, Martin	Exec. Committee	VICE CHAIRMAN	1,739,787	18,185,777	1,110,840	21,036,404
Allen, Phillip K	MD	MNG DIR TRADING	512,917	5,168,112	3,508,080	9,189,109
Belden, Timothy N	MD	MNG DIR TRADING	1,740,037	5,152,352	3,382,200	10,274,589
Butts, Robert H	MD	MNG DIR & CONTROLLER	4,494,366	2,043,011	645,120	7,182,497
Carter, Rebecca C.	MD	MNG DIR & CORP SECY	2,779,167	1,611,546	535,080	4,925,793
Colwell, Wesley	MD	MNG DIR ACCTG	2,364,577	2,161,481	479,640	5,005,697
Elliott, Steven	MD	MNG DIR TRADING	2,564,901	40,864,461	4,628,640	48,058,001
Fallon, James	MD	MNG DIR TRADING	982,983	9,906,239	4,455,840	15,345,062
Haedicke, Mark E	MD	MNG DIR LEGAL	4,529,292	4,366,445	599,520	9,495,257
Hermann, Robert J	MD	MNG DIR AND GENERAL TAX COUNSEL	20,178,670	2,342,542	725,040	23,246,252
Hickerson, Gary J	MD	MNG DIR TRADING	1,189,727	2,913,722	1,391,520	5,494,969
Kopper, Michael J	MD	MNG DIR FIN	8,470,020	4,922,665	1,629,720	15,022,406
Meyer, Rockford G	MD	PRESIDENT CITRUS	849,875	1,464,651	375,240	2,689,766
Sharp, Victoria T	MD	MNG DIR & GEN CNSL	1,639,609	2,154,957	499,680	4,294,246
Arnold, John D	VP	VP TRADING	4,211,536	6,103,906	1,389,840	11,705,282
Bradley, Michael W	VP	VP EQUITY TRADING	227,493	2,619,073	999,240	3,845,806
Gorte, David	VP	VP UNDERWRITING	224,384	1,651,713	359,760	2,235,857
Jones, Robert W	VP	VP HR	1,938,632	711,575	299,760	2,949,966
Joyce, Mary K	VP	VP EXECUTIVE COMPENSATION	513,549	1,590,713	390,000	2,494,262
Lynch, Drew C	VP	VICE PRESIDENT, COMMERCIAL SUPPORT	3,879,132	1,497,576	831,960	6,208,668
Mintz, Jordon	VP	VP & GEN CNSL	664,092	2,145,601	654,960	3,464,653
Oxley, David	VP	VP HR	1,427,920	1,724,941	675,000	3,827,860
Palmer, Mark A.	VP	VP COMMUNICATIONS	2,603,316	1,074,540	360,960	4,038,816
Perlman, Beth S.	VP	VP IT-DEVELOPMENT	914,780	532,235	311,160	1,758,175
Presto, Kevin M	VP	VP TRADING	488,544	1,715,269	399,720	2,603,533
Schuler, W Lance	VP	VP & ASST GEN CNSL	1,369,517	1,126,627	299,760	2,795,904
Shively, Hunter	VP	VP TRADING	515,727	2,051,306	1,295,400	3,862,433
Sturm, Fletcher	VP	VP TRADING	479,103	1,498,069	799,440	2,776,612
Swerzbin, Michael J	VP	VP TRADING	1,416,706	3,424,850	2,190,840	7,032,395
Taylor, Mark E	VP	VP & GEN CNSL	2,670,984	1,116,997	239,880	4,027,861
Total			1,295,074,967	934,994,975	137,727,840	2,367,797,782

EC 002634743

Potential Direct Total Compensation

Exhibit 10

Name	Job Group	Title	Base Salary	Adjusted 2000 Bonus @ 80%	Stock Value at $40.00	Total Potential Compensation
Lay, Ken	OOC	CHAIRMAN OF THE BOARD	975,000	5,600,000	85,854,027	92,429,027
Skilling, Jeff	OOC	CHIEF EXEC OFFICER	1,300,000	4,480,000	12,855,523	18,635,523
Baxter, John C.	Policy Committee	VICE CHAIRMAN & CHIEF STRATEGY OFFICER	500,000	960,000	3,349,979	4,809,979
Causey, Richard A.	Policy Committee	EVP CHIEF ACCTG OFFICER	400,000	800,000	2,227,654	3,427,654
Delainey, David W	Policy Committee	CHAIRMAN & CEO	350,000	2,400,000	1,785,370	4,535,370
Derrick Jr., James V.	Policy Committee	EVP GEN COUNSEL	470,000	640,000	38,135,270	39,245,270
Fastow, Andrew S	Policy Committee	EVP & CHIEF FINANCIAL OFFICER	400,000	1,040,000	4,595,427	6,035,427
Frevert, Mark A	Policy Committee	CHMN & CEO	520,000	1,600,000	12,193,452	14,313,452
Hannon, Kevin P.	Policy Committee	PRES & COO	400,000	1,200,000	8,975,279	10,575,279
Horton, Stanley C	Policy Committee	CHAIRMAN & CEO	520,000	960,000	5,017,048	6,497,048
Kean, Steven J.	Policy Committee	EVP CHIEF OF STAFF	400,000	800,000	3,439,501	4,639,501
Pai, Lou L	Policy Committee	CHAIRMAN AND CEO ENRON XCCELERATOR	400,000	800,000	7,491,995	8,691,995
Rice, Kenneth D	Policy Committee	CHIEF EXEC OFFICER	420,000	1,400,000	10,801,312	12,621,312
Whalley, Lawrence G.	Policy Committee	PRESIDENT & COO	400,000	2,400,000	3,141,558	5,941,558
Sherriff, John R	Policy Committee	PRESIDENT & CEO	400,000	1,200,000	2,969,202	4,569,202
Bibi, Philippe A	Exec. Committee	PRESIDENT & CEO	325,000	800,000	1,793,228	2,918,228
Blachman, Jeremy M	Exec. Committee	CO-CHIEF OPERATING OFFICER EES	240,000	480,000	950,784	1,670,784
Bowen Jr, Raymond M	Exec. Committee	CHIEF OPERATING OFFICER	265,000	480,000	1,139,741	1,884,741
Brown, Michael	Exec. Committee	CHIEF OPERATING OFFICER	300,581	480,000	571,695	1,352,276
Buchanan, Harold G	Exec. Committee	CO-CHIEF OPERATING OFFICER EES	240,000	400,000	443,947	1,083,947
Buy, Richard B	Exec. Committee	EVP CHIEF RISK OFFICER	325,000	720,000	1,249,672	2,294,672
Cline, Wade	Exec. Committee	MNG DIR	300,000	400,000	1,797,911	2,497,911
Cox, David	Exec. Committee	MNG DIR ORIGINATION	300,000	640,000	574,865	1,514,865
Dietrich, Janet	Exec. Committee	PRESIDENT	225,000	240,000	1,164,708	1,629,708
Glisan Jr, Ben F	Exec. Committee	MD, FINANCE & TREASURER	300,000	480,000	1,138,242	1,918,242
Hayslett, Roderick J.	Exec. Committee	MNG DIR ETS FINANCE & ACCTG	250,000	320,000	990,681	1,560,681
Hughes, James	Exec. Committee	CHIEF OPERATING OFFICER	265,000	480,000	821,039	1,566,039
Kitchen, Louise	Exec. Committee	CHIEF OPERATING OFFICER	216,765	880,000	1,794,842	2,891,607
Koenig, Mark E	Exec. Committee	EVP INVESTOR REL	300,000	560,000	826,668	1,686,668
Lavorato, John J	Exec. Committee	PRESIDENT & CEO	300,000	2,400,000	1,846,975	4,546,975
Leff, Daniel P	Exec. Committee	CHIEF OPERATING OFFICER	265,000	560,000	240,412	1,065,412
McCarty, Danny J.	Exec. Committee	MNG DIR & CHIEF COMMERCIAL OFF	300,000	300,000	3,324,838	3,924,838
McConnell, Mike	Exec. Committee	PRESIDENT & CEO	350,000	880,000	2,058,052	3,288,052
McDonald, Rebecca	Exec. Committee	PRESIDENT & CEO	390,938	480,000	940,656	1,811,593
McMahon, Jeffrey	Exec. Committee	PRESIDENT & CEO	350,000	880,000	1,660,100	2,890,100
Metts, Mark	Exec. Committee	EVP CORP DEVELOPMENT	350,000	480,000	227,586	1,057,586
Muller, Mark S	Exec. Committee	MANAGING DIRECTOR	240,000	560,000	444,461	1,244,461

Potential Direct Total Compensation: Current base salary; Bonus at 80% ($40), 90% ($50), 100% ($80), 115% ($100), and 125% ($120) of 2000 bonus depending upon stock price; Long-term value is value of in-the-money stock options and restricted stock.

Towers Perrin

EC 002634744

Potential Direct Total Compensation

Exhibit 10

Name	Job Group	Title	Base Salary	Adjusted 2000 Bonus @ 80%	Stock Value at $40.00	Total Potential Compensation
Olson, Cindy K	Exec. Committee	EVP HR & COMMUNITY REL	315,000	600,000	556,373	1,471,373
Piper, Gregory F	Exec. Committee	CHIEF OPERATING OFFICER	250,000	400,000	1,449,192	2,099,192
Scrimshaw, Mathew	Exec. Committee	PRESIDENT & CEO - EES EUROPE	240,609	400,000	571,661	1,212,270
Shankman, Jeffrey A.	Exec. Committee	CHIEF OPERATING OFFICER	300,000	1,600,000	4,024,070	5,924,070
Sherrick, Jeffrey B	Exec. Committee	CEO	350,000	280,000	1,083,265	1,713,265
Sunde, Martin	Exec. Committee	VICE CHAIRMAN	265,000	560,000	500,967	1,325,967
Allen, Phillip K	MD	MNG DIR TRADING	200,000	2,800,000	1,412,209	4,412,209
Belden, Timothy N	MD	MNG DIR TRADING	219,962	2,200,000	1,349,433	3,769,395
Butts, Robert H	MD	MNG DIR & CONTROLLER	250,000	300,000	746,735	1,296,735
Carter, Rebecca C.	MD	MNG DIR & CORP SECY	252,000	240,000	667,082	1,159,082
Colwell, Wesley	MD	MNG DIR ACCTG	275,004	480,000	194,496	949,500
Elliott, Steven	MD	MNG DIR TRADING	250,000	280,000	2,463,455	2,993,455
Fallon, James	MD	MNG DIR TRADING	300,000	800,000	1,981,983	3,081,983
Haedicke, Mark E	MD	MNG DIR LEGAL	350,004	320,000	1,556,518	2,226,522
Hermann, Robert J	MD	MNG DIR AND GENERAL TAX COUNSEL	250,000	320,000	4,138,980	4,708,980
Hickerson, Gary J	MD	MNG DIR TRADING	200,000	800,000	651,779	1,651,779
Kopper, Michael J	MD	MNG DIR FIN	275,000	640,000	2,317,706	3,232,706
Meyer, Rockford G	MD	PRESIDENT CITRUS	260,000	240,000	336,453	836,453
Sharp, Victoria T	MD	MNG DIR & GEN CNSL	240,000	320,000	392,451	952,451
Arnold, John D	VP	VP TRADING	160,000	520,000	1,191,998	1,871,998
Bradley, Michael W	VP	VP EQUITY TRADING	175,000	1,000,000	346,064	1,521,064
Gorte, David	VP	VP UNDERWRITING	200,000	200,000	123,669	523,669
Jones, Robert W	VP	VP HR	190,000	240,000	462,661	892,661
Joyce, Mary K	VP	VP EXECUTIVE COMPENSATION	234,563	240,000	171,032	645,595
Lynch, Drew C	VP	VICE PRESIDENT, COMMERCIAL SUPPORT	230,400	240,000	821,621	1,292,021
Mintz, Jordon	VP	VP & GEN CNSL	200,000	240,000	516,233	956,233
Oxley, David	VP	VP HR	204,000	320,000	393,976	917,976
Palmer, Mark A.	VP	VP COMMUNICATIONS	206,000	320,000	492,154	1,018,154
Perlman, Beth S.	VP	VP IT-DEVELOPMENT	210,000	200,000	229,028	639,028
Presto, Kevin M	VP	VP TRADING	185,004	400,000	232,369	817,373
Schuler, W Lance	VP	VP & ASST GEN CNSL	175,000	160,000	355,401	690,401
Shively, Hunter	VP	VP TRADING	170,000	1,000,000	465,106	1,635,106
Sturm, Fletcher	VP	VP TRADING	170,000	800,000	266,480	1,236,480
Swerzbin, Michael J	VP	VP TRADING	120,000	1,600,000	973,398	2,693,398
Taylor, Mark E	VP	VP & GEN CNSL	175,000	140,000	449,062	764,062
Total			22,300,830	61,380,000	262,718,760	346,399,590

Potential Direct Total Compensation: Current base salary; Bonus at 80% ($40), 90% ($50), 100% ($80), 115% ($100), and 125% ($120) of 2000 bonus depending upon stock price; Long-term value is value of in-the-money stock options and restricted stock.

Towers Perrin

EC 00234745

Potential Direct Total Compensation

Exhibit 11

Name	Job Group	Title	Base Salary	Adjusted 2000 Bonus at 90%	Stock Value at $60.00	Total Potential Compensation
Lay, Ken	OOC	CHAIRMAN OF THE BOARD	975,000	6,300,000	211,736,316	219,011,316
Skilling, Jeff	OOC	CHIEF EXEC OFFICER	1,300,000	5,040,000	39,087,349	45,427,349
Baxter, John C.	Policy Committee	VICE CHAIRMAN & CHIEF STRATEGY OFFICER	500,000	1,080,000	9,185,607	10,765,607
Causey, Richard A.	Policy Committee	EVP CHIEF ACCTG OFFICER	400,000	900,000	5,010,606	6,310,606
Delainey, David W	Policy Committee	CHAIRMAN & CEO	350,000	2,700,000	3,375,671	6,425,671
Derrick Jr., James V.	Policy Committee	EVP GEN COUNSEL	470,000	720,000	70,212,226	71,402,226
Fastow, Andrew S	Policy Committee	EVP & CHIEF FINANCIAL OFFICER	400,000	1,170,000	11,610,055	13,180,055
Frevert, Mark A	Policy Committee	CHMN & CEO	520,000	1,800,000	33,564,869	35,884,869
Hannon, Kevin P.	Policy Committee	PRES & COO	400,000	1,350,000	27,430,506	29,180,506
Horton, Stanley C	Policy Committee	CHAIRMAN & CEO	520,000	1,080,000	11,897,762	13,497,762
Kean, Steven J.	Policy Committee	EVP CHIEF OF STAFF	400,000	900,000	7,414,603	8,714,603
Pai, Lou L	Policy Committee	CHAIRMAN AND CEO ENRON XCCELERATOR	400,000	900,000	18,948,355	20,248,355
Rice, Kenneth D	Policy Committee	CHIEF EXEC OFFICER	420,000	1,575,000	27,698,617	29,693,617
Whalley, Lawrence G.	Policy Committee	PRESIDENT & COO	400,000	2,700,000	7,008,426	10,108,426
Sherriff, John R	Policy Committee	PRESIDENT & CEO	400,000	1,350,000	6,975,466	8,725,466
Bibi, Philippe A	Exec. Committee	PRESIDENT & CEO	325,000	900,000	3,706,278	4,931,278
Blachman, Jeremy M	Exec. Committee	CO-CHIEF OPERATING OFFICER EES	240,000	540,000	1,903,308	2,683,308
Bowen Jr, Raymond M	Exec. Committee	CHIEF OPERATING OFFICER	265,000	540,000	2,423,764	3,228,764
Brown, Michael	Exec. Committee	CHIEF OPERATING OFFICER	300,581	540,000	1,155,473	1,996,053
Buchanan, Harold G	Exec. Committee	CO-CHIEF OPERATING OFFICER EES	240,000	450,000	1,083,516	1,773,516
Buy, Richard B	Exec. Committee	EVP CHIEF RISK OFFICER	325,000	810,000	3,528,832	4,663,832
Cline, Wade	Exec. Committee	MNG DIR	300,000	450,000	3,583,548	4,333,548
Cox, David	Exec. Committee	MNG DIR ORIGINATION	300,000	720,000	1,171,141	2,191,141
Dietrich, Janet	Exec. Committee	PRESIDENT	225,000	270,000	3,266,355	3,761,355
Glisan Jr, Ben F	Exec. Committee	MD, FINANCE & TREASURER	300,000	540,000	2,057,174	2,897,174
Hayslett, Roderick J.	Exec. Committee	MNG DIR ETS FINANCE & ACCTG	250,000	360,000	2,128,924	2,738,924
Hughes, James	Exec. Committee	CHIEF OPERATING OFFICER	265,000	540,000	1,868,674	2,673,674
Kitchen, Louise	Exec. Committee	CHIEF OPERATING OFFICER	216,765	990,000	3,422,357	4,629,122
Koenig, Mark E	Exec. Committee	EVP INVESTOR REL	300,000	630,000	2,609,309	3,539,309
Lavorato, John J	Exec. Committee	PRESIDENT & CEO	300,000	2,700,000	3,635,987	6,635,987
Leff, Daniel P	Exec. Committee	CHIEF OPERATING OFFICER	265,000	630,000	467,895	1,362,895
McCarty, Danny J.	Exec. Committee	MNG DIR & CHIEF COMMERCIAL OFF	300,000	337,500	8,194,331	8,831,831
McConnell, Mike	Exec. Committee	PRESIDENT & CEO	350,000	990,000	4,727,565	6,067,565
McDonald, Rebecca	Exec. Committee	PRESIDENT & CEO	390,938	540,000	2,843,463	3,774,401
McMahon, Jeffrey	Exec. Committee	PRESIDENT & CEO	350,000	990,000	3,534,787	4,874,787
Metts, Mark	Exec. Committee	EVP CORP DEVELOPMENT	350,000	540,000	590,626	1,480,626
Muller, Mark S	Exec. Committee	MANAGING DIRECTOR	240,000	630,000	811,230	1,681,230

Potential Direct Total Compensation: Current base salary; Bonus at 80% ($40), 90% ($50), 100% ($80), 115% ($100), and 125% ($120) of 2000 bonus depending upon stock price; Long-term value is value of in-the-money stock options and restricted stock.

Towers Perrin

EC 002634746

Potential Direct Total Compensation

Exhibit 11

Name	Job Group	Title	Base Salary	Adjusted 2000 Bonus at 90%	Stock Value at $60.00	Total Potential Compensation
Olson, Cindy K	Exec. Committee	EVP HR & COMMUNITY REL	315,000	675,000	1,590,025	2,580,025
Piper, Gregory F	Exec. Committee	CHIEF OPERATING OFFICER	250,000	450,000	2,994,225	3,694,225
Scrimshaw, Mathew	Exec. Committee	PRESIDENT & CEO - EES EUROPE	240,609	450,000	1,109,190	1,799,799
Shankman, Jeffrey A.	Exec. Committee	CHIEF OPERATING OFFICER	300,000	1,800,000	7,756,618	9,856,618
Sherrick, Jeffrey B	Exec. Committee	CEO	350,000	315,000	3,148,331	3,813,331
Sunde, Martin	Exec. Committee	VICE CHAIRMAN	265,000	630,000	1,692,110	2,587,110
Allen, Phillip K	MD	MNG DIR TRADING	200,000	3,150,000	2,363,122	5,713,122
Belden, Timothy N	MD	MNG DIR TRADING	219,962	2,475,000	2,491,591	5,186,553
Butts, Robert H	MD	MNG DIR & CONTROLLER	250,000	337,500	1,864,598	2,452,098
Carter, Rebecca C.	MD	MNG DIR & CORP SECY	252,000	270,000	1,442,400	1,964,400
Colwell, Wesley	MD	MNG DIR ACCTG	275,004	540,000	968,243	1,783,247
Elliott, Steven	MD	MNG DIR TRADING	250,000	315,000	13,861,661	14,426,661
Fallon, James	MD	MNG DIR TRADING	300,000	900,000	4,144,790	5,344,790
Haedicke, Mark E	MD	MNG DIR LEGAL	350,004	360,000	3,001,438	3,711,442
Hermann, Robert J	MD	MNG DIR AND GENERAL TAX COUNSEL	250,000	360,000	8,058,047	8,668,047
Hickerson, Gary J	MD	MNG DIR TRADING	200,000	900,000	1,304,908	2,404,908
Kopper, Michael J	MD	MNG DIR FIN	275,000	720,000	4,690,768	5,685,768
Meyer, Rockford G	MD	PRESIDENT CITRUS	260,000	270,000	714,050	1,244,050
Sharp, Victoria T	MD	MNG DIR & GEN CNSL	240,000	360,000	783,044	1,383,044
Arnold, John D	VP	VP TRADING	160,000	585,000	2,937,365	3,682,365
Bradley, Michael W	VP	VP EQUITY TRADING	175,000	1,125,000	635,030	1,935,030
Gorte, David	VP	VP UNDERWRITING	200,000	225,000	489,462	914,462
Jones, Robert W	VP	VP HR	190,000	270,000	935,571	1,395,571
Joyce, Mary K	VP	VP EXECUTIVE COMPENSATION	234,563	270,000	340,467	845,030
Lynch, Drew C	VP	VICE PRESIDENT, COMMERCIAL SUPPORT	230,400	270,000	1,796,218	2,296,618
Mintz, Jordon	VP	VP & GEN CNSL	200,000	270,000	1,041,868	1,511,868
Oxley, David	VP	VP HR	204,000	360,000	990,864	1,554,864
Palmer, Mark A.	VP	VP COMMUNICATIONS	206,000	360,000	1,107,771	1,673,771
Perlman, Beth S.	VP	VP IT-DEVELOPMENT	210,000	225,000	436,380	871,380
Presto, Kevin M	VP	VP TRADING	185,004	450,000	448,607	1,083,611
Schuler, W Lance	VP	VP & ASST GEN CNSL	175,000	180,000	771,974	1,126,974
Shively, Hunter	VP	VP TRADING	170,000	1,125,000	805,481	2,100,481
Sturm, Fletcher	VP	VP TRADING	170,000	900,000	446,115	1,516,115
Swerzbin, Michael J	VP	VP TRADING	120,000	1,800,000	1,731,283	3,651,283
Taylor, Mark E	VP	VP & GEN CNSL	175,000	157,500	1,057,454	1,389,954
Total			22,300,830	69,052,500	629,822,037	721,175,367

Potential Direct Total Compensation: Current base salary; Bonus at 80% ($40), 90% ($50), 100% ($80), 115% ($100), and 125% ($120) of 2000 bonus depending upon stock price; Long-term value is value of in-the-money stock options and restricted stock.

Towers Perrin

EC 00263747

Potential Direct Total Compensation

Exhibit 12

Name	Job Group	Title	Base Salary	2000 Bonus (No Adjustment)	Stock Value at $80.00	Total Potential Compensation
Lay, Ken	OOC	CHAIRMAN OF THE BOARD	975,000	7,000,000	344,961,921	352,936,921
Skilling, Jeff	OOC	CHIEF EXEC OFFICER	1,300,000	5,600,000	77,453,213	84,353,213
Baxter, John C.	Policy Committee	VICE CHAIRMAN & CHIEF STRATEGY OFFICER	500,000	1,200,000	15,301,549	17,001,549
Causey, Richard A.	Policy Committee	EVP CHIEF ACCTG OFFICER	400,000	1,000,000	8,446,368	9,846,368
Delainey, David W	Policy Committee	CHAIRMAN & CEO	350,000	3,000,000	11,136,015	14,486,015
Derrick Jr., James V.	Policy Committee	EVP GEN COUNSEL	470,000	800,000	103,096,688	104,366,688
Fastow, Andrew S	Policy Committee	EVP & CHIEF FINANCIAL OFFICER	400,000	1,300,000	20,209,695	21,909,695
Frevert, Mark A	Policy Committee	CHMN & CEO	520,000	2,000,000	66,961,542	69,481,542
Hannon, Kevin P.	Policy Committee	PRES & COO	400,000	1,500,000	53,184,914	55,084,914
Horton, Stanley C	Policy Committee	CHAIRMAN & CEO	520,000	1,200,000	19,744,039	21,464,039
Kean, Steven J.	Policy Committee	EVP CHIEF OF STAFF	400,000	1,000,000	11,900,945	13,300,945
Pai, Lou L	Policy Committee	CHAIRMAN AND CEO ENRON XCCELERATOR	400,000	1,000,000	30,405,153	31,805,153
Rice, Kenneth D	Policy Committee	CHIEF EXEC OFFICER	420,000	1,750,000	65,149,796	67,319,796
Whalley, Lawrence G.	Policy Committee	PRESIDENT & COO	400,000	3,000,000	17,410,599	20,810,599
Sherriff, John R	Policy Committee	PRESIDENT & CEO	400,000	1,500,000	18,513,828	20,413,828
Bibi, Philippe A	Exec. Committee	PRESIDENT & CEO	325,000	1,000,000	6,204,380	7,529,380
Blachman, Jeremy M	Exec. Committee	CO-CHIEF OPERATING OFFICER EES	240,000	600,000	3,444,279	4,284,279
Bowen Jr, Raymond M	Exec. Committee	CHIEF OPERATING OFFICER	265,000	600,000	4,159,024	5,024,024
Brown, Michael	Exec. Committee	CHIEF OPERATING OFFICER	300,581	600,000	2,172,324	3,072,905
Buchanan, Harold G	Exec. Committee	CO-CHIEF OPERATING OFFICER EES	240,000	500,000	3,283,561	4,023,561
Buy, Richard B	Exec. Committee	EVP CHIEF RISK OFFICER	325,000	900,000	6,297,261	7,522,261
Cline, Wade	Exec. Committee	MNG DIR	300,000	500,000	6,046,674	6,846,674
Cox, David	Exec. Committee	MNG DIR ORIGINATION	300,000	800,000	3,325,742	4,425,742
Dietrich, Janet	Exec. Committee	PRESIDENT	225,000	300,000	5,819,946	6,344,946
Glisan Jr, Ben F	Exec. Committee	MD, FINANCE & TREASURER	300,000	600,000	3,752,827	4,652,827
Hayslett, Roderick J.	Exec. Committee	MNG DIR ETS FINANCE & ACCTG	250,000	400,000	3,653,025	4,303,025
Hughes, James	Exec. Committee	CHIEF OPERATING OFFICER	265,000	600,000	3,404,083	4,269,083
Kitchen, Louise	Exec. Committee	CHIEF OPERATING OFFICER	216,765	1,100,000	5,811,041	7,127,806
Koenig, Mark E	Exec. Committee	EVP INVESTOR REL	300,000	700,000	4,856,332	5,856,332
Lavorato, John J	Exec. Committee	PRESIDENT & CEO	300,000	3,000,000	11,199,776	14,499,776
Leff, Daniel P	Exec. Committee	CHIEF OPERATING OFFICER	265,000	700,000	1,518,640	2,483,640
McCarty, Danny J.	Exec. Committee	MNG DIR & CHIEF COMMERCIAL OFF	300,000	375,000	13,183,871	13,858,871
McConnell, Mike	Exec. Committee	PRESIDENT & CEO	350,000	1,100,000	10,591,200	12,041,200
McDonald, Rebecca	Exec. Committee	PRESIDENT & CEO	390,938	600,000	5,457,197	6,448,134
McMahon, Jeffrey	Exec. Committee	PRESIDENT & CEO	350,000	1,100,000	11,035,000	12,485,000
Metts, Mark	Exec. Committee	EVP CORP DEVELOPMENT	350,000	600,000	1,184,486	2,134,486
Muller, Mark S	Exec. Committee	MANAGING DIRECTOR	240,000	700,000	1,582,226	2,522,226

Potential Direct Total Compensation: Current base salary; Bonus at 80% ($40), 90% ($50), 100% ($80), 115% ($100), and 125% ($120) of 2000 bonus depending upon stock price; Long-term value is value of in-the-money stock options and restricted stock.

Towers Perrin

EC 002634748

Potential Direct Total Compensation

Exhibit 12

Name	Job Group	Title	Base Salary	2000 Bonus (No Adjustment)	Stock Value at $80.00	Total Potential Compensation
Olson, Cindy K	Exec. Committee	EVP HR & COMMUNITY REL	315,000	750,000	3,090,879	4,155,879
Piper, Gregory F	Exec. Committee	CHIEF OPERATING OFFICER	250,000	500,000	5,126,516	5,876,516
Scrimshaw, Mathew	Exec. Committee	PRESIDENT & CEO - EES EUROPE	240,609	500,000	1,859,760	2,600,370
Shankman, Jeffrey A.	Exec. Committee	CHIEF OPERATING OFFICER	300,000	2,000,000	12,499,540	14,799,540
Sherrick, Jeffrey B	Exec. Committee	CEO	350,000	350,000	5,482,951	6,182,951
Sunde, Martin	Exec. Committee	VICE CHAIRMAN	265,000	700,000	7,245,792	8,210,792
Allen, Phillip K	MD	MNG DIR TRADING	200,000	3,500,000	3,798,189	7,498,189
Belden, Timothy N	MD	MNG DIR TRADING	219,962	2,750,000	4,399,749	7,369,711
Butts, Robert H	MD	MNG DIR & CONTROLLER	250,000	375,000	3,463,657	4,088,657
Carter, Rebecca C.	MD	MNG DIR & CORP SECY	252,000	300,000	2,505,273	3,057,273
Colwell, Wesley	MD	MNG DIR ACCTG	275,004	600,000	2,099,217	2,974,221
Elliott, Steven	MD	MNG DIR TRADING	250,000	350,000	25,260,441	25,860,441
Fallon, James	MD	MNG DIR TRADING	300,000	1,000,000	6,522,852	7,822,852
Haedicke, Mark E	MD	MNG DIR LEGAL	350,004	400,000	4,925,977	5,675,981
Hermann, Robert J	MD	MNG DIR AND GENERAL TAX COUNSEL	250,000	400,000	12,801,972	13,451,972
Hickerson, Gary J	MD	MNG DIR TRADING	200,000	1,000,000	2,483,289	3,683,289
Kopper, Michael J	MD	MNG DIR FIN	275,000	800,000	7,883,606	8,958,606
Meyer, Rockford G	MD	PRESIDENT CITRUS	260,000	300,000	1,318,046	1,878,046
Sharp, Victoria T	MD	MNG DIR & GEN CNSL	240,000	400,000	1,571,337	2,211,337
Arnold, John D	VP	VP TRADING	160,000	650,000	5,598,242	6,408,242
Bradley, Michael W	VP	VP EQUITY TRADING	175,000	1,250,000	1,391,766	2,816,766
Gorte, David	VP	VP UNDERWRITING	200,000	250,000	1,017,017	1,467,017
Jones, Robert W	VP	VP HR	190,000	300,000	1,522,246	2,012,246
Joyce, Mary K	VP	VP EXECUTIVE COMPENSATION	234,563	300,000	849,662	1,384,225
Lynch, Drew C	VP	VICE PRESIDENT, COMMERCIAL SUPPORT	230,400	300,000	3,159,388	3,689,788
Mintz, Jordon	VP	VP & GEN CNSL	200,000	300,000	1,767,573	2,267,573
Oxley, David	VP	VP HR	204,000	400,000	1,791,380	2,395,380
Palmer, Mark A.	VP	VP COMMUNICATIONS	206,000	400,000	2,002,896	2,608,896
Perlman, Beth S.	VP	VP IT-DEVELOPMENT	210,000	250,000	784,855	1,244,855
Presto, Kevin M	VP	VP TRADING	185,004	500,000	956,173	1,641,177
Schuler, W Lance	VP	VP & ASST GEN CNSL	175,000	200,000	1,356,144	1,731,144
Shively, Hunter	VP	VP TRADING	170,000	1,250,000	1,470,313	2,890,313
Sturm, Fletcher	VP	VP TRADING	170,000	1,000,000	923,372	2,093,372
Swerzbin, Michael J	VP	VP TRADING	120,000	2,000,000	2,975,875	5,095,875
Taylor, Mark E	VP	VP & GEN CNSL	175,000	175,000	1,942,501	2,292,501
Total			22,300,830	76,725,000	1,125,707,608	1,224,733,437

Potential Direct Total Compensation: Current base salary; Bonus at 80% ($40), 90% ($50), 100% ($80), 115% ($100) , and 125% ($120) of 2000 bonus depending upon stock price;
Long-term value is value of in-the-money stock options and restricted stock.

Towers Perrin

EC 002634749

Potential Direct Total Compensation

Exhibit 13

Name	Job Group	Title	Base Salary	Adjusted 2000 Bonus at 115%	Stock Value at $100.00	Total Potential Compensation
Lay, Ken	OOC	CHAIRMAN OF THE BOARD	975,000	8,050,000	483,655,413	492,680,413
Skilling, Jeff	OOC	CHIEF EXEC OFFICER	1,300,000	6,440,000	125,252,621	132,992,621
Baxter, John C.	Policy Committee	VICE CHAIRMAN & CHIEF STRATEGY OFFICER	500,000	1,380,000	21,800,308	23,680,308
Causey, Richard A.	Policy Committee	EVP CHIEF ACCTG OFFICER	400,000	1,150,000	12,516,902	14,066,902
Delainey, David W	Policy Committee	CHAIRMAN & CEO	350,000	3,450,000	26,162,135	29,962,135
Derrick Jr., James V.	Policy Committee	EVP GEN COUNSEL	470,000	920,000	136,637,015	138,027,016
Fastow, Andrew S	Policy Committee	EVP & CHIEF FINANCIAL OFFICER	400,000	1,495,000	30,300,676	32,195,676
Frevert, Mark A	Policy Committee	CHMN & CEO	520,000	2,300,000	112,182,084	115,002,084
Hannon, Kevin P.	Policy Committee	PRES & COO	400,000	1,725,000	89,142,849	91,267,849
Horton, Stanley C	Policy Committee	CHAIRMAN & CEO	520,000	1,380,000	28,336,822	30,236,822
Kean, Steven J.	Policy Committee	EVP CHIEF OF STAFF	400,000	1,150,000	17,017,671	18,567,671
Pai, Lou L	Policy Committee	CHAIRMAN AND CEO ENRON XCCELERATOR	400,000	1,150,000	41,932,381	43,482,381
Rice, Kenneth D	Policy Committee	CHIEF EXEC OFFICER	420,000	2,012,500	115,736,324	118,168,824
Whalley, Lawrence G.	Policy Committee	PRESIDENT & COO	400,000	3,450,000	37,504,079	41,354,079
Sherriff, John R	Policy Committee	PRESIDENT & CEO	400,000	1,725,000	38,163,228	40,288,228
Bibi, Philippe A	Exec. Committee	PRESIDENT & CEO	325,000	1,150,000	9,029,940	10,504,940
Blachman, Jeremy M	Exec. Committee	CO-CHIEF OPERATING OFFICER EES	240,000	690,000	5,694,899	6,624,899
Bowen Jr, Raymond M	Exec. Committee	CHIEF OPERATING OFFICER	265,000	690,000	6,157,204	7,112,204
Brown, Michael	Exec. Committee	CHIEF OPERATING OFFICER	300,581	690,000	4,013,526	5,004,107
Buchanan, Harold G	Exec. Committee	CO-CHIEF OPERATING OFFICER EES	240,000	575,000	6,245,401	7,060,401
Buy, Richard B	Exec. Committee	EVP CHIEF RISK OFFICER	325,000	1,035,000	9,440,744	10,800,744
Cline, Wade	Exec. Committee	MNG DIR	300,000	575,000	8,755,394	9,630,394
Cox, David	Exec. Committee	MNG DIR ORIGINATION	300,000	920,000	8,515,302	9,735,302
Dietrich, Janet	Exec. Committee	PRESIDENT	225,000	345,000	8,537,266	9,107,266
Glisan Jr, Ben F	Exec. Committee	MD, FINANCE & TREASURER	300,000	690,000	6,299,887	7,289,887
Hayslett, Roderick J.	Exec. Committee	MNG DIR ETS FINANCE & ACCTG	250,000	460,000	5,381,825	6,091,825
Hughes, James	Exec. Committee	CHIEF OPERATING OFFICER	265,000	690,000	5,349,223	6,304,223
Kitchen, Louise	Exec. Committee	CHIEF OPERATING OFFICER	216,765	1,265,000	9,156,881	10,638,646
Koenig, Mark E	Exec. Committee	EVP INVESTOR REL	300,000	805,000	7,413,839	8,518,839
Lavorato, John J	Exec. Committee	PRESIDENT & CEO	300,000	3,450,000	24,985,816	28,735,816
Leff, Daniel P	Exec. Committee	CHIEF OPERATING OFFICER	265,000	805,000	3,546,772	4,616,772
McCarty, Danny J.	Exec. Committee	MNG DIR & CHIEF COMMERCIAL OFF	300,000	431,250	19,178,411	19,909,661
McConnell, Mike	Exec. Committee	PRESIDENT & CEO	350,000	1,265,000	20,254,460	21,869,460
McDonald, Rebecca	Exec. Committee	PRESIDENT & CEO	390,938	690,000	8,381,317	9,462,254
McMahon, Jeffrey	Exec. Committee	PRESIDENT & CEO	350,000	1,265,000	25,531,620	27,146,620
Metts, Mark	Exec. Committee	EVP CORP DEVELOPMENT	350,000	690,000	2,150,140	3,190,140
Muller, Mark S	Exec. Committee	MANAGING DIRECTOR	240,000	805,000	2,836,186	3,881,186

Potential Direct Total Compensation: Current base salary; Bonus at 80% ($40), 90% ($50), 100% ($80), 115% ($100), and 125% ($120) of 2000 bonus depending upon stock price; Long-term value is value of in-the-money stock options and restricted stock.

Towers Perrin

EC 002634750

Potential Direct Total Compensation

Exhibit 13

Name	Job Group	Title	Base Salary	Adjusted 2000 Bonus at 115%	Stock Value at $100.00	Total Potential Compensation
Olson, Cindy K	Exec. Committee	EVP HR & COMMUNITY REL	315,000	862,500	5,040,273	6,217,773
Piper, Gregory F	Exec. Committee	CHIEF OPERATING OFFICER	250,000	575,000	7,471,716	8,296,716
Scrimshaw, Mathew	Exec. Committee	PRESIDENT & CEO - EES EUROPE	240,609	575,000	3,065,389	3,880,998
Shankman, Jeffrey A.	Exec. Committee	CHIEF OPERATING OFFICER	300,000	2,300,000	17,897,380	20,497,380
Sherrick, Jeffrey B	Exec. Committee	CEO	350,000	402,500	7,817,571	8,570,071
Sunde, Martin	Exec. Committee	VICE CHAIRMAN	265,000	805,000	14,015,764	15,085,764
Allen, Phillip K	MD	MNG DIR TRADING	200,000	4,025,000	6,493,649	10,718,649
Belden, Timothy N	MD	MNG DIR TRADING	219,962	3,162,500	7,337,169	10,719,631
Butts, Robert H	MD	MNG DIR & CONTROLLER	250,000	431,250	5,323,077	6,004,327
Carter, Rebecca C.	MD	MNG DIR & CORP SECY	252,000	345,000	3,715,533	4,312,533
Colwell, Wesley	MD	MNG DIR ACCTG	275,004	690,000	3,552,457	4,517,461
Elliott, Steven	MD	MNG DIR TRADING	250,000	402,500	36,659,221	37,311,721
Fallon, James	MD	MNG DIR TRADING	300,000	1,150,000	10,812,082	12,262,082
Haedicke, Mark E	MD	MNG DIR LEGAL	350,004	460,000	7,210,617	8,020,621
Hermann, Robert J	MD	MNG DIR AND GENERAL TAX COUNSEL	250,000	460,000	18,024,112	18,734,112
Hickerson, Gary J	MD	MNG DIR TRADING	200,000	1,150,000	3,989,129	5,339,129
Kopper, Michael J	MD	MNG DIR FIN	275,000	920,000	11,453,006	12,648,006
Meyer, Rockford G	MD	PRESIDENT CITRUS	260,000	345,000	2,003,906	2,608,906
Sharp, Victoria T	MD	MNG DIR & GEN CNSL	240,000	460,000	2,870,126	3,570,126
Arnold, John D	VP	VP TRADING	160,000	747,500	8,651,762	9,559,262
Bradley, Michael W	VP	VP EQUITY TRADING	175,000	1,437,500	2,618,786	4,231,286
Gorte, David	VP	VP UNDERWRITING	200,000	287,500	1,626,437	2,113,937
Jones, Robert W	VP	VP HR	190,000	345,000	2,236,106	2,771,106
Joyce, Mary K	VP	VP EXECUTIVE COMPENSATION	234,563	345,000	1,671,962	2,251,525
Lynch, Drew C	VP	VICE PRESIDENT, COMMERCIAL SUPPORT	230,400	345,000	4,684,028	5,259,428
Mintz, Jordon	VP	VP & GEN CNSL	200,000	345,000	2,616,113	3,161,113
Oxley, David	VP	VP HR	204,000	460,000	2,796,300	3,460,300
Palmer, Mark A.	VP	VP COMMUNICATIONS	206,000	460,000	3,020,856	3,686,856
Perlman, Beth S.	VP	VP IT-DEVELOPMENT	210,000	287,500	1,271,515	1,769,015
Presto, Kevin M	VP	VP TRADING	185,004	575,000	1,779,853	2,539,857
Schuler, W Lance	VP	VP & ASST GEN CNSL	175,000	230,000	2,076,024	2,481,024
Shively, Hunter	VP	VP TRADING	170,000	1,437,500	2,666,373	4,273,873
Sturm, Fletcher	VP	VP TRADING	170,000	1,150,000	1,849,992	3,169,992
Swerzbin, Michael J	VP	VP TRADING	120,000	2,300,000	5,004,135	7,424,135
Taylor, Mark E	VP	VP & GEN CNSL	175,000	201,250	2,985,181	3,361,431
Total			22,300,830	88,233,750	1,745,504,162	1,856,038,741

Potential Direct Total Compensation: Current base salary; Bonus at 80% ($40), 90% ($50), 100% ($80), 115% ($100), and 125% ($120) of 2000 bonus depending upon stock price;
Long-term value is value of in-the-money stock options and restricted stock.

Towers Perrin

EC 002634751

Potential Direct Total Compensation

Exhibit 14

Name	Job Group	Title	Base Salary	Adjusted 2000 Bonus at 125%	Stock Value at $120.00	Total Potential Compensation
Lay, Ken	OOC	CHAIRMAN OF THE BOARD	975,000	8,750,000	622,391,233	632,116,233
Skilling, Jeff	OOC	CHIEF EXEC OFFICER	1,300,000	7,000,000	173,079,701	181,379,701
Baxter, John C.	Policy Committee	VICE CHAIRMAN & CHIEF STRATEGY OFFICER	500,000	1,500,000	28,315,348	30,315,348
Causey, Richard A.	Policy Committee	EVP CHIEF ACCTG OFFICER	400,000	1,250,000	16,598,842	18,248,842
Delainey, David W	Policy Committee	CHAIRMAN & CEO	350,000	3,750,000	41,188,255	45,288,255
Derrick Jr., James V.	Policy Committee	EVP GEN COUNSEL	470,000	1,000,000	170,192,655	171,662,656
Fastow, Andrew S	Policy Committee	EVP & CHIEF FINANCIAL OFFICER	400,000	1,625,000	40,403,876	42,428,876
Frevert, Mark A	Policy Committee	CHMN & CEO	520,000	2,500,000	157,419,564	160,439,564
Hannon, Kevin P.	Policy Committee	PRES & COO	400,000	1,875,000	125,517,449	127,792,449
Horton, Stanley C	Policy Committee	CHAIRMAN & CEO	520,000	1,500,000	36,946,542	38,966,542
Kean, Steven J.	Policy Committee	EVP CHIEF OF STAFF	400,000	1,250,000	22,144,991	23,794,991
Pai, Lou L	Policy Committee	CHAIRMAN AND CEO ENRON XCCELERATOR	400,000	1,250,000	53,472,641	55,122,641
Rice, Kenneth D	Policy Committee	CHIEF EXEC OFFICER	420,000	2,187,500	166,336,524	168,944,024
Whalley, Lawrence G.	Policy Committee	PRESIDENT & COO	400,000	3,750,000	57,597,559	61,747,559
Sherriff, John R	Policy Committee	PRESIDENT & CEO	400,000	1,875,000	57,812,628	60,087,628
Bibi, Philippe A	Exec. Committee	PRESIDENT & CEO	325,000	1,250,000	11,855,500	13,430,500
Blachman, Jeremy M	Exec. Committee	CO-CHIEF OPERATING OFFICER EES	240,000	750,000	8,133,519	9,123,519
Bowen Jr, Raymond M	Exec. Committee	CHIEF OPERATING OFFICER	265,000	750,000	8,155,384	9,170,384
Brown, Michael	Exec. Committee	CHIEF OPERATING OFFICER	300,581	750,000	5,965,726	7,016,307
Buchanan, Harold G	Exec. Committee	CO-CHIEF OPERATING OFFICER EES	240,000	625,000	9,395,241	10,260,241
Buy, Richard B	Exec. Committee	EVP CHIEF RISK OFFICER	325,000	1,125,000	12,593,024	14,043,024
Cline, Wade	Exec. Committee	MNG DIR	300,000	625,000	11,464,114	12,389,114
Cox, David	Exec. Committee	MNG DIR ORIGINATION	300,000	1,000,000	13,704,862	15,004,862
Dietrich, Janet	Exec. Committee	PRESIDENT	225,000	375,000	11,254,586	11,854,586
Glisan Jr, Ben F	Exec. Committee	MD, FINANCE & TREASURER	300,000	750,000	8,846,947	9,896,947
Hayslett, Roderick J.	Exec. Committee	MNG DIR ETS FINANCE & ACCTG	250,000	500,000	7,110,625	7,860,625
Hughes, James	Exec. Committee	CHIEF OPERATING OFFICER	265,000	750,000	7,294,363	8,309,363
Kitchen, Louise	Exec. Committee	CHIEF OPERATING OFFICER	216,765	1,375,000	12,567,721	14,159,486
Koenig, Mark E	Exec. Committee	EVP INVESTOR REL	300,000	875,000	9,980,299	11,155,299
Lavorato, John J	Exec. Committee	PRESIDENT & CEO	300,000	3,750,000	38,771,856	42,821,856
Leff, Daniel P	Exec. Committee	CHIEF OPERATING OFFICER	265,000	875,000	5,825,572	6,965,572
McCarty, Danny J.	Exec. Committee	MNG DIR & CHIEF COMMERCIAL OFF	300,000	468,750	25,367,951	26,136,701
McConnell, Mike	Exec. Committee	PRESIDENT & CEO	350,000	1,375,000	29,917,720	31,642,720
McDonald, Rebecca	Exec. Committee	PRESIDENT & CEO	390,938	750,000	11,305,437	12,446,374
McMahon, Jeffrey	Exec. Committee	PRESIDENT & CEO	350,000	1,375,000	40,028,240	41,753,240
Metts, Mark	Exec. Committee	EVP CORP DEVELOPMENT	350,000	750,000	3,127,200	4,227,200
Muller, Mark S	Exec. Committee	MANAGING DIRECTOR	240,000	875,000	4,165,346	5,280,346

Potential Direct Total Compensation: Current base salary; Bonus at 80% ($40), 90% ($50), 100% ($80), 115% ($100), and 125% ($120) of 2000 bonus depending upon stock price; Long-term value is value of in-the-money stock options and restricted stock.

Towers Perrin

EC 002634752

Potential Direct Total Compensation

Exhibit 14

Name	Job Group	Title	Base Salary	Adjusted 2000 Bonus at 125%	Stock Value at $120.00	Total Potential Compensation
Olson, Cindy K	Exec. Committee	EVP HR & COMMUNITY REL	315,000	937,500	6,999,933	8,252,433
Piper, Gregory F	Exec. Committee	CHIEF OPERATING OFFICER	250,000	625,000	9,816,916	10,691,916
Scrimshaw, Mathew	Exec. Committee	PRESIDENT & CEO - EES EUROPE	240,609	625,000	4,396,349	5,261,958
Shankman, Jeffrey A.	Exec. Committee	CHIEF OPERATING OFFICER	300,000	2,500,000	23,295,220	26,095,220
Sherrick, Jeffrey B	Exec. Committee	CEO	350,000	437,500	10,152,191	10,939,691
Sunde, Martin	Exec. Committee	VICE CHAIRMAN	265,000	875,000	21,036,404	22,176,404
Allen, Phillip K	MD	MNG DIR TRADING	200,000	4,375,000	9,189,109	13,764,109
Belden, Timothy N	MD	MNG DIR TRADING	219,962	3,437,500	10,274,589	13,932,051
Butts, Robert H	MD	MNG DIR & CONTROLLER	250,000	468,750	7,182,497	7,901,247
Carter, Rebecca C.	MD	MNG DIR & CORP SECY	252,000	375,000	4,925,793	5,552,793
Colwell, Wesley	MD	MNG DIR ACCTG	275,004	750,000	5,005,697	6,030,701
Elliott, Steven	MD	MNG DIR TRADING	250,000	437,500	48,058,001	48,745,501
Fallon, James	MD	MNG DIR TRADING	300,000	1,250,000	15,345,062	16,895,062
Haedicke, Mark E	MD	MNG DIR LEGAL	350,004	500,000	9,495,257	10,345,261
Hermann, Robert J	MD	MNG DIR AND GENERAL TAX COUNSEL	250,000	500,000	23,246,252	23,996,252
Hickerson, Gary J	MD	MNG DIR TRADING	200,000	1,250,000	5,494,969	6,944,969
Kopper, Michael J	MD	MNG DIR FIN	275,000	1,000,000	15,022,406	16,297,406
Meyer, Rockford G	MD	PRESIDENT CITRUS	260,000	375,000	2,689,766	3,324,766
Sharp, Victoria T	MD	MNG DIR & GEN CNSL	240,000	500,000	4,294,246	5,034,246
Arnold, John D	VP	VP TRADING	160,000	812,500	11,705,282	12,677,782
Bradley, Michael W	VP	VP EQUITY TRADING	175,000	1,562,500	3,845,806	5,583,306
Gorte, David	VP	VP UNDERWRITING	200,000	312,500	2,235,857	2,748,357
Jones, Robert W	VP	VP HR	190,000	375,000	2,949,966	3,514,966
Joyce, Mary K	VP	VP EXECUTIVE COMPENSATION	234,563	375,000	2,494,262	3,103,825
Lynch, Drew C	VP	VICE PRESIDENT, COMMERCIAL SUPPORT	230,400	375,000	6,208,668	6,814,068
Mintz, Jordon	VP	VP & GEN CNSL	200,000	375,000	3,464,653	4,039,653
Oxley, David	VP	VP HR	204,000	500,000	3,827,860	4,531,860
Palmer, Mark A.	VP	VP COMMUNICATIONS	206,000	500,000	4,038,816	4,744,816
Perlman, Beth S.	VP	VP IT-DEVELOPMENT	210,000	312,500	1,758,175	2,280,675
Presto, Kevin M	VP	VP TRADING	185,004	625,000	2,603,533	3,413,537
Schuler, W Lance	VP	VP & ASST GEN CNSL	175,000	250,000	2,795,904	3,220,904
Shively, Hunter	VP	VP TRADING	170,000	1,562,500	3,862,433	5,594,933
Sturm, Fletcher	VP	VP TRADING	170,000	1,250,000	2,776,612	4,196,612
Swerzbin, Michael J	VP	VP TRADING	120,000	2,500,000	7,032,395	9,652,395
Taylor, Mark E	VP	VP & GEN CNSL	175,000	218,750	4,027,861	4,421,611
Total			22,300,630	95,906,250	2,367,797,782	2,486,004,861

Potential Direct Total Compensation: Current base salary; Bonus at 80% ($40), 90% ($50), 100% ($80), 115% ($100) , and 125% ($120) of 2000 bonus depending upon stock price; Long-term value is value of in-the-money stock options and restricted stock.

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EC 002634753

Stock Utilization Analysis

Exhibit 15

Overhang Projection

	$40		$60		$80		$100		$120	
	Shares	%	Shares	%	Shares	%	Shares	%	Shares	%
Shares Outstanding	99,477,536		99,477,536		99,477,536		99,477,536		99,477,536	
Available for Grant	13,025,920		13,025,920		13,025,920		13,025,920		13,025,920	
Actual Stock Overhang, March 31, 2001	112,503,456	13.6%	112,503,456	13.6%	112,503,456	13.6%	112,503,456	13.6%	112,503,456	13.6%
Less										
Options Exercised (Estimate)	(18,600,000)	-2.2%	(27,800,000)	-3.2%	(37,100,000)	-4.3%	(49,100,000)	-5.6%	(55,100,000)	-6.3%
Plus:										
Executive Long Term Incentive Program	7,854,167	0.9%	5,024,123	0.6%	3,806,250	0.4%	2,990,625	0.3%	2,512,061	0.3%
KEYSOP	5,416,667	0.6%	3,421,053	0.4%	2,600,000	0.3%	2,031,250	0.2%	1,710,526	0.2%
Bonus Options/Phantom Shares	2,270,833	0.3%	1,440,789	0.2%	1,093,750	0.1%	856,250	0.1%	720,395	0.1%
Ad Hoc Grants	8,000,000	0.9%	5,052,632	0.6%	1,440,000	0.2%	1,125,000	0.1%	947,368	0.1%
EnronOptions	661,538	0.1%	452,632	0.1%	330,769	0.0%	260,606	0.0%	220,513	0.0%
Share Authorization - 1991	21,000,000	2.5%	21,000,000	2.5%	21,000,000	2.4%	21,000,000	2.4%	21,000,000	2.4%
-1994	15,000,000	1.8%	7,000,000	0.8%	2,000,000	0.2%	-	0.0%	-	0.0%
Shares Outstanding	105,080,741		87,068,764		71,648,305		57,641,267		50,488,400	
Available for Grant	21,886,879		22,698,856		23,819,315		23,826,353		24,979,220	
Projected Stock Overhang, April 1, 2002	126,967,620	15.0%	109,767,620	12.8%	95,467,620	11.0%	81,467,620	9.3%	75,467,620	8.6%

Assumptions:

- Executive LTIP delivered 50% in stock options and 50% in restricted stock; total value delivered = $145,000,000 ($80,000,000 from 1991 Plan and $65,000,000 from 1994 Plan). Options are 5 year term; restricted stock cliff vests in 4 years.
- KEYSOP delivered 100% in 5 year term stock options; total value delivered = $65,000,000 from the 1994 Plan.
- Bonus deferral value delivered = $7,500,000 phantom stock and $25,000,000 5 year stock options; all from the 1994 Plan.
- Ad hoc grant value delivered = $8,000,000 per month when the stock price = $40 or $60 and $3,000,000 per month when the stock price = $80 or $100. Grants will be for 5 year term options from the 1994 Plan.
- EnronOptions value delivered = value delivered @ 12/31/99 or $8,600,000. 7 year term options from the 1994 Plan.
- Black Scholes values to be used:

	Black Scholes	
	5 year term	7 year term
Stock Price	(.321)	(.333)
$40	$12	$13
$60	$19	$19
$80	$25	$26
$100	$32	$33
$120	$38	$39

Common Shares Outstanding:

Per 3/31/01 Stock Memo	744,679,988
Series J	33,882,435
Series B	50,000,000
	828,562,423

Overhang = shares outstanding plus shares available for grant divided by common shares outstanding.
Available for grant, April 1, 2002 = available for grant, March 31, 2001 less shares/options granted plus authorization of shares less available for grant at March 31, 2001 under the 1991 Plan.
Shares Outstanding, April 1, 2002 = shares outstanding, March 31, 2001 less options exercised plus shares/options granted.

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Exhibit 16

Enron Corp.
Sample Approaches to Address Underwater Stock Options

Company Name	Approach
Dell	Dell considered and did not like typical alternatives such as repricing, cancel and reissue or stock buy-backs, because of the negative message they send to shareholders and marketplace practice. Their method to address the problem is to take an annual award and deliver portions of it over the course of a year (i.e., 3 to 4 times per year). This way strike prices vary over the year and there is the potential that some of the options from an annual grant cycle will be in-the-money.
Lucent Technologies	Lucent provided 2 special stock option grants in the last half of 2000 (in addition to normal grants) that have shorter than normal terms (e.g., 2 years) and vesting restrictions (e.g., 1 year cliff vest). In addition, a special award was made in February, under which vesting is accelerated if a stock price performance goal (i.e., $50 price for 10 out of 12 consecutive days) is achieved.
Microsoft	Microsoft has responded to underwater stock options by simply granting millions of new stock options when their stock price was low with seemingly little regard for stock overhang implications.
Sprint	Excluding Board members, Sprint employees agreed to have nearly 18 million underwater stock options cancelled. In exchange, employees will be granted an equal number of options with new strike prices 6 months after the cancellation. Not surprisingly, many shareholders were less than pleased with this action, including one major shareholder that filed a proxy resolution to require the Board to get shareholder approval before Sprint can try similar actions in the future.
Cisco Systems	Cisco's approach to dealing with underwater stock options is similar to Dell's. That is, provide a normal annual award in several smaller grants throughout the year (the number of grants per year has not been determined). In addition, Cisco is planning to shorten the vesting schedule for new stock option grants (specific vesting schedule not available).

EC 002634755

Exhibit 17

Enron Corp.
Approaches for Dealing With Underwater Stock Options

	Approach 1 *Leave options intact: accelerate next grant or make additional grant*	**Approach 2** *Leave options intact: supplement with "bounded" Stock Appreciation Rights (SARs)*	**Approach 3** *Replace options with restricted stock*	**Approach 4** *Cancel and replace more than 6 months later*	**Approach 5** *Buy out options with cash*	**Approach 6** *Sell options to third party*
Description	Company makes a new grant ahead of schedule, or an extra grant	Company grants SARs to fill the gap between the exercise price on the original options and the current fair market value	Company offers to replace underwater options with fewer restricted shares at an equivalent value (Black-Scholes or some other basis)	Company cancels options and agrees to replace after 6 months with options that have an exercise price equal to the stock's then-current fair market value	Company buys out underwater options with cash (e.g., at 50% of Black-Scholes value)	Employee sells options to third party at a negotiated price
Company's Accounting Expense	None	Variable (but limited) expense equal to the cash paid when the SAR is exercised	Recognize fixed cost equal to grant-date value of the restricted shares	Probably, none, although subject to debate	Recognize fixed cost equal to cash payment	Probably none, especially if options are vested
Cautions	May cause stock overhang to exceed competitive levels; results in "double payoff" if the stock price rebounds	Transaction could be interpreted as an "effective" repricing; consult your accounting adviser. To the extent possible, differentiate the SAR from the original options (e.g., through different vesting, terms, strike price)	If fewer restricted shares are granted than the number of options canceled, don't make any option grants within 6 months of cancellation (before or after) that have a lower exercise price than the replaced options	To avoid variable accounting, don't make any option grants within 6 months of cancellation (before or after) that have a lower exercise price than the canceled options	To avoid variable accounting, don't make any option grants within 6 months of cancellation (before or after) that have a lower exercise price than the canceled options	Creates a new class of nonemployee option holders
Most appropriate when . . .	Company has sufficient shares in the plan, and dilution and the potential for windfall gains are not a concern	A near-term fix is needed even though the stock price is expected to rebound after a prolonged period	The company wants to ensure employees have an ongoing tie to the stock (albeit a less risky one) and is willing to take a fixed charge to earnings	Options are so deeply underwater that participants consider them to be essentially worthless and there is little likelihood that share value will recover, or that a change in control will occur within 6 months	The company is willing to spend cash and recognize a fixed accounting expense. Especially relevant when stock options are no longer seen as an appropriate form of compensation for the individual	Company has other incentives and retention vehicles in place for employees and is willing to have outside investors hold options

EC 002634756

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Towers Perrin

PRIVATE & CONFIDENTIAL

November 16, 2000

Ms. Pam Butler
Director, Compensation
Enron Corp.
1400 Smith Street
Room EB 1668
Houston, TX 77002-7361

Dear Pam:

As requested, Towers Perrin has prepared this letter to document the results of a recent marketplace compensation analysis for the top two executives (Mr. Lay and Mr. Skilling) at Enron Corp. The following sections describe our study methodology and findings.

Methodology

In this analysis, we have prepared the following alternative **compensation** scenarios, **contingent upon the roles which both Mr. Lay and Mr. Skilling may assume with Enron in the future:**

- Mr. Lay paid as Chief Executive Officer (CEO)
- Mr. Skilling paid as Chief Operating Officer (COO)
- Mr. Lay paid as Chairman of the Board.

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Towers Perrin

Towers Perrin developed marketplace compensation rates for the top 2 positions at Enron in terms of the following components of compensation:

- Base salary;
- Actual total annual compensation (base salary plus most recent annual incentive);
- Long-term incentives (annualized present value of all long-term incentive vehicles); and
- Actual total direct compensation (actual total annual compensation plus long-term incentives).

In developing compensation rates for each alternative, Towers Perrin utilized both published/private compensation survey data and peer group proxy statement data as follows:

- **Published/Private Survey Data**
  - Towers Perrin utilized compensation data available in our 2000 Executive Compensation Database to develop one set of marketplace compensation rates.
  - The survey data collected for each alternative are representative of pay rates for the following positions (as appropriate for each alternative):
    - Chief Executive Officers or Chief Operating Officers in general industry companies with annual revenues of $56 billion; or
    - Non-CEO Chairmen of the Board in general industry companies with annual revenues of about $5 billion (the highest revenue scope available for this position). These chairmen are executive employees.

- **Proxy Data**

  — Towers Perrin analyzed compensation data available in the 2000 proxy statements for a group of twelve comparable companies, reflecting Enron's input. Eleven of these companies were included in a peer group used to assess Board of Director compensation at Enron in April 2000. The peer group companies, along with each company's net income and revenues (for the four quarters ending June 30, 2000), and total assets and market cap (at June 30, 2000), are presented in Exhibit 4. Enron compares favorably with the selected companies in terms of the financial statistics shown.

  — The data collected for the selected positions are representative of pay rates for the first and second highest paid positions (based on total direct compensation) from each peer company. Exhibit 5 provides detailed compensation data for each company's two highest paid executives. Please note that Exhibit 5 presents 1999 compensation data as reported in 2000 proxy statements.

- All data (proxy and survey) were updated to January 2001 using an annual update factor of 4.5%, except for the raw proxy data provided in Exhibit 5.

Long-Term Incentive Valuation Methodology

The published/private survey expected present value of stock options and other long-term incentive grants has been calculated using the Black-Scholes option pricing model. This model enables Towers Perrin to calculate the estimated price a trader would pay for a stock option or other long-term incentive on a present-value basis.

The expected present value of long-term incentive grants for the comparable companies were calculated in a similar manner, except that Towers Perrin used a three-year average of awards from 1997 to 1999 as provided in 2000 proxy filings for each company. For Enron, Towers Perrin calculated a three year average as well, but utilized data from 1998 to 2000 (2000 data was provided by the Company).

No adjustment was made for risk of forfeiture during the long-term incentive vesting period for Enron or for the peer companies.

Competitive Findings

Our competitive findings are presented in the following attached exhibit:

- Exhibit 1 presents marketplace pay data for the CEO.
- Exhibit 2 presents marketplace pay for the COO.
- Exhibit 3 presents marketplace pay for the Executive COB.

★ ★ ★ ★ ★

Pam, I hope this information meets your needs. Please call with any questions or comments.

Sincerely,

Chuck

CEE:mhm

Attachments

Exhibit 1

Enron Corp.
Competitive Compensation Analysis
Current Enron Corp. Compensation Compared to Market (Lay – Chief Executive Officer)

Proxy Peer Group Data – Highest Paid Executive

Compensation Element	Enron Current ($000)	January 2001 Marketplace Statistics			Enron as Percent of Marketplace		
		50th %ile ($000)	75th %ile ($000)	90th %ile ($000)	50th %ile (%)	75th %ile (%)	90th %ile (%)
Base Salary	$1,300	$960	$1,329	$2,194	135%	98%	59%
Actual Total Annual Compensation	$5,200	$4,738	8.1 $9,406	11.3 $13,494	110%	55%	39%
Long-Term Incentive	$16,680	$16,201	$41,607	$44,149	103%	40%	38%
Actual Total Direct Compensation	$21,880	$27,892	$46,918	$54,891	78%	47%	40%

Published/Private Compensation Survey Data – Chief Executive Officer

Compensation Element	Enron Current ($000)	January 2001 Marketplace Statistics			Enron as Percent of Marketplace		
		50th %ile ($000)	75th %ile ($000)	90th %ile ($000)	50th %ile (%)	75th %ile (%)	90th %ile (%)
Base Salary	$1,300	$1,417	$1,729	$2,072	92%	75%	63%
Actual Total Annual Compensation	$5,200	$3,567	3.1 $4,803	4.0 $6,298	146%	108%	83%
Long-Term Incentive	$16,680	$12,246	$21,532	$35,602	136%	77%	47%
Actual Total Direct Compensation	$21,880	$15,813	$26,335	$41,900	138%	83%	52%

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Exhibit 2

Enron Corp.
Competitive Compensation Analysis
Current Enron Corp. Compensation Compared to Market (Skilling – Chief Operating Officer)

Proxy Peer Group Data – Second Highest Paid Executive

Compensation Element	Enron Current ($000)	January 2001 Marketplace Statistics			Enron as Percent of Marketplace		
		50th %ile ($000)	75th %ile ($000)	90th %ile ($000)	50th %ile (%)	75th %ile (%)	90th %ile (%)
Base Salary	$850	$614	$745	$1,064	138%	114%	80%
Actual Total Annual Compensation	$3,850	$2,509	$3,609	$6,094	153%	107%	63%
Long-Term Incentive	$12,250	$10,537	$14,612	$19,390	141%	101%	76%
Actual Total Direct Compensation	$16,100	$15,939	$20,291	$21,918	117%	92%	86%

Published/Private Compensation Survey Data – Chief Operating Officer

Compensation Element	Enron Current ($000)	January 2001 Marketplace Statistics			Enron as Percent of Marketplace		
		50th %ile ($000)	75th %ile ($000)	90th %ile ($000)	50th %ile (%)	75th %ile (%)	90th %ile (%)
Base Salary	$850	$1,059	$1,272	$1,505	80%	67%	56%
Actual Total Annual Compensation	$3,850	$2,272	$3,064	$4,024	169%	126%	96%
Long-Term Incentive	$12,250	$7,153	$12,691	$21,129	207%	117%	70%
Actual Total Direct Compensation	$16,100	$9,425	$15,755	$25,153	198%	118%	74%

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Exhibit 3

Enron Corp.
Competitive Compensation Analysis
Current Enron Corp. Compensation Compared to Market (Lay – Chairman of the Board)

Proxy Peer Group Data – Second Highest Paid Executive

Compensation Element	Enron Current ($000)	January 2001 Marketplace Statistics			Enron as Percent of Marketplace		
		50th %ile ($000)	75th %ile ($000)	90th %ile ($000)	50th %ile (%)	75th %ile (%)	90th %ile (%)
Base Salary	$1,300	$614	$745	$1,064	212%	175%	122%
Actual Total Annual Compensation	$5,200	$2,509	$3,609	$6,094	207%	144%	85%
Long-Term Incentive	$16,680	$10,537	$14,612	$19,390	158%	114%	86%
Actual Total Direct Compensation	$21,880	$15,939	$20,291	$21,918	137%	108%	100%

Published/Private Compensation Survey Data – Chairman of the Board (non-CEO)

Compensation Element	Enron Current ($000)	January 2001 Marketplace Statistics			Enron as Percent of Marketplace		
		50th %ile ($000)	75th %ile ($000)	90th %ile ($000)	50th %ile (%)	75th %ile (%)	90th %ile (%)
Base Salary	$1,300	$839	$1,178	$1,603	155%	110%	81%
Actual Total Annual Compensation	$5,200	$1,534	$2,374	$3,531	339%	219%	147%
Long-Term Incentive	$16,680	$2,047	$3,817	$6,656	815%	437%	251%
Actual Total Direct Compensation	$21,880	$3,581	$6,190	$10,187	611%	353%	215%

EC 000102303

Exhibit 4

Enron Corp.
Peer Group Companies Financial Data
Dollars in Millions

Company Name	Revenues 4 Qtrs Ending June 2000	Company Name	Net Income 4 Qtrs Ending June 2000	Company Name	Total Assets Ending June 2000	Company Name	Market Cap Ending June 2000
Exxon Mobil	$187,802	Exxon Mobil	$12,482	GE Company	$424,040	Exxon Mobil	$273,259
GE Company	$122,217	GE Company	$11,712	Merrill Lynch	$355,108	IBM Corp	$196,427
IBM Corp	$86,325	IBM Corp	$7,311	American Express	$148,553	GE Company	$174,590
Merrill Lynch	$39,607	WorldCom	$4,928	Exxon Mobil	$146,618	Sun Microsystems	$144,265
WorldCom	$39,104	Merrill Lynch	$3,275	WorldCom	$97,373	WorldCom	$131,154
American Express	$23,984	American Express	$2,650	IBM Corp	$82,949	Merrill Lynch	$44,228
Dynegy Inc	$20,293	Sun Microsystems	$1,854	Qwest comm.	$69,848	Qwest Comm.	$43,527
Sun Microsystems	$15,721	Williams Cos	$602	AES Corp.	$29,000	Level III Comm.	$32,146
Qwest Comm.	$13,614	Qwest Comm.	$585	Williams Cos	$28,397	American Express	$23,180
Williams Cos	$9,943	AES Corp.	$455	Dynegy Inc	$15,724	Williams Cos	$18,414
AES Corp.	$4,989	Dynegy Inc	$255	Level III Comm.	$14,691	Dynegy Inc	$9,567
Level III Comm.	$718	Level III Comm.	($890)	Sun Microsystems	$14,152	AES Corp.	$9,435
75th Percentile	**$51,287**	**75th Percentile**	**$5,524**	**75th Percentile**	**$147,102**	**75th Percentile**	**$151,846**
50th Percentile	**$22,139**	**50th Percentile**	**$2,252**	**50th Percentile**	**$76,399**	**50th Percentile**	**$43,878**
25th Percentile	**$12,696**	**25th Percentile**	**$553**	**25th Percentile**	**$25,229**	**25th Percentile**	**$21,988**
Enron Corp.	**$52,839**	**Enron Corp.**	**$1,176**	**Enron Corp.**	**$45,566**	**Enron Corp.**	**$47,217**

EC 000102304

Exhibit 5
(Page 1 of 2)

Enron Corp.
Proxy Statement Compensation Analysis

Position: Highest Paid Executive

Company	Incumbent	Title	1999 Base Salary ($000)	1999 Total Cash ($000)	1999 LTI Value[1] ($000)	1999 Total Direct ($000)
Qwest Comm.	Nacchio	Chairman & CEO	$680	$1,543	$81,245	$82,788
GE Company	Welch	Chairman & CEO	$3,325	$13,325	$39,310	$52,635
IBM Corp	Gerstner, Jr.	Chairman & CEO	$2,000	$9,200	$42,350	$51,550
Level III Comm.	Crowe	President & CEO	$350	$1,350	$41,330	$42,680
WorldCom	Ebbers	President & CEO	$935	$8,435	$31,171	$39,606
Exxon Mobil	Raymond	COB & CEO	$2,110	$16,010	$17,213	$33,223
Merrill Lynch	Komansky	Chairman & CEO	$700	$8,934	$11,225	$20,159
American Express	Golub	Chairman &CEO	$1,000	$3,400	$13,794	$17,194
Dynegy Inc	Watson	COB & CEO	$1,030	$5,330	$7,193	$12,522
Sun Microsystems	McNealy	Chairman & CEO	$116	$3,739	$7,888	$11,627
AES Corp.	Bakke	CEO & President	$0	$0	$3,691	$3,691
Williams Cos	Bailey	Chairman, President & CEO	$903	$903	$2,021	$2,923
Peer Group 90th Percentile			**$2,099**	**$12,913**	**$42,248**	**$52,527**
Peer Group 75th Percentile			**$1,272**	**$9,001**	**$39,815**	**$44,897**
Peer Group 50th Percentile			**$919**	**$4,534**	**$15,503**	**$26,691**

EC 000102305

Exhibit 5

(Page 2 of 2)

Enron Corp.
Proxy Statement Compensation Analysis

Position: Second Highest Paid Executive

Company	Incumbent	Title	1999 Base Salary ($000)	1999 Total Cash ($000)	1999 LTI Value[1] ($000)	1999 Total Direct ($000)
Qwest Comm.	Mohebbi	President & COO	$459	$770	$22,598	$23,368
WorldCom	Sidgmore	Vice COB	$600	$3,360	$17,733	$21,093
Exxon Mobil	Noto	Vice Chair	$1,048	$9,647	$10,253	$19,900
Level III Comm.	Bradbury	EVP & CFO	$260	$610	$18,646	$19,256
GE Company	Opie	Vice Chair & Executive Officer	$1,233	$3,733	$12,733	$16,466
Merrill Lynch	O'Neal	EVP & President, US Priv Client G	$300	$6,065	$9,913	$15,978
American Express	Chenault	President & COO	$700	$2,500	$12,027	$14,527
Sun Microsystems	Zander	President & COO	$750	$2,380	$9,002	$11,382
IBM Corp	Palmisano	President & COO	$575	$1,350	$7,728	$9,078
Dynegy Inc	Bergstrom	President & COO	$652	$2,422	$5,247	$7,669
Williams Cos	Janzen	Pres & CEO, Williams Comm Grp	$452	$678	$2,045	$2,723
AES Corp.	Sharp	SVP & CFO	$240	$590	$616	$1,206
Peer Group 90th Percentile			**$1,019**	**$5,832**	**$18,555**	**$20,974**
Peer Group 75th Percentile			**$713**	**$3,453**	**$13,983**	**$19,417**
Peer Group 50th Percentile			**$588**	**$2,401**	**$10,083**	**$15,252**

EC 000102306

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Towers Perrin

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January 18, 2001

Dr. Charles A. LeMaistre
Chairman, Enron Compensation Committee
Enron Corp.
7 Bristol Green
San Antonio, TX 78209

Dear Dr. LeMaistre:

As requested, Towers Perrin has prepared this letter providing alternative compensation arrangements for Ken Lay, given his shift in responsibilities to Executive Chairman of the Board, with Jeff Skilling becoming CEO of Enron. In addition, I have also attached a suggested process for "stress-testing" Enron's executive compensation program under various stock price performance scenarios.

Attachment A provides three alternative compensation arrangements for Ken Lay. (Note: This Attachment also shows market compensation data for Jeff Skilling in his new CEO role as a reference point. Market compensation data for the CEO, COO, and Executive Chairman of the Board positions are presented as an Appendix to this letter.)

In reviewing the alternative arrangements for Mr. Lay, please be aware that Alternatives 1 and 2 assume the Compensation Committee wants to treat 2001 as a transition year for Enron, where the Chairman will be more actively involved in the Company's day-to-day business than he will likely be in the future. Alternative 3 assumes the Committee wants to provide competitive Executive Chairman of the Board compensation to Mr. Lay. (Note: An Executive Chairman of the Board is a non-CEO who is employed by the Company, but is less active in day-to-day affairs than a CEO.) Given our previous conversation, it would appear this alternative might be more applicable for 2002 and beyond, if Mr. Lay continues as Executive Chairman after 2001.

Finally, Attachment B provides a brief description of a proposed process to "stress-test" Enron's executive compensation program. Towers Perrin understands the objectives of this study are to examine the relationship between pay and performance given possible volatility in Enron's results, to ensure the Company has the ability to attract and retain talented people in good and bad times, and to help the Compensation Committee in understanding how changes in equity market conditions may affect executive compensation at Enron.

★ ★ ★ ★ ★

I hope this material is helpful. Please call me with any questions.

Sincerely,

Chuck

CEE:mhm

cc: John Duncan
Mary Joyce

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Enron Corp.

③ Essig market #'s for LTI have been escalating dramatically over the last few years. That market in 2000 will most likely lead to a decline in LTI data which will be available mid-year.

Attachment A

Alternative Compensation Arrangements for Executive Chairman and Market Targeted Compensation for CEO

Data from comparison companies w/ revenues of $50B plus $5B. Very conservative methodology

Pay Element	Alternative COB Compensation Arrangements (All data in $000)			CEO Compensation	
	2001 Transition Year		Not Transitional		
	Alternative 1 – No Change to Current Pay	Alternative 2 – Reduce Base Salary, Target Bonus 25%	Alternative 3 – Take Total Pay to Market for Executive COB[1]	Current for Skilling as COO ($000)	CEO Market Data[1] ($000)
Base Salary	$1,300	$975	$839	$850	$1,417
Annual Bonus	$3,900[2]	$2,925	$1,535	$3,000[2]	$3,386
Long-Term Incentive	$16,680	$16,680	$3,817	$12,250	$21,532
Total Direct Compensation	$21,880	$20,580	$6,191	$16,100	$26,335

(1) Based on Enron's philosophy of 50th percentile base salary, 75th percentile total annual compensation, and 75th percentile long-term incentives.

(2) Based on bonus paid in 2000 for 1999 results. Actual bonus may be higher or lower based on market bonus levels and actual performance each year.

① Typically have a transition year when a CEO has been very successful. Future years dependent upon Chairman's level of involvement

② Jaedicke asked why Alter. 1 ($16.6 Lay) LTI & LTI for CEO ($21) so different. Alt. #1 is 2000 data vs CEO data is 2001 Essig

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Attachment B

Proposed Process to "Stress-Test" Executive Compensation Program

looking at relationship between pay & performance

1. Interview COB, CEO, CFO, and members of the Compensation Committee regarding Company's business direction, strategy, and possible changes in market conditions.

2. Briefly summarize current executive pay elements, how these elements relate to market and Enron's culture, and the business reason for each element (e.g., base, bonus, long-term).

3. Examine how each element of pay for three sample positions would be effected by changes in Company performance (financial and stock price). change to 5 per Lou Pai

4. Describe likely consequences of financial and stock price performance changes on Enron's ability to attract and retain talent, while still focusing on pay for performance.

5. Identify major impediments that may effect Enron's ability to respond to changing market conditions.

6. Meet with the Compensation and Executive Committee Chairs to review the study findings.

7. Meet with COB and CEO to review findings.

8. Meet with the Compensation Committee to review findings.

faster Also look at other companies where negative events have occurred that ... happened to their ...

Note: It is anticipated that Towers Perrin and Mary Joyce will work as a team to complete this assignment. We estimate it will take 6 to 8 weeks to prepare a draft report summarizing our findings.

Also We'll also look at performance against the S&P and peer group