

Agenda Item 2 (cont.)
Enron Corp. Retention Plan
Award Schedule

168 offices to be submitted to Corp. Com prior to award

- Purpose of the Plan is to retain critical and key employees through the current transitional period of Enron Corp.
- Number of employees included in the Plan is approximately 1,350.
- Total Value of the Plan is capped at \$115 Million.
- The Plan has been reviewed and supported by Chuck Essick of Towers Perrin as market-based. He noted that this plan should be in addition to any potential annual bonus payments and values awarded to employees should be reduced by future retention or guaranteed severance payments. Towers Perrin will be consulted on the Final implementation of the Plan.
- Therefore, Management recommends approval of the Plan as set forth in the attached resolution

Summary of Headcount and Costs

Group	Approx. Headcount	Max Cost (Thousands)
Domestic Core BU	800	\$70,000
Domestic Non-Core BU	200	\$18,000
Europe	350	\$27,000
Total	1,350	\$115,000

	Key Employees Only
CORE Business Units	One Year Plan: 20% 3/1 - 20% 6/1 20% 9/1 - 40% 12/1/2002 (or as frequently as bi-weekly if business requirements dictate)
Management Committee	200% of Base
COMMERCIAL	
MD	200% of Base
VP	150% of Base
Director	100% of Base
Other	50% of Base
NON-COMMERCIAL	
MD	150% of Base
VP	100% of Base
Director	75% of Base
Other	40% of Base

NON-CORE Business Units	6 Month Plan: Pay 1/2 on 3/1, pay 1/2 on earlier of project completion, invol term, unit shut down, 6/1/2002 (or as frequently as bi-weekly if business requirements dictate)
Management Committee	150% of Base
COMMERCIAL	
MD	150% of Base
VP	100% of Base
Director	75% of Base
Other	40% of Base
NON-COMMERCIAL	
MD	125% of Base
VP	75% of Base
Director	50% of Base
Other	30% of Base

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