

CONFIDENTIAL

WESTERN RESOURCES, INC.
BOARD OF DIRECTORS
January 27, 1999
10:00 A.M.

The regular meeting of the Board of Directors of Western Resources, Inc. (the "Company") was held at the General offices of the Company, Topeka, Kansas, on January 27, 1999.

All members of the Board of Directors were present. Mr. John E. Hayes, Jr., Chairman of the Board, presided over the meeting. Mr. Richard D. Terrill, Vice President, Law and Corporate Secretary, acted as secretary of the meeting.

The Chairman requested additions or corrections of the minutes of the November 18, 1998, December 10, 1998, and December 15, 1998 Board meetings. There being no corrections or additions, the minutes were unanimously approved.

Various officers of the Company and its subsidiaries reported on the operations of the Company.

The Chairman called on Mr. William B. Moore, Acting Executive Vice President, Chief Financial Officer and Treasurer, who reviewed the financials of the Company and the proposed 1999 Budget.

Whereupon, following discussion, upon motion duly made and seconded, the following resolution was unanimously adopted:

RESOLVED, that the 1999 budget be, and hereby is, unanimously approved as presented to the meeting.

Mr. Moore proposed that the Board authorize the payment of the Company's common stock dividend and normal preferred stock dividends.

Whereupon, following discussion, upon motion duly made and seconded, the following resolutions were unanimously adopted:

RESOLVED, that there be, and hereby is, declared out of the net earnings and/or surplus of the Company available for dividends, a dividend payable April 1, 1999, to holders of record at the close of business March 9, 1999, in proportion to their respective holdings for the Preferred Stocks of the Company as follows:

\$1.0625	per share on the 4-1/4%	Series Preferred
1.125	per share on the 4-1/2%	Series Preferred
1.25	per share on the 5%	Series Preferred

RESOLVED, that there be, and hereby is, declared out of the net earnings and/or surplus of the Company available for dividends, a dividend of fifty-three and one-half cents (53.5¢) per share on the \$5.00 par value common stock; payable April 1, 1999, to holders of record at the close of business March 9, 1999.

The Chairman called on Mr. Thomas R. Clevenger, Chairman of the Audit and Finance Committee who presented the report of the Committee. Mr. Clevenger stated that the Committee recommended the adoption of certain amendments to the Company's Restated Articles of Incorporation.

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Whereupon, following discussion, upon motion duly made and seconded, the following resolutions were unanimously adopted:

RESOLVED, that the officers of the Company be, and hereby are, authorized to present to the shareholders of the Company, an amendment to the Company's Restated Articles of Incorporation to increase the authorized shares of common stock to 150 million shares; and further

RESOLVED, that the officers of the Company be, and hereby are, authorized to take such actions as they may deem appropriate, including presenting to shareholders an amendment to the Restated Articles of Incorporation or amending the By-Laws, to allow for electronic voting by shareholders; and further

RESOLVED, that the officers of the Company be, and hereby are, authorized to take such further actions as they may deem necessary or appropriate to carry out the foregoing resolution.

Mr. Clevenger then stated that the Committee recommended the filing of the Company's Annual Report for 1998 on Form 10-K.

Whereupon, following discussion, upon motion duly made and seconded, the following resolution was unanimously adopted:

RESOLVED, that the Audit and Finance Committee of the Company be, and hereby is, authorized to approve the filing of the Company's Annual Report for 1998 on Form 10-K, including the financial statements contained therein, with the Securities and Exchange Commission.

Mr. Clevenger stated that the Committee recommended that Arthur Andersen, L.L.P. be retained as the Company's independent public accountants for 1999.

Whereupon, following discussion, upon motion duly made and seconded, the following resolutions were unanimously adopted:

RESOLVED, that Arthur Andersen, L.L.P. be retained as the Company's independent public accountant for 1999; and further

RESOLVED, that the officers of the Company be, and hereby are, authorized to take such actions as they may deem necessary or appropriate to carry out the foregoing resolution.

Mr. Clevenger stated that the Committee recommended the adoption of certain amendments to the Company's Direct Stock Purchase Plan.

Whereupon, following discussion, upon motion duly made and seconded, the following resolutions were unanimously adopted:

RESOLVED, that the officers of the Company be, and hereby are, authorized to amend the Company's Direct Stock Purchase Plan as presented to the meeting; and further

RESOLVED, that the officers of the Company be, and hereby are, authorized to prepare and join with the individual Directors of the Company in executing and filing, or causing to be filed, with the Securities and Exchange Commission a registration statement or statements and amendments thereto under the Securities Act of 1933, with respect to up to 4,000,000 additional shares of the Company's Common Stock, \$5.00 par value for issuance pursuant to the Plan; and further

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RESOLVED, that the officers of the Company be, and hereby are, authorized to execute and file any applications, documents, instruments and certificates, and to do any and all further acts and things as they may deem necessary or appropriate for the purpose of making effective any required registration statement and maintaining it in full force and effect, and any required prospectus relating thereto in connection with the securities to be registered under the Securities Act of 1933; and further

RESOLVED, that the officers of the Company be, and hereby are, authorized and empowered, on behalf of the Company, to prepare, execute and file with the State Corporation Commission of the State of Kansas and the Federal Energy Regulatory Commission an application or applications and any and all necessary amendments, exhibits and other documents related thereto, for the purpose of obtaining such authorizations as may be necessary for the Company to register and transfer Common Stock pursuant to the Plan; and further

RESOLVED, that the Chairman of the Board and Chief Executive Officer, or any Vice President and the Secretary of the Company, be, and each hereby is, authorized and empowered to cause the company to apply to the New York Stock Exchange ("Exchange") for the listing of the additional Common Stock and further that each such officer and any other officer of the Company be, and hereby is, designated to appear before the appropriate officials of said Exchange with authority (a) to execute in the name and on behalf of the Company and file with the Exchange an appropriate listing application and all such agreements and documents (including an indemnity agreement) as any of them may consider necessary or desirable to secure such listing, and (b) to make any changes in such listing application or agreements or documents as may be required to satisfy the requirements of the Exchange for such listing; and further

RESOLVED, that it is desirable and in the best interest of the Company that its securities be qualified or registered for sale in various states; that the Chairman of the Board and President or any Vice President and the Secretary or an Assistant Secretary hereby are authorized to determine the states in which action shall be taken to qualify or register for sale all or such part of the securities of the Company as said officers may deem advisable; that said officers are hereby authorized to perform on behalf of the Company any and all such acts as they may deem necessary or advisable in order to comply with the applicable laws of any such states, and in connection therewith to execute and file all requisite papers and documents, including, but not limited to, applications, reports, surety bonds, irrevocable consents and appointment of attorneys for service of process; and the execution by such officers of any such paper or document or the doing by them of any act in connection with the foregoing matters shall conclusively establish their authority therefore from the Company and the approval and ratification by the Company of the papers and documents so executed and the action so taken; and further

RESOLVED, that the officers of the Company be, and hereby are, authorized to take such actions as they may deem necessary or appropriate to carry out the foregoing resolutions.

Mr. Clevenger further stated that the Committee recommended that the officers of the Company be authorized to purchase shares of the Company's preferred stock.

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Whereupon, following discussion, upon motion duly made and seconded, the following resolutions were unanimously adopted:

RESOLVED, that the officers of the Company be, and hereby are, authorized to purchase, from time to time through open market or direct purchases, or by redemption, any portion or all of the shares outstanding of the 4 1/2% Series Preferred Stock, 4 1/4% Series Preferred Stock and 5% Series Preferred Stock.

RESOLVED, that the officers of the Company be, and hereby are, authorized to give such notices, certificates and opinions, make such filings, enter into such agreements, and take such other actions as may be necessary or appropriate in connection with such purchases or redemption; and further

RESOLVED, that the officers of the Company be, and hereby are, authorized to take such actions as they may deem necessary or appropriate to carry out the foregoing resolutions.

The Chairman called on Mr. Frank J. Becker, Chairman of the Human Resources Committee, who presented the report of the Committee. Mr. Becker stated that the Committee recommended the adoption of certain amendments to the Company's Benefit Plans.

Whereupon, following discussion, upon motion duly made and seconded, the following resolutions were unanimously adopted:

RESOLVED, that the officers of the Company be, and hereby are, authorized to amend the Company's benefit plan to take into account restricted share units in determining compensation under the plans unless prohibited by applicable law or regulation; and further

RESOLVED, that the officers of the Company be, and hereby are, authorized to take such actions as they may deem necessary or appropriate to carry out the foregoing resolution.

Mr. Becker stated that the Committee recommended the adoption of certain amendments to the Company's 401(k) Plan.

Whereupon, following discussion, upon motion duly made and seconded, the following resolutions were unanimously adopted:

RESOLVED, that the officers of the Company be, and hereby are, authorized to amend the Company's 401(k) Plan to allow for the Company matching contributions to be in the form of common stock; and further

RESOLVED, that the officers of the Company be, and hereby are, authorized and empowered, on behalf of the Company, to prepare, execute and file with the State Corporation Commission of the State of Kansas and the Federal Energy Regulatory Commission an application or applications and any and all necessary amendments, exhibits and other documents related thereto, for the purpose of obtaining such authorizations as may be necessary for the Company to register and transfer Common Stock pursuant to the Plan; and further

RESOLVED, that the Chairman of the Board and Chief Executive Officer, or any Vice President and the Secretary of the Company, be, and each hereby is, authorized and empowered to cause the company to apply to the New York Stock Exchange ("Exchange") for the listing of the additional Common Stock and further that each such officer and any other officer of the

Company be, and hereby is, designated to appear before the appropriate officials of said Exchange with authority (a) to execute in the name and on behalf of the Company and file with the Exchange an appropriate listing application and all such agreements and documents (including an indemnity agreement) as any of them may consider necessary or desirable to secure such listing, and (b) to make any changes in such listing application or agreements or documents as may be required to satisfy the requirements of the Exchange for such listing; and further

RESOLVED, that it is desirable and in the best interest of the Company that its securities be qualified or registered for sale in various states; that the Chairman of the Board and President or any Vice President and the Secretary or an Assistant Secretary hereby are authorized to determine the states in which action shall be taken to qualify or register for sale all or such part of the securities of the Company as said officers may deem advisable; that said officers are hereby authorized to perform on behalf of the Company any and all such acts as they may deem necessary or advisable in order to comply with the applicable laws of any such states, and in connection therewith to execute and file all requisite papers and documents, including, but not limited to, applications, reports, surety bonds, irrevocable consents and appointment of attorneys for service of process; and the execution by such officers of any such paper or document or the doing by them of any act in connection with the foregoing matters shall conclusively establish their authority therefore from the Company and the approval and ratification by the Company of the papers and documents so executed and the action so taken; and further

RESOLVED, that the officers of the Company be, and hereby are, authorized to take such actions as they may deem necessary or appropriate to carry out the foregoing resolutions.

Mr. Becker stated that the Committee recommended the adoption of an incentive compensation program based on capital gains.

Whereupon, following discussion, upon motion duly made and seconded, the following resolutions were unanimously adopted:

RESOLVED, that the officers of the Company be, and hereby are, authorized to establish a capital gain incentive compensation program as presented to the meeting; and further

RESOLVED, that the officers of the Company be, and hereby are, authorized to present the plan to the shareholders of the Company for approval in accordance with Internal Revenue Code §162(m); and further

RESOLVED, that the officers of the Company be, and hereby are, authorized to take such actions as they may deem necessary or appropriate to carry out the foregoing resolutions.

Mr. Becker stated that the Committee recommended the adoption of a Key Employee Short Term Incentive Plan which qualifies for deductibility of incentive payments under Internal Revenue Code §162(m) ("§162(m)").

Whereupon, following discussion, upon motion duly made and seconded, the following resolutions were unanimously adopted:

RESOLVED, that the officers of the Company be, and hereby are, authorized to adopt a Key Employee Short Term Incentive Plan as presented to the meeting; and further

RESOLVED, that the officers of the Company be, and hereby are, authorized to submit the Key Employee Short Term Incentive Plan to the shareholders for approval in accordance with Internal Revenue Code Regulation 162(m); and further

RESOLVED, that the officers of the Company be, and hereby are, authorized to take such actions as they may deem necessary or appropriate to carry out the foregoing resolutions.

Mr. Becker stated that the Committee recommended certain changes to the 1996 Long Term Incentive and Share Award Plan in order to maintain the Plan in compliance with §162(m).

Whereupon, following discussion, upon motion duly made and seconded, the following resolutions were unanimously adopted:

RESOLVED, that the officers of the Company be, and hereby are, authorized to present amendments to the 1996 Long Term Incentive and Share Award Plan, as amended to the shareholders of the Company for approval in accordance with Internal Revenue Code 162(m); and further

RESOLVED, that the officers of the Company be, and hereby are, authorized to take such actions as they may deem necessary or appropriate to carry out the foregoing resolution.

The Chairman called on Mr. John C. Dicus, Chairman of the Corporate Public Policy Committee, who presented the report of the Committee. Mr. Dicus stated that the Committee recommended an amendment to the Western Resources Foundation Matching Gift Program.

Whereupon, following discussion, upon motion duly made and seconded, the following resolutions were unanimously adopted:

RESOLVED, that the officers of the Company be, and hereby are, authorized to amend the Company matching contribution plan so that contributions of up to a maximum of \$16,667 will be matched three to one per household per year; and further

RESOLVED, that the officers of the Company be, and hereby are, authorized to take such actions as they may deem necessary or appropriate to carry out the foregoing resolution.

The Chairman called on Mr. Russell W. Meyer, Jr., Chairman of the Nominating Committee, who presented the report of the Committee. Mr. Meyer stated that the Committee recommended the appointment of Ms. Jane Dresner Sadaka as director of the Company.

Whereupon, following discussion, upon motion duly made and seconded, the following resolutions were unanimously adopted:

RESOLVED, that the Board of Directors has accepted the resignation of John E. Hayes, Jr. as Chairman of the Board of Directors of Western Resources, Inc.; and further

RESOLVED, that Ms. Jane Dresner Sadaka be, and hereby is, appointed a director of Western Resources, Inc. effective on the later of January 27, 1999 and the date such directorship is authorized by the Federal Energy Regulatory Commission; and further

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RESOLVED, that the officers of the Company be, and hereby are, authorized to take such actions as they may deem necessary or appropriate to carry out the foregoing resolutions.

Mr. Meyer also stated that the Committee recommended the election of Mr. David C. Wittig as Chairman of the Board, President and Chief Executive Officer of the Company.

Whereupon, following discussion, upon motion duly made and seconded, the following resolution was unanimously adopted:

RESOLVED, that David C. Wittig be, and hereby is, elected Chairman of the Board, President and Chief Executive Officer of the Company, effective January 27, 1999.

Mr. Meyer further stated that the Committee recommended that certain directors be nominated to stand for election as Class III Directors at the Annual Meeting of Shareholders.

Whereupon, following discussion, upon motion duly made and seconded, the following resolution was unanimously adopted:

RESOLVED, that Frank J. Becker, Louis W. Smith and Jane Dresner Sadaka be, and hereby are, nominated to stand for election as Class III Directors of the Company at the Annual Meeting of Shareholders, to serve until their successors are duly qualified and elected.

The Chairman called on Mr. Terrill who recommended consideration of resolutions regarding the Annual Meeting of Shareholders.

Whereupon, following discussion, upon motion duly made and seconded, the following resolutions were unanimously adopted:

RESOLVED, that the President and Chief Executive Officer, be, and hereby is, authorized to set, in his discretion, the record date for the determination of the holders of outstanding shares of the Common and Preferred Stock of the Company entitled to notice of and to vote at the Annual Meeting of Shareholders of the Company to be held on such date and at such time and location as the Chief Executive Officer shall establish in his discretion, and that the officers of the Company be, and they hereby are, authorized to give notice of the record date and meeting date as so fixed to the New York Stock Exchange; and further

RESOLVED, that David C. Wittig, William B. Moore and Richard D. Terrill, be, and each of them hereby is, designated to be named in the form of proxy authorizing them, or any one of them, as the proxies of the shareholders for the purpose of voting upon all matters to be brought before the shareholders for consideration and action at the Annual Meeting of Shareholders of the Company; and further

RESOLVED, that the officers of the Company be and they hereby are authorized and instructed to prepare a Notice of Annual Meeting of Shareholders and Proxy Statement and Proxy to provide for (i) the election of directors, (ii) to provide for such other matters to be presented to the meeting as approved by this Board; and (iii) to provide for such other matters as the officers of the Company may deem necessary to comply with the rules and regulations of the Securities and Exchange Commission; and further

RESOLVED, that the proper officers of the Company be, and hereby are, authorized and instructed to file such Notice, Proxy and Proxy Statement with the Securities and Exchange Commission and to cause

copies of said Notice and Proxy Statement and Proxy to be duly mailed to each shareholder of record of the Company as of the close of Business on the record date for said Annual Meeting of Shareholders; and further

RESOLVED, that the officers of the Company be, and hereby are, authorized and directed to cause to be prepared an appropriate form of Annual Report of the Company for the year ending December 31, 1998, copies thereof to be mailed to all shareholders.

RESOLVED, that the officers of the Company be, and hereby are, authorized to take such actions as they may deem necessary or appropriate to carry out the foregoing resolutions.

Mr. Wittig recommended the adoption of testimonial resolutions honoring Mr. John E. Hayes, Jr.

Whereupon, following discussion, upon motion duly made and seconded, the following resolutions were unanimously adopted:

WHEREAS, John E. Hayes, Jr., is retiring as Chairman of the Board of Western Resources, Inc., having joined the Company in 1989; and

WHEREAS, his vision to create a nationally respected consumer services company was achieved through the KGE and KPL merger, the divestiture of the Missouri natural gas properties, the ONEOK strategic alliance, the entry into the monitored services business and the KCPL merger; and

WHEREAS, his understanding and expertise in the area of deregulation was instrumental in building a path for Western Resources' electric and natural gas businesses to be successful in a competitive marketplace; and

WHEREAS, his involvement and leadership in activities of the Company and with numerous civic groups and educational institutions personified his integrity and commitment to the Company and its responsibilities to the communities it serves; and

WHEREAS, his sensitivity and commitment to employee issues resulted in the formation of numerous task forces, including the employee-driven environmental Green Team, which has been nationally recognized for its innovative projects; and

WHEREAS, his dedication and commitment to excellence and exceptional customer service never wavered during his nine years with Western Resources, setting an example for others to emulate; and

WHEREAS, his demonstration of responsible citizenship resulted in his devotion of time and energy to more than twenty business and community boards or activities, such as The Menninger Clinic, the United Way, the Topeka Chamber of Commerce, the March of Dimes and the Ronald McDonald House;

NOW, THEREFORE, BE IT RESOLVED, that the members of the Board of Directors of Western Resources, Inc., do hereby personally and on behalf of Western Resources express to John E. Hayes, Jr., their high esteem and appreciation for his dedicated service and representation on behalf of the Company and wish him a long and happy retirement.

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Mr. Wittig also recommended adoption of testimonial resolutions honoring Jerry D. Courington.

Whereupon, following discussion, upon motion duly made and seconded, the following resolutions were unanimously adopted:

WHEREAS, Jerry D. Courington is retiring as Controller of Western Resources, Inc., having joined the Company in 1977; and

WHEREAS, his knowledge of the business, his special way of working with all employees, and his ability to build for the future have been invaluable; and

WHEREAS, his dedication and commitment to excellence and exceptional service to customers, employees and shareowners during the course of his twenty-one years of services was manifested by his work in management positions of increasing scope and responsibility; and

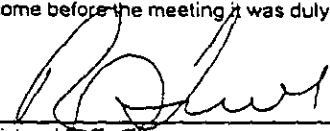
WHEREAS, his ability to create relationships with employees and customers demonstrated the highest dedication and professionalism; and

NOW THEREFORE, BE IT RESOLVED, that the members of the Board of Directors of Western Resources, Inc., do hereby personally and on behalf of Western Resources, Inc., express to Jerry D. Courington, their high esteem and appreciation for his dedicated service and representation on behalf of the Company and wish him a long and happy retirement.

Mr. Wittig discussed various matters of interest to the Company including Management's 1999 objectives and Protection One, Inc.

The next meeting of the Board of Directors was scheduled for March 16 - 18, 1999 in Scottsdale, Arizona.

There being no further business to come before the meeting it was duly adjourned.


Richard D. Ferrill
Secretary