

EEI CORPORATION
STOCK OPTION PLAN
AS AMENDED

I. OBJECTIVE:

To encourage ownership in the Company by purchase of common shares under favorable terms, to provide greater incentive for employees to remain in the service of the company and to have thereby a direct and continuing interest in the productivity and profitability of the company and its subsidiaries.

II. ELIGIBILITY:

Options may be granted to regular employees, Officers and Directors, of the Company and its subsidiaries.

III. SHARES SUBJECT TO THE PLAN:

A total of 140 million common shares shall be allocated for the purpose of this plan.

IV. PRICING:

The option under this plan shall be for a price which shall be equal to the net book value but not less than 80% of the average market price of the shares in the MSE and MKSE for the 5 trading days immediately preceding the grant of the option whichever is higher, but in no case less than par value.

V. ADMINISTRATION OF THE PLAN:

The plan shall be administered by a Stock Option Committee to be appointed by the Board of Directors, consisting of three (3) directors, one of whom shall be its Chairman. The Committee shall have the power to grant stock options under this Plan including the power to determine the number of common shares to be offered and made available for subscription and purchase at any given time; the price at which the common shares are to be offered; and the allocation of common shares to those entitled to subscribe and purchase but in all cases, the Committee shall exercise its power in accordance with the provisions of this Plan. Members of the Committee are not eligible to receive any options under this Plan unless the other members of the Board, by unanimous vote, decide otherwise. The Committee shall promulgate such rules and guidelines as may be necessary to ensure the proper implementation of the Plan and its objectives.

VI. INDIVIDUAL LIMITS:

An eligible employee may purchase a minimum of 1000 shares up to a maximum equivalent to such number of Common shares as could be paid for by an amount equal to his total annual salary at the time the option is exercised rounded off to the nearest hundred, except officers and directors whose individual limits shall be determined by the Stock Option Committee. No optionee shall however be allowed to purchase more than an aggregate of three (3) million shares.

For employees on overseas assignment, the allowable purchase shall be based on his last Peso basic salary prior to the overseas assignment.

The total monthly deductions of the employee, including subscription payments shall not exceed 50% of his gross basic Peso salary.

VII. OFFERING PERIOD:

The offering period shall be determined by the Board of Directors upon the recommendation of the Stock Option Committee. If there are remaining unsold common shares allocated for this purpose, the Stock Option Committee may determine subsequent offerings for the said remaining shares, or such other appropriate disposition of the shares, subject to approval by the Board.

VIII. PAYMENT TERMS:

Payment for shares purchased shall be over a period of five years without interest and collected by the Company through salary deductions until fully paid, in 120 equal semi-monthly installments.

IX. VOTING AND DIVIDEND RIGHTS OF BENEFICIARIES:

The employee will have the voting rights to all the shares purchased. If and when cash or stock dividends are declared, the employee shall likewise be entitled thereto corresponding to the shares he purchased subject to restrictions provided under Philippine Laws. However, the Company will apply the amounts payable as cash dividends, net of taxes thereon, to payment of whatever amount may still be due under the Plan on a last installments-first-repaid basis.

X. HOLDING PERIOD:

There shall be a holding period of three (3) years during which time the employee may not sell, transfer or assign his shares purchased under the ESOIP, including any stock dividends that may have been granted corresponding thereto, provided however that the Stock Option Committee may shorten the said period. The Company will not recognize any sale, transfer, assignment or special power-of-attorney made by the employee or presented to it during the holding period.

XI. SEPARATION FROM THE COMPANY:

Employment with the Company, its wholly-owned subsidiaries and majority-owned affiliates is of the essence for the availment by the employee of the stock purchase privilege under the ESOP. In the event, therefore, of separation of the employee from his Employer-Company for whatever cause except by death, retirement or retrenchment, the employee may, within 10 working days from separation, fully pay any balance due and receive the stock certificates after the expiry of the holding period as set herein. If he does not pay the balance within the prescribed 10-day period, the Company may declare the subscription delinquent and dispose of the shares according to law.

In case of retirement or retrenchment of the employee from his Employer-Company, he may elect to pay in installment by advising the Company in writing within ten (10) days from his retirement or retrenchment, and in case of employee's death, his heirs/beneficiaries may elect to pay in installment by advising the Company in writing within sixty (60) days from employee's death. Otherwise, the full balance shall in both cases be due on the next installment; the retired or retrenched employee, or his heirs or beneficiaries in case of his death, will receive his stock certificates after the expiry of the holding period set herein, unless waived by the Stock Option Committee.

Continued directorship with the Company is likewise of the essence for the availment by a director of the option under this Plan. If a director ceases to be such, he may, within 10 working days from the cessation of his directorship, fully pay the balance due, and receive the stock certificates within 30 days after payment. In case a director dies, his heirs or beneficiaries may pay the balance under the foregoing rules.

XII. NON-TRANSFERABILITY OF OPTION:

Option or subscription rights under this Plan cannot be sold or assigned to other employees or third parties.

XIII. ADJUSTMENT IN SHARE SUBJECT TO PLAN:

The option granted under the Plan shall contain such provisions as the Committee may determine with respect to adjustments to be made in the number and kind of shares covered by such options and in the option price in the event of a reorganization, recapitalization, stock split, stock dividend, combination of shares, merger, consolidation, rights offering or any other change in the corporate structure of shares of the Company. In the event of any such change, the aggregate number and kind of shares available under the Plan and the maximum number of shares as to which options may be granted to any individual shall be proportionately adjusted.

XIV. AMENDMENT OF THE PLAN:

The Board of Directors of the Company may make changes in or additions to the Plan as it shall deem proper, or to the best interest of the Company or any of its subsidiaries without any action on the part of the stockholders. However, no change or addition shall (a) impair or optionee's rights without his consent or deprive him of any shares which he has already acquired under the Plan, (b) increase the maximum number of shares which may be purchased by an optionee under the Plan, (c) change the minimum purchase price of the shares, (d) extend the period during which the option may be granted or exercised, or (e) withdraw the administration of the Plan from the Committee.

XVI. RIGHT TO TERMINATE EMPLOYMENT:

The grant of an option to an employee or director shall not affect the right of the Company or its subsidiaries to terminate his employment or appointment as provided by law.

XVII. EFFECTIVE DATE OF THE PLAN:

Options may be granted hereunder upon the adoption of the Plan by the Board of Directors of the Company, but neither the Plan nor any option granted there under shall become effective unless the Plan is approved by the stockholders holding at least a majority of the outstanding voting shares of the Company, in which event, the effectivity of the Plan shall retroact to the date of its adoption by the Board of Directors.

/bett:SOP
03.10.94
09.26.94