

CHARTER
of the
PERSONNEL EVALUATION AND REVIEW COMMITTEE

PREAMBLE

The Board of Directors and Management of EEI Corporation consistent with the principles and practices of good corporate governance, have approved the creation of a Personnel Evaluation and Review Committee in our ardent desire to further strengthen the system of accountability, as well as to maintain the culture of discipline within the organization, and, in the pursuit of these ideals, do hereby establish this Charter.

Chapter I
TITLE

This Charter shall be known as the "Charter of the Personnel Evaluation and Review Committee of EEI Corporation".

Chapter II
CREATION AND COMPOSITION

There is hereby created a Personnel Evaluation and Review Committee, otherwise known as "PERC", composed of a Chairman and six (6) Members to be appointed by and acting upon the authority of the Board of Directors.

The Chairman and Members of the Committee shall serve for a period of one (1) year, or until their successors have been duly appointed.

Chapter III
PURPOSE

The Purposes of the PERC are:

1. To act as an independent higher body where personnel responsible for the funds, assets or other resources owned by or entrusted to EEI Corporation, as well as, the integrity of contracts entered by EEI Corporation, including the administration or implementation thereof, when warranted by circumstances, be investigated and held liable for their actions relative thereto.
2. To recommend to the Board of Directors measures necessary to deter

further offenses which may be committed by personnel of EEI Corporation against it, or violations by its personnel of any of its policy, rule, procedure and regulation.

Chapter IV GUIDING PRINCIPLES

The PERC, shall act in accordance with the following Principles:

1. The Chairman and all the Members shall maintain complete independence and exercise professional care, fulfill in good faith the obligations assumed by them in accordance with this Charter.
2. The funds, assets, and other resources owned by or entrusted to EEI Corporation, including its interests in whatever form or nature, shall be protected and safeguarded at all times.
3. The **due process** requirement shall be observed in the conduct of all investigations.
4. Best efforts shall be exerted to keep confidential the investigation process.

CHAPTER V POWERS AND AUTHORITIES

The Powers and Authorities of PERC are:

1. To review, reverse, modify, alter or affirm the findings and other dispositions of management relative to the administrative case filed against the personnel of EEI Corporation for any of the following:
 - 1.1 Fraud
 - 1.2 Loss of Trust and Confidence
 - 1.3 Conflict of Interest
 - 1.4 Misappropriation
 - 1.5 Dishonesty
 - 1.6 Falsification
 - 1.7 Any act, inaction, misconduct, abuse of discretion, mismanagement or violation of the policy, rule or procedure which results in actual, opportunity, or

potential loss to EEI Corporation or unnecessary wastage

of its resources, with a value of approximately
FIVE HUNDRED THOUSAND PESOS (Php500,000.00)

2. To report to the Board of Directors the action taken in any of the cases mentioned above.
3. To advise management of corrective or preventive measures that need to be taken for the protection of the interests of EEI Corporation and the preservation of its funds, assets, or other resources subject matter of any of the cases mentioned above.
4. To exercise such other powers and authorities as may be granted by the Board of Directors.

CHAPTER VI MEETINGS

The PERC shall have a quarterly meeting on a date prior to the quarterly meeting of the Board, as may be determined by the Chairman.

Whenever necessary, the Chairman on his own initiative or upon recommendation of any of three (3) Members may call a special or emergency meeting.

CHAPTER VII EFFECTIVITY

This Charter takes effect immediately.

APPROVED BY THE BOARD OF DIRECTORS ON October 15, 2004.

Attested by:


F. G. VILLAFUERTE
Corporate Secretary