

SECURITIES AND EXCHANGE COMMISSION  
 WASHINGTON, D.C. 20549

FORM S-8  
 REGISTRATION STATEMENT  
 UNDER  
 THE SECURITIES ACT OF 1933

CORN PRODUCTS INTERNATIONAL, INC.  
 (Exact name of registrant as specified in its charter)

DELAWARE 22-3514823  
 (State or other jurisdiction of (I.R.S. Employer Identification No.)  
 incorporation or organization)

6500 SOUTH ARCHER ROAD 60501  
 BEDFORD PARK, ILLINOIS (Zip Code)  
 (Address of principal executive offices)

CORN PRODUCTS INTERNATIONAL, INC. 1998 STOCK INCENTIVE PLAN  
 EMPLOYEE BENEFITS AGREEMENT BETWEEN CPC INTERNATIONAL INC.  
 AND CORN PRODUCTS INTERNATIONAL, INC. DATED DECEMBER 1, 1997  
 (Full title of the plans)

MARCIA E. DOANE  
 VICE PRESIDENT, GENERAL COUNSEL AND CORPORATE SECRETARY  
 CORN PRODUCTS INTERNATIONAL, INC.  
 6500 SOUTH ARCHER ROAD  
 BEDFORD PARK, ILLINOIS 60501  
 (708) 563-2400  
 (Name, address, and telephone number,  
 including area code, of agent for service)

with a copy to:

Joseph Schohl  
 Sidley & Austin  
 One First National Plaza  
 Chicago, Illinois 60603

CALCULATION OF REGISTRATION FEE

Title of Securities to be registered	Amount to be registered	Proposed maximum offering price per share	Proposed maximum aggregate offering price	Amount of registration fee
Common Stock, \$.01 par value(3)	4,234,850 shares(1)	\$29.23(2)	\$123,765,609(2)	\$36,511

(1) Consists of 3,500,000 shares issuable pursuant to the Corn Products International, Inc. 1998 Stock Incentive Plan and 734,850 shares issuable pursuant to the Employee Benefits Agreement between Corn Products International, Inc. and CPC International Inc. dated December 1, 1997. This registration statement also covers an additional and indeterminate number of shares as may become issuable because of the provisions of the Plans relating to adjustments for changes resulting from stock dividends, stock splits and similar changes.

- (2) Estimated solely for the purpose of calculating the registration fee and, pursuant to Rule 457(h) under the Securities Act of 1933, based upon (i) as to options to purchase 551,624 shares, the weighted average exercise price of \$ 10.70 per share, and (ii) as to the 3,683,226 remaining shares, the average of the high and low sale prices of when-issued trading of the Common Stock reported in the New York Stock Exchange Composite transactions on December 26, 1997, which was \$ 32.00.
- (3) Includes 4,234,850 associated rights ("Rights") to purchase 1/100 of a share of Series A Junior Participating Preferred Stock, par value \$.01 per share. Rights initially are attached to and trade with the shares of Common Stock being registered hereby. Value attributable to such Rights, if any, is reflected in the market price of the Common Stock.

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PART I

INFORMATION REQUIRED IN THE SECTION 10(a) PROSPECTUS

ITEM 1. PLAN INFORMATION\*

ITEM 2. REGISTRANT INFORMATION AND EMPLOYEE PLAN ANNUAL INFORMATION\*

Information required by Part I to be contained in the Section 10(a) prospectus is omitted from the Registration Statement in accordance with Rule 428 under the Securities Act of 1933, as amended, and the Note to Part I of Form S-8.

PART II  
INFORMATION REQUIRED IN THE  
REGISTRATION STATEMENT

ITEM 3. INCORPORATION OF DOCUMENTS BY REFERENCE.

The Company's Registration Statement on Form 10, as amended (File No. 1-13397) has been filed with the Securities and Exchange Commission (the "Commission") by Corn Products International, Inc. (the "Company") and is incorporated herein by reference.

All documents filed by the Company with the Commission pursuant to Sections 13(a), 13(c), 14 and 15(d) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), after the date of this Registration Statement and prior to the filing of a post-effective amendment to this Registration Statement which indicates that all securities offered hereby have been sold or which deregisters all securities then remaining unsold, shall be deemed to be incorporated by reference into this Registration Statement and to be a part hereof from the respective dates of filing of such documents (such documents, and the documents enumerated above, being hereinafter referred to as "Incorporated Documents").

Any statement contained in an Incorporated Document shall be deemed to be modified or superseded for purposes of this Registration Statement to the extent that a statement contained herein or in any other subsequently filed Incorporated Document modifies or supersedes such statement. Any such statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Registration Statement.

ITEM 4. DESCRIPTION OF SECURITIES  
Not applicable.

ITEM 5. INTERESTS OF NAMED EXPERTS AND COUNSEL.

The legality of the shares of Common Stock reserved for issuance under the Corn Products International, Inc. 1998 Stock Incentive Plan (the "SIP") and the Employee Benefits Agreement between CPC International Inc. and Corn Products International, Inc., dated December 1, 1997 (the "Employee Benefits Agreement," and together with the SIP, the "Plans") has been passed upon for the Company by

Marcia E. Doane, Esq., Vice President, General Counsel of the Company.

ITEM 6. INDEMNIFICATION OF OFFICERS AND DIRECTORS.

Section 145 of the General Corporation Law of the State of Delaware (the "DGCL") provides, in summary, that directors and officers of Delaware corporations such as the Company are entitled, under certain circumstances, to be indemnified against all expenses and liabilities (including attorneys' fees) incurred by them as a result of suits brought against them in their capacity as a director or officer, if they acted in good faith and in a manner they reasonably believed to be in or not opposed to the best interests of the corporation, and, with respect to any criminal action or proceeding, if they had no reasonable cause to believe their conduct

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was unlawful; provided, that no indemnification may be made against expenses in respect of any claim, issue or matter as to which they shall have been adjudged to be liable to the corporation, unless and only to the extent that the court in which such action or suit was brought shall determine upon application that despite the adjudication of liability but in view of all the circumstances of the case, they are fairly and reasonably entitled to indemnity for such expenses which such court shall deem proper. Any such indemnification may be made by the corporation only as authorized in each specific case upon a determination by the stockholders or disinterested directors that indemnification is proper because the indemnitee has met the applicable standard of conduct.

Article VII of the Company's Amended By-Laws entitles officers, directors and controlling persons of the Company to indemnification to the full extent permitted by Section 145 of DGCL, as the same may be supplemented or amended from time to time.

Article VII of the Bylaws of Corn Products International, Inc. provides:

"Indemnification

Section 1. Each person who was or is made a party or is threatened to be made a party to or is involved in any action, suit or proceeding, whether civil, criminal, administrative or investigative (hereafter a "proceeding"), by reason of the fact that he, or a person for whom he is the legal representative, is or was a director, officer or employee of the Company or is or was serving at the request of the Company as a director, officer or employee of another corporation, partnership, joint venture, trust or other enterprise, including service with respect to employee benefit plans, shall be indemnified by the Company to the fullest extent permitted by the Delaware General Corporation Law, as the same exists or may hereafter be amended, against all expense, liability and loss (including attorneys' fees, judgments, fines, ERISA excise taxes, penalties and amounts paid or to be paid in settlement) reasonably incurred or suffered by such person in connection with such service; provided, however, that the Company shall indemnify any such person seeking indemnification in connection with a proceeding initiated by him only if such proceeding was authorized by the Board of Directors, either generally or in the specific instance. The right to indemnification shall include the advancement of expenses incurred in defending any such proceeding in advance of its final disposition in accordance with procedures established from time to time by the Board of Directors; provided, however, that, if the Delaware General Corporation Law so requires, the director, officer or employee shall deliver to the Company an undertaking to repay all amounts so advanced if it shall ultimately be determined that he is not entitled to be indemnified under this Article or otherwise.

Section 2. The rights of indemnification provided in this Article shall be in addition to any rights to which any person may otherwise be entitled by law or under any By-law, agreement, vote of stockholders or disinterested directors, or otherwise. Such rights shall continue as to any person who has ceased to be a director, officer or employee and shall inure to the benefit of his heirs, executors and administrators, and shall be applicable to proceedings commenced after the adoption hereof, whether arising from acts or omissions occurring before or after the adoption hereof.

Section 3. The Company may purchase and maintain insurance to protect any

person against any liability or expense asserted against or incurred by such person in connection with any proceeding, whether or not the Company would have the power to indemnify such person against such liability or expense by law or under this Article or otherwise. The Company may create a trust fund, grant a security interest or use other means (including, without limitation, a letter of credit) to insure the payment of such sums as may become necessary to effect indemnification as provided herein."

The Company has entered into separate indemnification agreements with directors and officers of the Company, pursuant to which the Company will indemnify such directors and officers to the fullest extent permitted by Delaware law and the Company's Amended By-laws, as the same may be amended from time to time.

Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers or persons controlling the Registrant pursuant to the foregoing provisions, the Company has been informed that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Securities Act of 1933 and is therefore unenforceable.

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ITEM 7. EXEMPTIONS FROM REGISTRATION CLAIMED.

Not Applicable.

ITEM 8. EXHIBITS.

EXHIBIT

NO.	DESCRIPTION
-----	-----
4(a)	Certificate of Incorporation of the Company, as amended (incorporated by reference to the Company's Registration Statement on Form 10, as amended (File No. 1-13397)).
4(b)	Amended By-laws of the Company (incorporated by reference to the Company's Registration Statement on Form 10, as amended (File No. 1-13397)).
4(c)	Rights Agreement, dated as of November 19, 1997, between the Company and First Chicago Trust Company of New York, as Rights Agent (incorporated by reference to the Company's Registration Statement on Form 8-A (File No. 1-13397)).
*4(d)	The Company's 1998 Stock Incentive Plan.
*4(e)	The Company's Employee Benefits Agreement.
*5	Opinion of Marcia E. Doane, Esq.
*23(a)	Consent of KPMG Peat Marwick LLP.
*23(b)	Consent of Marcia E. Doane, Esq. (contained in Exhibit 5 hereto).
24	Powers of Attorney (contained on signature page hereto).

\* Filed herewith

ITEM 9. UNDERTAKINGS

(a) The registrant hereby undertakes:

(1) To file, during any period in which offers or sales are being made, a post-effective amendment to this Registration Statement:

(i) To include any prospectus required by Section 10(a)(3) of the Securities Act of 1933;

(ii) To reflect in the prospectus any facts or events arising after the effective date of this Registration Statement (or the most recent post-effective amendment hereof) which, individually or in the aggregate, represent a fundamental change in the information set forth in this Registration Statement; and

(iii) To include any material information with respect to the plan of distribution not previously disclosed in the registration statement or any material change to such information in the registration statement.

Provided, however, that paragraphs (a)(1)(i) and (a)(1)(ii) do not apply if this Registration Statement is on Form S-3 or Form S-8 or Form F-3, and the information required to be included in a post-effective amendment by those paragraphs is contained in periodic reports filed with or furnished to the Commission by the Company pursuant to Section 13 or Section 15(d) of the Exchange Act that are incorporated by reference in this Registration Statement.

(2) That, for purpose of determining any liability under the Securities Act of 1933, each such post-effective amendment shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

(3) To remove from registration by means of a post-effective amendment any of the securities being registered which remained unsold at the termination of the offering.

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(b) The undersigned registrant hereby undertakes that, for purposes of determining any liability under the Securities Act of 1933, each filing of the registrant's annual report pursuant to Section 13(a) or Section 15(d) of the Exchange Act (and, where applicable, each filing of an employee benefit plan's annual report pursuant to Section 15(d) of the Exchange Act) that is incorporated by reference in this Registration Statement shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

(c) Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers and controlling persons of the registrant pursuant to the foregoing provisions, or otherwise, the registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Securities Act of 1933 and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Securities Act of 1933 and will be governed by the final adjudication of such issue.

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SIGNATURES

The Registrant. Pursuant to the requirements of the Securities Act of 1933, the registrant certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form S-8 and has duly caused

this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Bedford Park, State of Illinois on this 30th day of December, 1997.

CORN PRODUCTS INTERNATIONAL, INC.

By: /S/ KONRAD SCHLATTER  
-----  
Konrad Schlatter  
Chief Executive Officer

Each of the undersigned officers and directors of the Registrant hereby severally constitutes and appoints Marcia E. Doane, their true and lawful attorney-in-fact for the undersigned, in any and all capacities, with full power of substitution, to sign any and all amendments to this Registration Statement (including post-effective amendments), and to file the same with exhibits thereto and other documents in connection therewith, with the Commission, granting unto each said attorneys-in-fact full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully to all intents and purposes as he might or could do in person, hereby ratifying and confirming all that said attorney-in-fact may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act of 1933, this registration statement has been signed by the following persons in the capacities indicated on December 30, 1997

SIGNATURE -----	TITLE(S) -----
/s/ KONRAD SCHLATTER ----- Konrad Schlatter	Chairman, Chief Executive Officer and Director
/s/ SAMUEL C. SCOTT ----- Samuel C. Scott	President, Chief Operating Officer and Director
/s/ JAMES W. RIPLEY ----- James W. Ripley	Vice President - Finance and Chief Financial Officer (principal financial and accounting officer)
/s/ IGNACIO ARANGUREN-CASTIELLO ----- Ignacio Aranguren-Castiello	Director
/s/ ALFRED C. DECRANE, JR. ----- Alfred C. DeCrane, Jr.	Director
/s/ WILLIAM C. FERGUSON ----- William C. Ferguson	Director

/s/ RICHARD G. HOLDER	Director
-----	
Richard G. Holder	
/s/ BERNARD H. KASTORY	Director
-----	
Bernard H. Kastory	
/s/ WILLIAM S. NORMAN	Director
-----	
William S. Norman	
/s/ CLIFFORD B. STORMS	Director
-----	
Clifford B. Storms	

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EXHIBIT INDEX

EXHIBIT NUMBER -----	DESCRIPTION OF EXHIBIT -----
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*4(d)	The Company's 1998 Stock Incentive Plan.
*4(e)	The Company's Employee Benefits Agreement.
*5	Opinion of Marcia E. Doane, Esq.
*23(a)	Consent of KPMG Peat Marwick LLP.
*23(b)	Consent of Marcia E. Doane, Esq. (contained in Exhibit 5 hereto).
24	Powers of Attorney (contained on signature page hereto).

\* Filed herewith

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CORN PRODUCTS INTERNATIONAL, INC.  
1998 STOCK INCENTIVE PLAN

I. INTRODUCTION

1.1 PURPOSE. The purpose of the Corn Products International, Inc. 1998 Stock Incentive Plan (the "Plan") of Corn Products International, Inc. (the "Company") is to promote the long-term financial success of the Company by (i) attracting and retaining executive personnel of outstanding ability; (ii) strengthening the Company's capability to develop, maintain and direct a competent management team; (iii) motivating executive personnel by means of performance-related incentives to achieve longer-range performance goals; (iv) providing incentive compensation opportunities which are competitive with those of other major corporations and (v) enabling such executive personnel to participate in the long-term growth and financial success of the Company through increased stock ownership.

1.2 CERTAIN DEFINITIONS. In addition to the defined terms set forth elsewhere in this Plan, the terms set forth below, shall, when capitalized, have the following respective meanings.

"BOARD" shall mean the Board of Directors of the Company.

"BONUS STOCK" shall mean shares of Common Stock that are not subject to a Restriction Period or Performance Measures.

"CAUSE" shall mean the willful and continued failure to substantially perform the duties assigned by the Company (other than a failure resulting from the optionee's Disability), the willful engaging in conduct which is demonstrably injurious to the Company or any Subsidiary, monetarily or otherwise, including conduct that, in the reasonable judgment of the Committee, no longer conforms to the standard of the Company's executives, any act of dishonesty, commission of a felony, or a significant violation of any statutory or common law duty of loyalty to the Company.

"CHANGE IN CONTROL" shall have the meaning set forth in Section 5.8(b).

"CODE" shall mean the Internal Revenue Code of 1986, as amended.

"COMMITTEE" shall mean the Compensation and Nominating Committee designated by the Board, consisting of two or more members of the Board, each of whom shall be (i) a "Non-Employee Director" within the meaning of Rule 16b-3 under the Exchange Act and (ii) an "outside director" within the meaning of Section 162(m) of the Code.

"COMMON STOCK" shall mean the common stock, \$.01 par value, of the Company.

"DISABILITY DATE" shall mean the date on which a Participant becomes a "Disabled Participant" under the Corn Products International, Inc. Retirement Savings Plan for Salaried Employees (the "Corn Products Savings Plan") or a successor to such plan or any such similar plan containing a disability provision applicable to the Participant. If a Participant is not covered by the Corn Products Savings Plan or a similar plan containing a disability provision, the determination of whether the Participant has a "Disability Date" shall be made by the Committee by applying the provisions of the Corn Products Savings Plan as if the Participant were a participant of such plan or any similar plan that the Committee determines to be appropriate.

"EXCHANGE ACT" shall mean the Securities Exchange Act of 1934, as amended.

"FAIR MARKET VALUE" shall mean the average of the high and low transaction prices of a share of Common Stock as reported in the New York Stock Exchange



Composite Transactions on the date as of which such value is being determined or, if there shall be no reported transactions for such date, on the next preceding date for which transactions were reported; provided, however, that Fair Market Value may be determined by the Committee by whatever means or method as the Committee, in the good faith exercise of its discretion, shall at such time deem appropriate.

"INCENTIVE STOCK OPTION" shall mean an option to purchase shares of Common Stock which meets the requirements of Section 422 of the Code, or any successor provision, and which is intended by the Committee to constitute an Incentive Stock Option.

"MATURE SHARES" shall mean previously-acquired shares of Common Stock for which the holder thereof has good title, free and clear of all liens and encumbrances and which such holder either (i) has held for at least six months or (ii) has purchased on the open market.

"NON-STATUTORY STOCK OPTION" shall mean a stock option that is not an Incentive Stock Option.

"PARTICIPANT" shall mean an individual who has been granted an Incentive Stock Option, a Non-Statutory Stock Option, a Bonus Stock Award, Performance Share Award or Restricted Stock Award.

"PERFORMANCE MEASURES" shall mean the criteria and objectives, established by the Committee, which shall be satisfied or met (i) as a condition to the exercisability of all or a portion of an option, (ii) as a condition to the grant of a Stock Award or (iii) during the applicable Restriction Period or Performance Period as a condition to the holder's receipt of Common Stock subject to a Restricted Stock Award or a Performance Share Award and/or of payment with respect to such award. The Committee may amend or adjust the Performance Measures or other terms and conditions of an outstanding award in recognition of unusual or nonrecurring events affecting the Company or its financial statements or changes in law or accounting, but only to the extent such adjustment would not cause any portion of the award,

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upon payment, or the option, upon exercise, to be nondeductible pursuant to section 162(m) of the Code. Such criteria and objectives may include one or more of the following: total stockholder return (based on the change in the price of a share of the Company's Common Stock and dividends paid) earnings per share; operating income; net income; return on stockholder's equity; return on assets; economic value added; and cash flows. If the Committee desires that compensation payable pursuant to any award subject to Performance Measures be "qualified performance-based compensation" within the meaning of Section 162(m) of the Code, the Performance Measures (i) shall be established by the Committee no later than the end of the first quarter of the Performance Period or Restriction Period, as applicable (or such other time designated by the Internal Revenue Service) and (ii) shall satisfy all other applicable requirements imposed under Treasury Regulations promulgated under Section 162(m) of the Code, including the requirement that such Performance Measures be stated in terms of an objective formula or standard.

"PERFORMANCE PERIOD" shall mean any period designated by the Committee during which the Performance Measures applicable to a Performance Share Award shall be measured.

"PERFORMANCE SHARE" shall mean a right, contingent upon the attainment of specified Performance Measures within a specified Performance Period, to receive one share of Common Stock, which may be Restricted Stock, or in lieu of all or a portion thereof, at the Committee's discretion, the Fair Market Value of such Performance Share in cash.

"PERFORMANCE SHARE AWARD" shall mean an award of Performance Shares under this Plan.

"PERMANENT AND TOTAL DISABILITY" shall have the meaning set forth in Section 22(e)(3) of the Code or any successor thereto.

"RESTRICTED STOCK" shall mean shares of Common Stock that are subject to a

Restriction Period.

"RESTRICTION PERIOD" shall mean any period designated by the Committee during which the Common Stock subject to a Restricted Stock Award may not be sold, transferred, assigned, pledged, hypothecated or otherwise encumbered or disposed of, except as provided in this Plan or the Agreement relating to such award.

"STOCK AWARD" shall mean a Restricted Stock Award or a Bonus Stock Award.

1.3 ADMINISTRATION. This Plan shall be administered by the Committee. The Committee shall have the authority to determine eligibility for awards hereunder and to determine the form, amount and timing of each award to such persons and, if applicable, the number of shares of Common Stock, and the number of Performance Shares subject to such an award, the exercise price associated with the award, the time and conditions of exercise or settlement of the award and all other terms and conditions of the award, including, without limitation, the

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form of the Agreement evidencing the award. The Committee may, in its sole discretion and for any reason at any time, subject to the requirements imposed under Section 162(m) of the Code and regulations promulgated thereunder in the case of an award intended to be qualified performance-based compensation, take action such that (i) any or all outstanding options shall become exercisable in part or in full, (ii) all or a portion of the Restriction Period applicable to any outstanding Restricted Stock Award shall lapse, (iii) all or a portion of the Performance Period applicable to any outstanding Performance Share Award shall lapse, (iv) the Performance Measures applicable to any outstanding Restricted Stock Award (if any) and to any outstanding Performance Share Award shall be deemed to be satisfied at the maximum or any other level.

The Committee shall, subject to the terms of this Plan, interpret this Plan and the application thereof, establish rules and regulations it deems necessary or desirable for the administration of this Plan and may impose, incidental to the grant of an award, conditions with respect to the award, such as limiting competitive employment or other activities. All such interpretations, rules, regulations and conditions shall be final, binding and conclusive.

The Committee shall keep minutes of its meetings and of action taken by it without a meeting. A majority of the Committee shall constitute a quorum. The acts of the Committee shall be either (i) acts of a majority of the members of the Committee present at any meeting at which a quorum is present or (ii) acts approved in writing by all of the members of the Committee without a meeting.

1.4 ELIGIBILITY. Participants in this Plan shall consist of such directors, officers, and other employees of the Company and its Subsidiaries from time to time, and any other entity designated by the Board or the Committee (individually a "Subsidiary" and collectively the "Subsidiaries") as the Committee, in its sole discretion, may select from time to time. For purposes of this Plan, reference to employment by the Company shall also mean employment by a Subsidiary.

1.5 SHARES AVAILABLE. Subject to adjustment as provided in Section 5.7, 3,500,000 shares of Common Stock shall be available under this Plan, reduced by the sum of the aggregate number of shares of Common Stock (i) that are issued upon the grant of a Stock Award and (ii) which become subject to outstanding options and outstanding Performance Shares. To the extent that shares of Common Stock subject to an outstanding option, Stock Award or Performance Shares are not issued or delivered by reason of the expiration, termination, cancellation or forfeiture of such award or by reason of the delivery or withholding of shares of Common Stock to pay all or a portion of the exercise price of an award, if any, or to satisfy all or a portion of the tax withholding obligations relating to an award, then such shares of Common Stock shall again be available under this Plan. If an award is made in the form of an option coupled with a Performance Share Award such that the Participant can receive the designated number of shares either upon exercise of the option or upon earning of the Performance Share, but not both, such coupled award shall be treated as a single award of the designated number of shares for purposes of

this Section 1.5.

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Shares of Common Stock shall be made available from authorized and unissued shares of Common Stock, or authorized and issued shares of Common Stock reacquired and held as treasury shares or otherwise or a combination thereof.

To the extent required by Section 162(m) of the Code and the rules and regulations thereunder, the maximum number of shares of Common Stock with respect to which options or Stock Awards or Performance Share Awards or a combination thereof may be granted during any calendar year to any person shall be 250,000, subject to adjustment as provided in Section 5.7.

## II. STOCK OPTIONS

2.1 STOCK OPTIONS. The Committee may, in its discretion, grant Incentive Stock Options or Non-Statutory Stock Options to purchase shares of Common Stock to such eligible persons under Section 1.4 as may be selected by the Committee.

The Committee may in its sole discretion, either at the time of grant of an option or thereafter, determine that a Participant who exercises an option (the "Original Option") shall receive a new option (a "Replacement Option") for up to the number of shares acquired upon exercise of the Original Option and with an option price and other terms determined pursuant to Sections 2.2 and 2.3 hereof (treating the date of exercise of the Original Option as the date of the grant of the Replacement Option) and with the same expiration date as the expiration date of the Original Option; and the Committee may in its sole discretion impose conditions in connection with such issuance of Replacement Options consistent with the goal of encouraging stock ownership by employees, including without limitation, holding period requirements for shares received upon exercise of the Original Option or restrictions delaying the exercisability of the Replacement Option. In no event shall any such Replacement Option include a provision for an automatic grant of another Replacement Option of the type described in the preceding sentence.

Options shall be subject to the following terms and conditions and shall contain such additional terms and conditions, not inconsistent with the terms of this Plan, as the Committee shall deem advisable:

(a) Number of Shares and Purchase Price. The number of shares and the purchase price per share of Common Stock subject to an option shall be determined by the Committee, provided, however, that the purchase price per share of Common Stock shall not be less than 100% of the Fair Market Value of a share of Common Stock on the date of grant of such option and provided further, that if an Incentive Stock Option shall be granted to any person who, at the time such option is granted, owns capital stock possessing more than ten percent of the total combined voting power of all classes of capital stock of the Company (or of any parent or subsidiary as defined in Section 424 of the Code) (a "Ten Percent Holder"), the

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purchase price per share of Common Stock shall be the price (currently 110% of Fair Market Value) required by the Code in order to constitute an Incentive Stock Option.

(b) Option Period and Exercisability. Each option, by its terms, shall require the Participant to remain in the continuous employ of the Company for at least one year following the date of grant of the option before any part of the option shall be exercisable, except in the case of a Change in Control. The period during which an option may be exercised shall be determined by the Committee; provided, however, that no Incentive Stock Option shall be exercised later than ten years after its date of grant; provided further, that if an Incentive Stock Option shall be granted to a Ten Percent Holder, such option shall not be exercised later than five years after its date of grant. Once determined and stated in an Agreement with respect to an option, the period

during which an option can be exercised shall not be further extended. The Committee may, in its discretion, establish Performance Measures which shall be satisfied or met as a condition to the grant of an option or to the exercisability of all or a portion of an option. The Committee shall determine whether an option shall become exercisable in cumulative or non-cumulative installments and in part or in full at any time. An exercisable option, or portion thereof, may be exercised only for whole shares of Common Stock.

(c) Method of Exercise. An option may be exercised (i) by giving written notice to the Company specifying the number of whole shares of Common Stock to be purchased and accompanied by payment therefor in full (or arrangement made for such payment to the Company's satisfaction) either (A) in cash, (B) by delivery (either actual delivery or by attestation procedures established by the Company) of Mature Shares having an aggregate Fair Market Value, determined as of the date of exercise, equal to the aggregate purchase price payable by reason of such exercise, (C) by authorizing the Company to withhold shares otherwise issuable upon the exercise of the option, (D) in cash by a broker-dealer acceptable to the Company to whom the optionee has submitted an irrevocable notice of exercise or (E) a combination of (A) and (B), in each case to the extent set forth in the Agreement relating to the option and (ii) by executing such documents as the Company may reasonably request. Any fraction of a share of Common Stock which would be required to pay such purchase price shall be disregarded and the remaining amount due shall be paid in cash by the optionee. No certificate representing Common Stock shall be delivered until the full purchase price therefor has been paid (or arrangement made for such payment to the Company's satisfaction).

2.2 TERMINATION OF EMPLOYMENT OR SERVICE. (a) Non-Statutory Stock Options. Unless otherwise specified in the Agreement evidencing an option, but subject to Section 2.1(b) if the employment with the Company of a holder of an option (other than an Incentive Stock Option) terminates by reason of (i) death, or (ii) retirement on or after age 55 with a minimum of 10 years of employment with or service to the company, or (iii) the occurrence of such individual's Disability Date, such option shall be exercisable for a period of three years following the date of such termination of employment, but only to the extent that such option was exercisable at the date of such termination of employment.

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If an optionee's employment is terminated for any other reason, his option shall remain exercisable to the extent that such option was exercisable at the date of such termination of employment, for a period of 90 days following such termination of employment. Notwithstanding anything to the contrary contained in the preceding sentence, if an optionee's employment is terminated by the Company for Cause, his rights under all options shall terminate on the effective date of such optionee's termination of employment.

(b) Termination of Employment - Incentive Stock Options. Unless otherwise specified in the Agreement evidencing an option, but subject to Section 2.1(b), if the employment with the Company of a holder of an Incentive Stock Option terminates by reason of permanent and total disability (as defined in Section 22(e) (3) of the Code), each Incentive Stock Option held by such optionee shall be exercisable only to the extent that such option was exercisable on the effective date of such optionee's termination of employment by reason of permanent and total disability and may thereafter be exercised by such optionee (or such optionee's legal representative or similar person) until the date which is one year after the effective date of such optionee's termination of employment by reason of permanent and total disability.

Unless otherwise specified in the Agreement evidencing an option but subject to Section 2.1(b), if the employment with the Company of a holder of an Incentive Stock Option terminates by reason of death, each Incentive Stock Option held by such optionee shall be exercisable only to the extent that such option was exercisable on the date of such optionee's death and may thereafter be exercised by such optionee's executor, administrator, legal representative, beneficiary or similar person until the date which is three years after the date of death.

If the employment of a holder of an Incentive Stock Option is terminated by the Company for Cause, each Incentive Stock Option held by such optionee

shall terminate automatically on the effective date of such optionee's termination of employment. Unless otherwise specified in the Agreement evidencing an option, but subject to Section 2.1(b), if the employment with the Company of a holder of an Incentive Stock Option terminates for any reason other than permanent and total disability or death or Cause, each Incentive Stock Option held by such optionee shall be excisable only to the extent such option was exercisable on the effective date of such optionee's termination of employment, and may thereafter be exercised by such holder (or such holder's legal representative or similar person) until the date which is 90 days after the effective date of such optionee's termination of employment.

If the holder of an Incentive Stock Option dies during the period set forth in the first paragraph of this Subsection (b) following termination of employment by reason of Permanent and Total Disability, or if the holder of an Incentive Stock Option dies during the period set forth in the third paragraph of this Subsection (b) following termination of employment for any reason other than Permanent and Total Disability for death or Cause, each Incentive Stock Option held by such optionee shall be exercisable only to the extent such option was exercisable on the date of the optionee's death and may thereafter be exercised by the optionee's

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executor, administrator, legal representative, beneficiary or similar person until the date which is three years after the date of death.

### III. STOCK AWARDS

3.1 STOCK AWARDS. The Committee may, in its discretion, grant Stock Awards to such eligible persons under Section 1.4 as may be selected by the Committee. The Agreement relating to a Stock Award shall specify whether the Stock Award is a Restricted Stock Award or Bonus Stock Award.

3.2 TERMS OF STOCK AWARDS. Stock Awards shall be subject to the following terms and conditions and shall contain such additional terms and conditions, not inconsistent with the terms of this Plan, as the Committee shall deem advisable.

(a) Number of Shares and Other Terms. The number of shares of Common Stock subject to a Restricted Stock Award or Bonus Stock Award and the Performance Measures (if any) and Restriction Period applicable to a Restricted Stock Award shall be determined by the Committee.

(b) Vesting and Forfeiture. The Agreement relating to a Restricted Stock Award shall provide, in the manner determined by the Committee, in its discretion, and subject to the provisions of this Plan, for the vesting of the shares of Common Stock subject to such award (i) if specified Performance Measures are satisfied or met during the specified Restriction Period or (ii) if the holder of such award remains continuously in the employment of or service to the Company during the specified Restriction Period and for the forfeiture of the shares of Common Stock subject to such award (x) if specified Performance Measures are not satisfied or met during the specified Restriction Period or (y) if the holder of such award does not remain continuously in the employment of or service to the Company during the specified Restriction Period.

Bonus Stock Awards shall not be subject to any Performance Measures or Restriction Periods.

(c) Share Certificates. During the Restriction Period, a certificate or certificates representing a Restricted Stock Award may be registered in the holder's name and may bear a legend, in addition to any legend which may be required pursuant to Section 5.6, indicating that the ownership of the shares of Common Stock represented by such certificate is subject to the restrictions, terms and conditions of this Plan and the Agreement relating to the Restricted Stock Award. All such certificates shall be deposited with the Company, together with stock powers or other instruments of assignment (including a power of attorney), each endorsed in blank with a guarantee of signature if deemed necessary or appropriate by the Company, which would permit transfer to the Company of all or a portion of the shares of Common Stock subject to the Restricted Stock Award in the event such award is forfeited in whole or in

part. Upon termination of any applicable Restriction Period (and the satisfaction or attainment of applicable Performance Measures), or upon the grant of a Bonus Stock Award, in each case subject to the Company's right to require payment of any taxes in accordance with Section 5.5, a certificate or certificates evidencing ownership of the requisite number of shares of Common Stock shall be delivered to the holder of such award.

(d) Rights with Respect to Restricted Stock Awards. Unless otherwise set forth in the Agreement relating to a Restricted Stock Award, and subject to the terms and conditions of a Restricted Stock Award, the holder of such award shall have all rights as a stockholder of the Company, including, but not limited to, voting rights, the right to receive dividends and the right to participate in any capital adjustment applicable to all holders of Common Stock; provided, however, that a distribution with respect to shares of Common Stock, other than a regular cash dividend, shall be deposited with the Company and shall be subject to the same restrictions as the shares of Common Stock with respect to which such distribution was made.

3.3 TERMINATION OF EMPLOYMENT OR SERVICE. (a) Disability, Retirement and Death. Unless otherwise set forth in the Agreement relating to a Restricted Stock Award, if the employment with or service to the Company of the holder of such award terminates by reason of (i) death, or (ii) retirement on or after age 55 (with a minimum of 10 years of employment with or service to the Company), or (iii) the occurrence of such Participant's Disability Date, or (iv) termination of employment under any other circumstances that the Committee may determine shall warrant the application of this provision, the restrictions imposed hereunder shall lapse with respect to such number of shares of Restricted Stock, if any, as shall be determined by the Committee, and the balance of such shares of Restricted Stock shall be forfeited to the Company.

(b) Other Termination. Unless otherwise set forth in the Agreement relating to a Restricted Stock Award, if the employment with or service to the Company of the holder of a Restricted Stock Award terminates for any other reason during the Restriction Period, then the portion of such award which is subject to a Restriction Period on the effective date of such holder's termination of employment or service shall be forfeited by such holder and such portion shall be canceled by the Company.

#### IV. PERFORMANCE SHARE AWARDS

4.1 PERFORMANCE SHARE AWARDS. The Committee may, in its discretion, grant Performance Share Awards to such eligible persons under Section 1.4 as may be selected by the Committee.

4.2 TERMS OF PERFORMANCE SHARE AWARDS. Performance Share Awards shall be subject to the following terms and conditions and shall contain such additional terms and conditions, not inconsistent with the terms of this Plan, as the Committee shall deem advisable.

(a) Number of Performance Shares and Performance Measures. The number of Performance Shares subject to any award and the Performance Measures and Performance Period applicable to such award shall be determined by the Committee.

(b) Vesting and Forfeiture. The Agreement relating to a Performance Share Award shall provide, in the manner determined by the Committee, in its discretion, and subject to the provisions of this Plan, for the vesting of such award, if specified Performance Measures are satisfied or met during the specified Performance Period, and for the forfeiture of such award, if specified Performance Measures are not satisfied or met during the specified Performance Period.

(c) Settlement of Vested Performance Share Awards. The Agreement relating to a Performance Share Award (i) shall specify whether such award may

be settled in shares of Common Stock (including shares of Restricted Stock) or cash or a combination thereof and (ii) may specify whether the holder thereof shall be entitled to receive, on a current or deferred basis, dividend equivalents, and, if determined by the Committee, interest on or the deemed reinvestment of any deferred dividend equivalents, with respect to the number of shares of Common Stock subject to such award. If a Performance Share Award is settled in shares of Restricted Stock, a certificate or certificates representing such Restricted Stock shall be issued in accordance with Section 3.2(c) and the holder of such Restricted Stock shall have such rights of a stockholder of the Company as determined pursuant to Section 3.2(d). Prior to the settlement of a Performance Share Award in shares of Common Stock, including Restricted Stock, the holder of such award shall have no rights as a stockholder of the Company with respect to the shares of Common Stock subject to such award and shall have rights as a stockholder of the Company in accordance with Section 5.10. Notwithstanding any other provision of the Plan to the contrary, payments of cash, shares of Common Stock, or any combination thereof to any Participant in respect of the settlement of a Performance Share Award for any Performance Period shall not exceed \$5,000,000, with respect to the cash payment for such award, and shall not exceed 250,000 shares of Common Stock, with respect to the Common Stock payment for such award.

4.3 TERMINATION OF EMPLOYMENT. (a) Disability, Retirement and Death. Unless otherwise set forth in the Agreement relating to a Performance Share Award, if the employment with the Company of the holder of such award terminates prior to the end of the Performance Period applicable to such award by reason of (i) death, or (ii) retirement on or after age 55 (with a minimum of 10 years of employment or service with the Company, (iii) the occurrence of such Participant's Disability Date or (v) termination of employment under any other circumstances that the Committee may determine shall warrant the application of this provision, the Committee, in its sole discretion and taking into consideration the performance of such Participant and the performance of the Company during the Performance Period, may authorize the payment to such Participant (or his legal representative) at the end of the Performance Period of all or any portion of the Performance Award which would have been paid to such Participant for such Performance Period.

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(b) Other Termination. Unless otherwise set forth in the Agreement relating to a Performance Share Award, if the employment with the Company of the holder of a Performance Share Award terminates for any other reason prior to the end of a Performance Period, then the portion of such award which is subject to such Performance Period on the effective date of such holder's termination of employment shall be forfeited and such portion shall be canceled by the Company.

#### V. GENERAL

5.1 EFFECTIVE DATE AND TERM OF PLAN. This Plan shall be submitted to the sole stockholder of the Company for approval and, if approved, shall become effective as of January 1, 1998. This Plan shall terminate ten years after its effective date, unless terminated earlier by the Board. Termination of this Plan shall not affect the terms or conditions of any award granted prior to termination.

In the event that this Plan is not approved by the sole stockholder of the Company before the date on which the Company has a class of common equity securities required to be registered under Section 12 of the Exchange Act, this Plan and any awards granted hereunder shall be null and void.

5.2 AMENDMENTS. The Board may amend this Plan as it shall deem advisable, subject to any requirement of stockholder approval required by applicable law, rule or regulation, including Section 162(m) and Section 422 of the Code; provided, however, that no amendment shall be made without stockholder approval if such amendment would (a) increase the maximum number of shares of Common Stock available under this Plan (subject to Section 5.7), (b) effect any change inconsistent with Section 422 of the Code or (c) extend the term of this Plan. No amendment may impair the rights of a holder of an outstanding award without the consent of such holder.

5.3 AGREEMENT. Each award under this Plan shall be evidenced by an Agreement setting forth the terms and conditions applicable to such award. No award shall be valid until an Agreement is executed by the Company and the recipient of such award and, upon execution by each party and delivery of the Agreement to the Company, such award shall be effective as of the effective date set forth in the Agreement.

5.4 NON-TRANSFERABILITY OF AWARDS. Unless otherwise specified in the Agreement relating to an award, no award shall be transferable other than by will, the laws of descent and distribution or pursuant to beneficiary designation procedures approved by the Company. Except to the extent permitted by the foregoing sentence or the Agreement relating to an award, each award may be exercised or settled during the holder's lifetime only by the holder or the holder's legal representative or similar person. Except to the extent permitted by the second preceding sentence or the Agreement relating to an award, no award may be sold, transferred, assigned, pledged, hypothecated, encumbered or otherwise disposed of (whether

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by operation of law or otherwise) or be subject to execution, attachment or similar process. Upon any attempt to so sell, transfer, assign, pledge, hypothecate, encumber or otherwise dispose of any such award, such award and all rights thereunder shall immediately become null and void.

5.5 TAX WITHHOLDING. The Company shall have the right to require, prior to the issuance or delivery of any shares of Common Stock or the payment of any cash pursuant to an award made hereunder, payment by the holder of such award of any Federal, state, local or other taxes which may be required to be withheld or paid in connection with such award. An Agreement may provide that (i) the Company shall withhold whole shares of Common Stock which would otherwise be delivered to a holder, having an aggregate Fair Market Value determined as of the date the obligation to withhold or pay taxes arises in connection with an award (the "Tax Date"), or withhold an amount of cash which would otherwise be payable to a holder, in the amount necessary to satisfy any such obligation or (ii) the holder may satisfy any such obligation by any of the following means: (A) a cash payment to the Company, (B) delivery (either actual delivery or by attestation procedures established by the Company) to the Company of shares of Common Stock having an aggregate Fair Market Value, determined as of the Tax Date, equal to the amount necessary to satisfy any such obligation, (C) authorizing the Company to withhold whole shares of Common Stock which would otherwise be delivered having an aggregate Fair Market Value, determined as of the Tax Date, or withhold an amount of cash which would otherwise be payable to a holder, equal to the amount necessary to satisfy any such obligation, (D) in the case of the exercise of an option, a cash payment by a broker-dealer acceptable to the Company to whom the optionee has submitted an irrevocable notice of exercise or (E) any combination of (A), (B) and (C), in each case to the extent set forth in the Agreement relating to the award; provided, however, that the Company shall have sole discretion to disapprove of an election pursuant to any of clauses (B)-(E). Any fraction of a share of Common Stock which would be required to satisfy such an obligation shall be disregarded and the remaining amount due shall be paid in cash by the holder.

5.6 RESTRICTIONS ON SHARES. Each award made hereunder shall be subject to the requirement that if at any time the Company determines that the listing, registration or qualification of the shares of Common Stock subject to such award upon any securities exchange or under any law, or the consent or approval of any governmental body, or the taking of any other action is necessary or desirable as a condition of, or in connection with, the exercise or settlement of such award or the delivery of shares thereunder, such award shall not be exercised or settled and such shares shall not be delivered unless such listing, registration, qualification, consent, approval or other action shall have been effected or obtained, free of any conditions not acceptable to the Company. The Company may require that certificates evidencing shares of Common Stock delivered pursuant to any award made hereunder bear a legend indicating that the sale, transfer or other disposition thereof by the holder is prohibited except in compliance with the Securities Act of 1933, as amended, and the rules and regulations thereunder.



5.7 ADJUSTMENT. In the event of any stock split, stock dividend, recapitalization, reorganization, merger, consolidation, combination, exchange of shares, liquidation, spin-off or other similar change in capitalization or event, or any distribution to holders of Common Stock other than a regular cash dividend, the number and class of securities available under this Plan, the number and class of securities subject to each outstanding option and the purchase price per security, the number and class of securities subject to each outstanding Stock Award, and the terms of each outstanding Performance Share shall be appropriately adjusted by the Committee, such adjustments to be made in the case of outstanding options without an increase in the aggregate purchase price. The decision of the Committee regarding any such adjustment shall be final, binding and conclusive. If any such adjustment would result in a fractional security being (a) available under this Plan, such fractional security shall be disregarded, or (b) subject to an award under this Plan, the Company shall pay the holder of such award, in connection with the first the vesting, exercise or settlement of such award in whole or in part occurring after such adjustment, an amount in cash determined by multiplying (i) the fraction of such security (rounded to the nearest hundredth) by (ii) the excess, if any, of (A) the Fair Market Value on the vesting, exercise or settlement date over (B) the exercise price, if any, of such award.

5.8 CHANGE IN CONTROL.

(a) (1) Notwithstanding any provision in this Plan or any Agreement, in the event of a Change in Control pursuant to Section (b) (3) or (4) below in connection with which the holders of Common Stock receive shares of common stock that are registered under Section 12 of the Exchange Act, (i) all outstanding options shall immediately become exercisable in full, (ii) the Restriction Period applicable to any outstanding Restricted Stock Award shall lapse, (iii) the Performance Period applicable to any outstanding Performance Share shall lapse, (iv) the Performance Measures applicable to any outstanding Restricted Stock Award (if any) and to any outstanding Performance Share shall be deemed to be satisfied at the maximum level and (v) there shall be substituted for each share of Common Stock available under this Plan, whether or not then subject to an outstanding award, the number and class of shares into which each outstanding share of Common Stock shall be converted pursuant to such Change in Control. In the event of any such substitution, the purchase price per share of an option shall be appropriately adjusted by the Committee, such adjustments to be made in the case of outstanding options without an increase in the aggregate purchase price.

(2) Notwithstanding any provision in this Plan or any Agreement, in the event of a Change in Control pursuant to Section (b) (1) or (2) below, or in the event of a Change in Control pursuant to Section (b) (3) or (4) below in connection with which the holders of Common Stock receive consideration other than shares of common stock that are registered under Section 12 of the Exchange Act, each outstanding award shall be surrendered to the Company by the holder thereof, and each such award shall immediately be canceled by the Company, and the holder shall receive, within ten days of the occurrence of a Change in Control pursuant to Section (b) (1) or (2) below or within ten days of the approval of the stockholders of the Company contemplated by Section (b) (3) or (4) below, a cash payment

from the Company in an amount equal to (i) in the case of an option, the number of shares of Common Stock then subject to such option, multiplied by the excess, if any, of the greater of (A) the highest per share price offered to stockholders of the Company in any transaction whereby the Change in Control takes place and (B) the Fair Market Value of a share of Common Stock on the date of occurrence of the Change in Control, over the purchase price per share of Common Stock subject to the option, (ii) in the case of a Restricted Stock Award, the number of shares of Common Stock then subject to such award, multiplied by the greater of (A) the highest per share price offered to stockholders of the Company in any transaction whereby the Change in Control

takes place and (B) the Fair Market Value of a share of Common Stock on the date of occurrence of the Change in Control or (iii) in the case of a Performance Share Award, the number of Performance Shares then subject to such award, multiplied by the greater of (A) the highest per share price offered to stockholders of the Company in any transaction whereby the Change in Control takes place and (B) the highest Fair Market Value of a share of Common Stock during the 90-day period immediately preceding the date of the Change in Control. The Company may, but is not required to, cooperate with any person who is subject to Section 16 of the Exchange Act to assure that any cash payment in accordance with the foregoing to such person is made in compliance with Section 16 and the rules and regulations thereunder.

(b) "Change in Control" shall mean:

(1) the acquisition by any individual, entity or group (a "Person"), including any "person" within the meaning of Section 13(d)(3) or 14(d)(2) of the Exchange Act, of beneficial ownership within the meaning of Rule 13d-3 promulgated under the Exchange Act, of 15% or more of either (i) the then outstanding shares of common stock of the Company (the "Outstanding Common Stock") or (ii) the combined voting power of the then outstanding securities of the Company entitled to vote generally in the election of directors (the "Outstanding Voting Securities"); excluding, however, the following: (A) any acquisition directly from the Company (excluding any acquisition resulting from the exercise of an exercise, conversion or exchange privilege unless the security being so exercised, converted or exchanged was acquired directly from the Company), (B) any acquisition by the Company, (C) any acquisition by an employee benefit plan (or related trust) sponsored or maintained by the Company or any corporation controlled by the Company or (D) any acquisition by any corporation pursuant to a transaction which complies with clauses (i), (ii) and (iii) of subsection (3) of this Section 5.8(b); provided further, that for purposes of clause (B), if any Person (other than the Company or any employee benefit plan (or related trust) sponsored or maintained by the Company or any corporation controlled by the Company) shall become the beneficial owner of 15% or more of the Outstanding Common Stock or 15% or more of the Outstanding Voting Securities by reason of an acquisition by the Company, and such Person shall, after such acquisition by the Company, become the beneficial owner of any additional shares of the Outstanding Common Stock or any additional Outstanding Voting Securities and such beneficial ownership is publicly announced, such additional beneficial ownership shall constitute a Change in Control;

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(2) individuals who, as of the beginning of any consecutive two-year period constitute the Board of Directors (the "Incumbent Board") cease for any reason to constitute at least a majority of such Board; provided that any individual who subsequently becomes a director of the Company and whose election, or nomination for election by the Company's stockholders, was approved by the vote of at least a majority of the directors then comprising the Incumbent Board shall be deemed a member of the Incumbent Board; and provided further, that any individual who was initially elected as a director of the Company as a result of an actual or threatened election contest, as such terms are used in Rule 14a-11 of Regulation 14A promulgated under the Exchange Act, or any other actual or threatened solicitation of proxies or consents by or on behalf of any Person other than the Board shall not be deemed a member of the Incumbent Board;

(3) the consummation of a reorganization, merger or consolidation of the Company or sale or other disposition of all or substantially all of the assets of the Company (a "Corporate Transaction"); excluding, however, a Corporate Transaction pursuant to which (i) all or substantially all of the individuals or entities who are the beneficial owners, respectively, of the Outstanding Common Stock and the Outstanding Voting Securities immediately prior to such Corporate Transaction will beneficially own, directly or indirectly, more than 60% of, respectively, the outstanding shares of common stock, and the combined voting power of the outstanding securities of such corporation entitled to vote generally in the election of directors, as the case may be, of the corporation resulting from such Corporate Transaction (including, without limitation, a corporation which as a result of such transaction owns the Company or all or substantially all of the Company's assets either directly or indirectly) in substantially the same proportions relative to each other as their ownership,

immediately prior to such Corporate Transaction, of the Outstanding Common Stock and the Outstanding Voting Securities, as the case may be, (ii) no Person (other than: the Company; any employee benefit plan (or related trust) sponsored or maintained by the Company or any corporation controlled by the Company; the corporation resulting from such Corporate Transaction; and any Person which beneficially owned, immediately prior to such Corporate Transaction, directly or indirectly, 15% or more of the Outstanding Common Stock or the Outstanding Voting Securities, as the case may be) will beneficially own, directly or indirectly, 15% or more of, respectively, the outstanding shares of common stock of the corporation resulting from such Corporate Transaction or the combined voting power of the outstanding securities of such corporation entitled to vote generally in the election of directors and (iii) individuals who were members of the Incumbent Board will constitute at least a majority of the members of the board of directors of the corporation resulting from such Corporate Transaction; or

(4) the consummation of a plan of complete liquidation or dissolution of the Company.

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5.9 NO RIGHT OF PARTICIPATION OR EMPLOYMENT. No person shall have any right to participate in this Plan. The Committee's selection of a person to participate in this Plan at any time shall not require the Committee to select such person to participate in this Plan at any other time. Neither this Plan nor any award made hereunder shall confer upon any person any right to continued employment by the Company, any Subsidiary or any affiliate of the Company or affect in any manner the right of the Company, any Subsidiary or any affiliate of the Company to terminate the employment of any person at any time without liability hereunder.

5.10 RIGHTS AS STOCKHOLDER. No person shall have any right as a stockholder of the Company with respect to any shares of Common Stock or other equity security of the Company which is subject to an award hereunder unless and until such person becomes a stockholder of record with respect to such shares of Common Stock or equity security.

5.11 GOVERNING LAW. This Plan, each award hereunder and the related Agreement, and all determinations made and actions taken pursuant thereto, to the extent not otherwise governed by the Code or the laws of the United States, shall be governed by the laws of the State of Delaware and construed in accordance therewith without giving effect to principles of conflicts of laws.

5.12 FOREIGN EMPLOYEES. Without amending this Plan, the Committee may grant awards to eligible persons who are foreign nationals on such terms and conditions different from those specified in this Plan as may in the judgment of the Committee be necessary or desirable to foster and promote achievement of the purpose of this Plan and, in furtherance of such purpose the Committee may make such modifications, amendments, procedures, subplans and the like as may be necessary or advisable to comply with provisions of laws in other countries or jurisdictions in which the Company or its Subsidiaries operates or has employees.

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EMPLOYEE BENEFITS AGREEMENT

This EMPLOYEE BENEFITS AGREEMENT (the "Agreement") is made as of December 1, 1997, by and between CPC International Inc., a Delaware corporation ("CPC"), and Corn Products International, Inc., a Delaware corporation ("Corn").

W I T N E S S E T H:

WHEREAS, Corn is presently a wholly-owned subsidiary of CPC; and

WHEREAS, it is intended that CPC will transfer to Corn in exchange for stock all of CPC's assets comprising its worldwide corn refining business, followed by the distribution by CPC of such Corn stock to CPC's shareholders (the "Distribution"); and

WHEREAS, CPC and Corn desire to set forth their understanding regarding their respective rights and obligations concerning certain employee benefit and related matters relative to plans, programs and practices currently maintained by CPC for the benefit of its employees and former employees;

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NOW, THEREFORE, in consideration of the mutual agreements, provisions and covenants contained in this Agreement, the parties hereby agree as follows:

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ARTICLE 1

DEFINITIONS

SECTION 1.1. Definitions. As used in this Agreement, the following terms shall have the meanings stated below. Such meanings shall be equally applicable to the singular and plural forms of the terms defined.

"Code" means the Internal Revenue Code of 1986, as amended, including any comparable successor legislation.

"Corn Employee" means an individual who is an employee of Corn, Enzyme Bio-Systems Ltd., or any other U.S. subsidiary of Corn on the Coverage Date.

"Corn Stock" means the common stock of Corn, par value \$.01.

"Coverage Date" means the day following the Distribution Date.

"CPC Employee" means an individual who is an employee of CPC or any of its subsidiaries or affiliates on the Coverage Date.

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"CPC Stock" means the common stock of CPC, par value \$.25 per share.

"Distribution Date" means the date on which the Distribution occurs.

"ERISA" means the Employee Retirement Income Security Act of 1974, as amended, including any comparable successor legislation.

## ARTICLE 2

### PENSION PLANS

SECTION 2.1 Salaried Employees. Effective as of the Coverage Date, Corn shall adopt the Corn Products International Cash Balance Plan for Salaried Employees (the "Corn Pension Plan"), which shall be a defined benefit plan designed to qualify under Section 401(a) of the Code, and the Corn Products International, Inc. Master Trust (the "Corn Master Trust"), which shall be a trust exempt from taxation under Section 501(a) of the Code. The Corn Pension Plan shall include provisions recognizing service of covered Corn Employees with CPC prior to the Coverage Date for all plan purposes. Subject to the conditions set forth in Section 2.3, as soon as practicable after the Coverage Date, CPC shall cause the trustee of the CPC International Inc. Master Trust (the "Master Trust") to transfer to the trustee of the Corn Master Trust the amount

of \$48,000,000 (in a combination of cash, securities and other property, as agreed by CPC and Corn), which represents the present value of the accrued benefits as of September 30, 1997 of the Corn Employees who on the Distribution Date were participants in the CPC International Inc. Non-Contributory Retirement Income Plan for Salaried Employees (the "CPC Pension Plan"); provided, however, that such \$48,000,000 shall be adjusted by CPC's independent actuary if a significant difference would arise as a result of (i) differences in the number of individuals who become Corn Employees from the number projected to become Corn Employees as of September 30, 1997, or (ii) any other variations from the assumptions used by such actuary to compute such \$48,000,000 amount.

SECTION 2.2 Hourly Employees. (a) Effective as of the Coverage Date, Corn shall adopt the Corn Products International Hourly Employees Retirement Income Plan (the "Corn Hourly Plan"), which shall be a defined benefit plan designed to qualify under Section 401(a) of the Code. The Corn Hourly Plan shall be substantially identical to the CPC International Inc. Hourly Employees Retirement Income Plan, Supplement H (Corn Products OCAW/IAM) (the "CPC Hourly Plan"), and shall include provisions recognizing service of covered Corn Employees with CPC prior to the Coverage Date for all plan purposes. Subject to the conditions set forth in Section 2.3, as soon as practicable after the Coverage Date, CPC shall cause the trustee of the Master Trust to transfer to the

trustee of the Corn Master Trust (or a similar trust if Corn establishes more than one trust for the plans set forth in Sections 2.1 and this 2.2(a) (the "Second Corn Trust")) an amount (in a combination of cash, securities and other property, as agreed by CPC and Corn) determined by CPC's independent actuary to be equal to the present value of the accrued benefits of the Corn Employees who

on the Distribution Date were participants in the CPC Hourly Plan or in the CPC International Inc. Hourly Employees Retirement Income Plan, Supplement D (Best Foods OCAW/IAM).

(b) After the Distribution Date, CPC shall continue to maintain the CPC International Inc. Hourly Employees Retirement Income Plan, Supplements I (Discontinued) and K (Frozen OCAW/IAM) and the CPC International Inc. Supplemental Benefits Plan (OCAW, AFGM, IAM Acme Resin), for the benefit of those individuals covered under such plans.

SECTION 2.3 Asset Transfers. Each transfer of assets provided for in Sections 2.1 and 2.2 shall occur as soon as practicable following the latest to occur of (a) the Coverage Date, (b) the establishment of each of the Corn Pension Plan and Corn Hourly Plan, (c) for each such Plan, the filing of a favorable determination letter application with the Internal Revenue Service and a written commitment from Corn to exert its best efforts to obtain such a favorable determination letter, and (d) the expiration

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of 30 days after CPC and Corn have filed Form 5310-A, if necessary, with the Internal Revenue Service for each transfer. As a condition to the receipt of such an asset transfer by the Corn Master Trust (and the Second Corn Trust, if applicable), Corn shall cause each of the Corn Pension Plan and Corn Hourly Plan, as applicable, to assume and covenant to fully perform, pay and discharge all obligations and liabilities of CPC and each of the CPC Pension Plan and the CPC Hourly Plan, as applicable, for and with respect to the accrued benefits under each of the CPC Pension Plan and the CPC Hourly Plan of those CPC Pension Plan and CPC Hourly Plan participants whose accrued benefits are so received by the Corn Pension Plan and the Corn Hourly Plan, respectively.

SECTION 2.4 Excess Plan. Effective as of the Coverage Date, Corn shall adopt a plan similar to the CPC International Inc. Excess Pension Plan (the "Excess Pension Plan"). Such plan shall include provisions recognizing service of covered Corn Employees with CPC prior to the Coverage Date for all plan purposes. The liability for accrued benefits of covered Corn Employees under the Excess Pension Plan shall be transferred to and recognized by the Corn plan contemplated by this Section 2.4.

SECTION 2.5 International Employees. Effective as of the Coverage Date, Corn shall adopt a defined benefit pension plan (the "Corn Foreign Pension Plan") covering those individuals who are employed by companies which become foreign

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subsidiaries of Corn on the Distribution Date and who are participants in the CPC International Inc. Pension Plan for International Employees or the CPC International Inc. Latin America Pension Plan (the "International Employees" and the "CPC Foreign Pension Plans"). The Corn Foreign Pension Plan shall include provisions recognizing service of covered International Employees with CPC prior to the Coverage Date for all plan purposes, and shall receive a transfer of assets, and assume all liabilities, for the accrued benefits of the International Employees under the CPC Foreign Pension Plans; provided, however, that Corn may request, within 30 days from the Distribution Date, that CPC distribute the accrued benefit of designated International Employees directly to such Employees rather than transferring the liability to the Corn Foreign Pension Plan.

### ARTICLE 3

#### SAVINGS PLANS

SECTION 3.1 Salaried Employees. (a) Effective as of the Coverage Date,

Corn shall adopt (i) the Corn Products International Retirement Savings Plan (the "Corn Savings Plan"), which shall be a defined contribution savings plan designed to qualify under Section 401(a) of the Code and to preserve "protected benefits," within the meaning of Section 411(d)(6) of the Code, accrued by participants under the CPC International Inc. Savings/Retirement Plan for Salaried Employees (the "CPC Savings

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Plan") as of the Distribution Date, and (ii) the Corn Products International, Inc. Retirement/Savings Plan Trust (the "Corn Savings Trust"), which shall be a trust exempt from taxation under Section 501(a) of the Code. The Corn Savings Plan shall include provisions recognizing service of covered Corn Employees with CPC prior to the Coverage Date for all plan purposes.

(b) Subject to the conditions set forth in clause (c) below, as soon as practicable after the Distribution Date, Corn shall request that CPC cause a spin off and transfer from the CPC International Inc. Savings/Retirement Plan for Salaried Employees Trust and the CPC International Inc. Employee Stock Ownership Trust (the "ESOP Trust") to the Corn Savings Trust of an amount equal to the aggregate account balances, as of the date of any such transfer, of those CPC Savings Plan participants who become Corn Employees. The transfer from such CPC Trusts shall be in kind (including any participant loans held by the CPC Savings Plan with respect to Corn Employees); provided, however, that (i) the transfer from the ESOP Trust may be made in cash or CPC Stock, or a combination thereof, as agreed by CPC and Corn and (ii) CPC and Corn may agree for a transfer in another form (including, for example, an amount in cash representing pre-Distribution contributions of Corn Employees to the CPC Savings Plan which have not yet been invested in accordance with participant elections under the CPC Savings Plan).

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(c) The transfer of assets shall occur as soon as practicable following the latest to occur of (a) the Coverage Date, (b) the establishment of the Corn Savings Plan, (c) the filing of a favorable determination letter application with the Internal Revenue Service and a written commitment from Corn to exert its best efforts to obtain such a favorable determination letter, and (d) the expiration of 30 days after CPC and Corn have filed Form 5310-A, if necessary, with the Internal Revenue Service. As a condition to the receipt of such an asset transfer by the Corn Savings Trust, Corn shall cause the Corn Savings Plan to assume and covenant to fully perform, pay and discharge all obligations and liabilities of CPC and the CPC Savings Plan for and with respect to the account balances under the CPC Savings Plan of those CPC Savings Plan participants whose account balances are so received by the Corn Savings Plan.

SECTION 3.2 Hourly Employees. Effective as of the Coverage Date, Corn shall adopt the CPC International Inc. Corn Products Division Savings/Retirement Plan for Hourly Employees (Corn Products OCAW/IAM) (the "Corn Hourly Savings Plan") as the primary sponsor and CPC shall withdraw its sponsorship of such Plan. As soon as practicable thereafter, and effective as of the Coverage Date, Corn shall amend such Plan in all aspects consistent with such change of sponsorship, such as the name of the plan and the definition of the Employer therein. As soon as practicable after the

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Distribution Date, Corn shall request that CPC cause a spin off and transfer from the trust associated with the CPC International Inc. Best Foods Division Savings/Retirement Plan for Hourly Employees (Best Foods OCAW/IAM) (the "CPC Hourly Savings Plan") to the trust associated with the Corn Hourly Savings Plan (the "Corn Hourly Trust") of an amount equal to the aggregate account balances, as of the date of any such transfer, of those CPC Hourly Savings Plan participants who become Corn Employees. Such transfer shall be in kind (including any participant loans held by the CPC Hourly Savings Plan with respect to Corn Employees). As a condition to the receipt of such an asset transfer by the Corn Hourly Trust, Corn shall cause the Corn Hourly Savings Plan to assume and covenant to fully perform, pay and discharge all obligations and liabilities of CPC and the CPC Hourly Savings Plan for and with respect to the account balances under the CPC Hourly Savings Plan of those CPC Hourly Savings Plan participants whose account balances are so received by the Corn Savings Plan.

SECTION 3.3 Excess Plan. Effective as of the Coverage Date, Corn shall adopt a plan similar to the CPC International Inc. Excess Savings Plan (the "Excess Savings Plan"). Such plan shall include provisions recognizing service of covered Corn Employees with CPC prior to the Coverage Date for all plan purposes. The liability for accrued benefits of covered Corn Employees under the Excess Savings Plan shall be transferred to and recognized by the Corn plan contemplated by this Section 3.3.

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#### ARTICLE 4

##### WELFARE PLANS

SECTION 4.1 Salaried Plans. (a) CPC currently maintains the CPC International Inc. Salaried Employees Health Care Plan (the "Medical Plan"), the CPC International Inc. Salaried Employees Long Term Disability Income Plan (the "LTD Plan"), the CPC International Inc. Flexible Spending Plan (the "Flex Plan") and the CPC International Inc. Salaried Employees Life Insurance Plan (the "Life Insurance Plan"), all of which are "welfare benefit plans," within the meaning of Section 3(1) of ERISA. Effective as of the Coverage Date, Corn shall (i) establish or otherwise make available employee welfare benefit plans (the "Replacement Welfare Benefit Plans") providing generally comparable medical, disability, flexible spending and life insurance benefits (such comparability to include, without limitation, consideration of existing employee profiles and geographic locations of employment) to Corn Employees who were participants under the aforementioned CPC Plans, (ii) provide that such employees shall be eligible for immediate participation in the Replacement Welfare Benefit Plans with no interruption of coverage, and (iii) credit the period of coverage under such CPC Plans towards any preexisting condition limitations under the Replacement Welfare Benefit Plans. The Replacement Welfare Benefit Plans shall be structured in a manner to eliminate any obligation by CPC to provide continuation of coverage as contemplated in Section 4980B



of the Code and Sections 601 through 608 of ERISA with respect to Corn Employees (and their qualified beneficiaries) after the Distribution Date. CPC shall retain liability for and shall pay when due all benefits attributable to claims incurred by all Corn Employees prior to the Coverage Date.

(b) The medical plan adopted by Corn shall provide continued access after retirement to health care coverage for all Corn Employees (and their dependents) who retire under the Corn Pension Plan. On and after the Coverage Date, such individuals will no longer be eligible to become Retired Employees (and their dependents will no longer be eligible to become Eligible Dependents) under the Medical Plan.

SECTION 4.2 Hourly Plans. (a) CPC currently maintains certain insured "welfare benefit plans," within the meaning of Section 3(1) of the ERISA, for the benefit of hourly-paid employees of the Corn Products division of CPC. Effective as of the Coverage Date, CPC shall withdraw as the primary sponsor and Corn shall assume the position of primary sponsor under each of such plans, subject to any required consent of the insurer paying benefits under the plan.

(b) Effective as of the Coverage Date, Corn shall adopt the Corn Products (Argo, Illinois) Cafeteria Plan as the primary sponsor and CPC shall withdraw its sponsorship of such Plan. As soon as practicable thereafter, and effective as of the

Coverage Date, Corn shall amend such Plan in all aspects consistent with such change of sponsorship.

SECTION 4.3 Severance Plans. The Distribution shall not constitute a severance or a termination of employment under the CPC International Inc. Severance Pay Plan for Salaried Employees or the CPC International Inc. Special Severance Program for Salaried Employees and shall not entitle any Corn Employee to benefits under either of such severance plans.

SECTION 4.4 Vacation Pay. Effective on the Distribution Date, Corn shall assume as to the Corn Employees all accrued liabilities (whether vested or unvested, and whether funded or unfunded) for vacation pay and shall be solely responsible for the payment of such vacation pay to Corn Employees after the Distribution Date.

SECTION 4.5 Transition Provisions. (a) Liability for Claims. Except as otherwise provided herein, after the Distribution Date, CPC shall retain and be responsible for, or cause its insurance carriers or Health Maintenance Organizations to be responsible for, all liabilities and obligations related to claims incurred through, but not after, the Distribution Date under the Medical Plan, the LTD Plan, the Flex Plan, and the Life Insurance Plan in respect of any Corn Employee (whether such claims are asserted before

or after the Distribution Date) and Corn shall have no liability or obligation with respect thereto. CPC shall retain any funds remaining on the Distribution Date in the Flex Plan to pay for any claims incurred under such Plan on or prior to the Distribution Date. After all such claims have been paid, CPC shall be entitled to retain any remaining funds in the Flex Plan, to be used consistent with the purposes of such Plan.

(b) LTD Plan. An individual who is Totally Disabled under the LTD Plan (as defined therein) on the Distribution Date and who would become a Corn Employee if he or she was in active employment on the Coverage Date (as mutually agreed by CPC and Corn) shall continue to receive benefits under the LTD Plan after the Distribution Date for so long as such individual remains Totally Disabled. At such time as such individual is no longer Totally Disabled, such individual shall not be eligible to become a CPC Employee, CPC shall have no further liability to him or her, and, consistent with the requirements of applicable law, Corn shall determine whether such individual shall become a Corn Employee.

(c) Medical Leave. Effective on the Coverage Date, Corn shall assume sole responsibility for all payments to Corn Employees who are on medical leave from CPC on the Distribution Date and CPC shall have no further liability or obligation with respect thereto.

SECTION 4.6 Executive Life Insurance Plan. Effective on the Coverage Date, Corn shall establish an executive life insurance plan (the "Replacement ELIP") substantially similar to the CPC International Inc. Executive Life Insurance Plan (the "ELIP"). Corn shall allow each ELIP participant who becomes a Corn Employee to participate in the Replacement ELIP; provided, however, that such participation shall be conditioned upon that participant's consent, within a reasonable time period after request for such consent is made, to the assignment to Corn of (i) the Collateral Assignment executed in favor of CPC of the insurance policy owned by the participant and (ii) the Participation Agreement entered into under the ELIP. CPC shall assign to Corn its rights under such Collateral Assignment and Participation Agreement as to any participant in the ELIP who becomes a participant in the Replacement ELIP under the terms and conditions set forth above. CPC shall terminate participation in the ELIP by those participants who become Corn Employees regardless of whether such a participant consents to the assignment of such Collateral Assignment to Corn. In addition, prior to the Distribution Date, CPC shall pay the 1998 employer-paid premium with respect to Corn Employees covered under the Replacement ELIP.

## ARTICLE 5

### STOCK AND INCENTIVE COMPENSATION PLANS

SECTION 5.1 Corn Stock Plans. Effective as of the Coverage Date, Corn shall establish the Corn Products International, Inc. 1998 Stock Incentive Plan (the "Corn Stock Plan") pursuant to which options to purchase Corn Stock may be granted (such options, together with any other options to purchase Corn Stock, shall hereinafter be referred to individually as a "Corn Stock Option"), grants of shares of restricted Corn Stock may be made (such grants, together with any other grants of shares of restricted Corn Stock, shall hereinafter be referred to as "Corn Restricted Stock"), and other equity-based rights may be granted to, among others, Corn Employees who held rights on the Distribution Date under

the CPC International Inc. 1984 and 1993 Stock and Performance Plans (the "CPC Stock Plans").

(a) Corn Stock Options. Each Corn Employee who holds an unexercised option to purchase CPC Stock under the CPC Stock Plans ("CPC Stock Option") at the Distribution shall receive Corn Stock Options from Corn in substitution of such unexercised CPC Stock Options in accordance with the following formula: (i) Number of shares: The total number of substituted Corn Stock Options granted shall equal the pre-Distribution number of CPC Stock Options multiplied by a fraction, the numerator of which is the Pre-Distribution Date CPC Market Price and the denominator of which is the Post-Distribution Date Corn Market Price (the "Conversion Fraction"). As used herein, the Pre-Distribution Date CPC Market Price shall mean the average of the high and low

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prices of CPC Stock on the New York Stock Exchange for each of the ten trading days prior to the first day on which there is trading in CPC Stock on a post-Distribution basis, and the Post-Distribution Date Corn Market Price shall mean the average of the high and low prices of Corn Stock on the New York Stock Exchange for each of the ten trading days beginning on the first day on which there is trading in Corn Stock, including on a "when issued" basis. (ii) Exercise price: The exercise price for the substituted Corn Stock Options shall equal the pre-Distribution exercise price of CPC Stock Options multiplied by a fraction, the numerator of which is the Post-Distribution Date Corn Market Price and the denominator of which is the Pre-Distribution Date CPC Market Price.

(b) Corn Restricted Stock. Each Corn Employee who holds an outstanding grant of shares of restricted CPC Stock under the CPC Stock Plans ("CPC Restricted Stock") at the Distribution shall receive Corn Restricted Stock from Corn in substitution of such CPC Restricted Stock. The amount of substituted Corn Restricted Stock shall be determined by multiplying the number of shares of CPC Restricted Stock by the Conversion Fraction. The Corn Restricted Stock will be subject to restrictions identical to those applicable to the CPC Restricted Stock, and shall be released from restrictions at the same time and on the same schedule as the CPC Restricted Stock, under the terms of the restrictions to which the CPC Restricted Stock was subject, except that Corn shall be substituted for CPC where the context so requires.

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(c) Fractional Shares. The computations required under Sections 5.1(a)(i) and (b) shall be adjusted to the extent any result is expressed in fractional shares. Any result expressed as one-half of one share or more shall be rounded up to the next whole number, and any result expressed as less than one-half of one share shall be rounded down to the next whole number.

(d) Foreign Employees. Corn shall adopt arrangements identical or similar to those set forth in subsections (a) and (b) above for the benefit of individuals employed by companies which become foreign subsidiaries of Corn on the Distribution Date. Corn shall exercise its discretion in establishing such arrangements, taking into account the rules and effects of such substitutions under foreign income tax laws on individuals holding CPC Stock Options and CPC Restricted Stock at the Distribution.

SECTION 5.2 Deferred Compensation Plan. Effective as of the Coverage Date, Corn shall adopt the Corn Products International Deferred Compensation Plan (the "Corn Deferred Plan"). The Corn Deferred Plan may provide similar post-Distribution benefits to those provided under the CPC International Inc. Deferred Compensation Plan (the "CPC Deferred Plan") and shall include provisions recognizing service of covered Corn Employees with CPC prior to the Coverage Date for all plan purposes. The liability for benefits of covered Corn Employees under the CPC Deferred Plan on the Distribution

Date shall be transferred to and recognized by the Corn Deferred Plan, and CPC shall transfer to Corn as part of the Distribution the policies of insurance held by CPC which are associated with the liabilities under the CPC Deferred Plan.

SECTION 5.3 Deferred Stock Unit Plan. Effective as of the Coverage Date, Corn shall adopt the Corn Products International Deferred Stock Unit Plan (the "Corn DSUP"), which shall assume all benefit liabilities as of the Distribution Date under the CPC International Inc. Deferred Stock Unit Plan (the "CPC DSUP"). Corn shall in its sole discretion determine (a) whether the Corn DSUP shall provide further deferrals to eligible Corn Employees with respect to services rendered on and after the Coverage Date, (b) the type of investments and choice of timing and form of benefit payments under the Corn DSUP, and (c) all other terms and provisions of the Corn DSUP.

SECTION 5.4 Annual Incentive Plans. CPC currently maintains annual bonus plans in which employees of its Corn Products division participate. For the year ended December 31, 1997, CPC shall pay any amounts awarded under such plans by the CPC Board of Directors to Corn Employees.

## ARTICLE 6

### UNION MATTERS

SECTION 6.1 Collective Bargaining Agreements. Effective as of the Coverage Date, Corn shall assume all of CPC's obligations and liabilities under the collective bargaining agreements entered into by CPC with the Oil, Chemical and Atomic Workers International Union, Local 7-507, and the International Association of Machinists, District 8. Corn shall take all steps and procedures necessary to secure any required acknowledgment or agreement of the relevant labor unions.

## ARTICLE 7

### GENERAL PROVISIONS

SECTION 7.1 Service Credit. A Corn Employee who was an employee of CPC or a CPC affiliate at the Distribution shall be given credit for all years of service with CPC or any CPC affiliate (to the extent such years of service were recognized by CPC) performed on or prior to the Distribution Date with respect to matters of employment generally, including vacation eligibility and participation in employee benefit plans, programs or practices, regardless of whether such service credit is expressly provided for elsewhere in the Agreement as to any particular employee benefit plan, program or practice.

SECTION 7.2 Amendment or Termination of Employee Benefit Plans. Except as otherwise expressly provided herein, nothing in this Agreement shall be construed as limiting the ability of CPC or Corn, as applicable, in its sole discretion, to amend or terminate any employee benefit plan, program or practice which it now maintains or may hereafter establish at any time or for any reason nor shall any provision of this Agreement be construed as creating a right in any CPC Employee or Corn Employee under any such plans, programs or practices which such Employee would not otherwise have under the terms of the

plans, program or practice itself.

SECTION 7.3 Unfunded Liabilities. In connection with the Distribution, and the undertakings and transfers of liabilities set forth in Sections 2.4, 3.3, 4.1(b) and 5.3, the Distribution-related financial accounting statements for each of CPC and Corn shall appropriately reflect such transfers of liabilities in relation to the pre-Distribution CPC accounting treatment of the matters set forth in such Sections.

SECTION 7.4 Garnishments, Tax Levies, Child Support Orders, and Wage Assignments. As the successor employer with respect to each Corn Employee, Corn shall honor any payroll deductions with respect to Corn Employees with garnishments, tax levies, child support orders, or wage assignments in effect on the Distribution Date and

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will continue to make payroll deductions and payments to the authorized payee, as specified by the court or governmental order which was filed with CPC.

SECTION 7.5 Retirees. Subject to Section 7.2 hereof and the terms of the applicable plans, all retired individuals currently participating in an applicable benefit plan sponsored by CPC shall continue such participation after the Distribution, regardless of whether such individual was employed by CPC's Corn Products division, Enzyme Bio-System Ltd., or any other U.S. subsidiary of CPC which is included in the Distribution, at the time of his or her retirement.

SECTION 7.6 Cooperation and Further Assurances. Each party covenants to cooperate fully with the other to ensure an orderly transition of the matters contemplated by this Agreement and to execute such additional instruments and take such actions as may be reasonably requested by the other to confirm, perfect or otherwise carry out the intent and purposes of this Agreement. Such matters shall include, but are not limited to, sharing of participant information as necessary to facilitate administration of employee benefit plans, programs and practices and the completion and filing of any forms or reports required to be filed with the Internal Revenue Service, Department of Labor, Pension Benefit Guaranty Corporation, Securities and Exchange Commission, or other government entity.

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SECTION 7.7 No Waiver. No failure by either party to insist upon the strict performance of any term, covenant, condition or provision of this Agreement, or to exercise any right or remedy consequent upon an event of default hereunder, shall constitute a waiver of any such default or of such term, covenant, condition or provision or a waiver or relinquishment for the future of the right to insist upon and to enforce by any appropriate legal remedy a strict compliance with all the terms, covenants, conditions and provisions of this Agreement, or of the right to exercise any such rights or remedies, if any default by the other party be continued or repeated. No breach of this Agreement shall be waived except as set forth in a written instrument executed by the party waiving such breach. No waiver of any breach shall affect or alter this Agreement but every term, covenant, condition and provision of this Agreement shall continue in full force and effect with respect to any other existing or subsequent breach hereof. Any failure on the part of any party hereto to comply with any of its obligations hereunder may be waived by the other party.

SECTION 7.8 Headings. The headings of the Sections of this Agreement have been inserted solely for convenience of reference and shall not constitute a part of this Agreement, nor shall they affect its meaning, construction or effect.

SECTION 7.9 Amendment of Agreement. This Agreement may be amended only by a written agreement duly executed by each of the parties hereto.

SECTION 7.10 Applicable Law. This Agreement shall be construed and enforced in accordance with the laws of the State of New York to the extent not preempted by federal law.

SECTION 7.11 Multiple Counterparts. This Agreement may be executed in multiple counterparts, each of which shall be regarded for all purposes as an original constituting but one and the same instrument.

SECTION 7.12 Severability. If any one or more of the Sections, sentences or other portions of this Agreement shall be determined by a court of competent jurisdiction to be invalid, the invalidity of any such Section, sentence, or other portion of this Agreement shall in no way affect the validity or effectiveness of the remainder of this Agreement, and this Agreement shall continue in force to the fullest extent permitted by law.

SECTION 7.13 Assignments. Except as otherwise provided herein, no party hereto shall give, assign or pledge its rights under this Agreement without the consent of the other party.

SECTION 7.14 Notices; Demands; Requests. All notices, demands and requests to be given or made hereunder to or by any party shall be in writing and hand delivered or mailed by registered or certified mail (return receipt requested) or sent by any means of electronic message transmission with delivery confirmed (by voice or otherwise) to the parties at the following addresses and will be deemed given on the date on which such notice is received:

(a) As to CPC:  
 P.O. Box 8000  
 International Plaza  
 Englewood Cliffs, NJ 07632  
 Attention: Senior Vice President - Human Resources

(b) As to Corn:

P.O. Box 345  
 6500 Archer Road  
 Argo, Illinois 60501  
 Attention: Vice President - Human Resources

Any of such addressees and addresses may be changed at any time upon written notice given in accordance with this Section to the other party by the party effecting the change. Any time periods commencing with notice prescribed by the terms of this Agreement shall commence with the date of receipt of written notice as provided under this Section.

SECTION 7.15 Survival of Covenants. All covenants set forth herein shall survive the execution of this Agreement.

SECTION 7.16 Entire Agreement. This Agreement contains the entire understanding of the parties with respect to the transactions contemplated

hereby and supersedes all other prior and contemporaneous agreements, undertakings, negotiations, discussions and representations, oral or written, between the parties.

SECTION 7.17 Specific Performance. This Agreement and each and every provision hereof shall be specifically enforceable. Each party hereto upon the introduction

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and presentation to the applicable court having jurisdiction over the matter of evidence showing a material breach by the other party hereto shall be entitled to injunctive relief mandating specific performance. In addition, each party shall have all of the rights and remedies conferred in this Agreement or now or hereafter conferred at law or in equity, which rights and remedies are cumulative.

SECTION 7.18 No Third Party Beneficiaries. This agreement is not intended to, and does not, create any third party contractual or other rights. No person or entity shall be deemed to be a third party beneficiary with respect to the Agreement.

SECTION 7.19 Binding Effect. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective legal representatives, successors and assigns.

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IN WITNESS WHEREOF, the parties to this Agreement have caused their corporate names to be subscribed by officers duly authorized as of the date first set forth above.

CPC International Inc.

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Corn Products International, Inc.

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

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December 30, 1997

Securities and Exchange Commission  
450 5th Street, N.W.  
Washington, DC 20549

Re: Corn Products International, Inc.  
Registration Statement on Form S-8  
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Ladies and Gentlemen:

I am Vice President, General Counsel and Corporate Secretary of Corn Products International, Inc., a Delaware corporation (the "Company"), and am rendering this opinion for the Company in connection with the filing of a Registration Statement on Form S-8 (the "Registration Statement") relating to 3,500,000 shares of common stock, par value \$.01 per share, of the Company ("Common Stock"), to be issued under the Company's 1998 Stock Incentive Plan (the "SIP Plan") and 734,850 shares of Common Stock to be issued in exchange for common stock, or options to acquire common stock, of CPC International Inc., a Delaware corporation ("CPC"), pursuant to the Employee Benefits Agreement dated December 1, 1997 between the Company and CPC (the "Benefits Agreement").

In this connection, I have examined originals, or copies of originals certified or otherwise identified to my satisfaction, of such records of the Company and others, have examined such questions of law and have satisfied myself as to such matters of fact as I have considered relevant and necessary as a basis for the opinions set forth herein. I have assumed the authenticity of all documents submitted to me as originals, the genuineness of all signatures, the legal capacity of all natural persons and the conformity with the original documents of any copies thereof submitted to me for my examination.

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Securities and Exchange Commission  
December 30, 1997  
Page 2

Based upon the foregoing, I am of the opinion that:

1. The Company is duly incorporated and validly existing under the laws of the State of Delaware.

2. Each share of Common Stock to be issued under the SIP Plan will be legally issued, fully paid and nonassessable when: (i) the Registration Statement shall have become effective under the Securities Act; (ii) such share of Common Stock shall have been duly issued pursuant to the authorization of the Board of Directors or a duly authorized committee thereof, in the manner

contemplated by the SIP Plan; and (iii) a certificate representing such share shall have been duly executed, countersigned and registered and duly delivered to the purchaser thereof against payment of the agreed consideration therefor (not less than the par value thereof) in accordance with the SIP Plan.

3. Each share of Common Stock to be issued under the Benefits Agreement will be legally issued, fully paid and nonassessable when: (i) the Registration Statement shall have become effective under the Securities Act; (ii) such share of Common Stock shall have been duly issued pursuant to the authorization of the Board of Directors or a duly authorized committee thereof, in the manner contemplated by the Benefits Agreement; and (iii) a certificate representing such share shall have been duly executed, countersigned and registered and duly delivered to the purchaser thereof against payment of the agreed consideration therefor (not less than the par value thereof) in accordance with the Benefits Agreement.

I do not find it necessary for the purposes of this opinion to cover, and accordingly I express no opinion as to the application of the securities or blue sky laws of the various states to the sale of shares of common stock.

This opinion is limited to the federal laws of the United States of America, the laws of the State of Illinois and the General Corporation Law of the State of Delaware.

I hereby consent to the filing of this opinion as an exhibit to the Registration Statement referred to above.

Very truly yours,

/s/ Marcia E. Doane

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Marcia E. Doane  
Vice President, General Counsel and  
Corporate Secretary

## CONSENT OF THE INDEPENDENT AUDITORS

The Board of Directors  
of Corn Products International, Inc.:

We consent to the incorporation by reference of our report dated September 16, 1997, relating to the combined balance sheets of Corn Products International, Inc. and Subsidiaries as of December 31, 1996 and 1995, and the related combined statements of income, stockholders' equity, and cash flows for each of the years in the three year period ended December 31, 1996 incorporated herein by reference in the Registration Statement on Form S-8 and the related prospectus pertaining to the registration of Corn Products International, Inc. common stock for the Corn Products International, Inc. 1998 Stock Incentive Plan and the Employee Benefits Agreement dated as of December 1, 1997 between Corn Products International, Inc. and CPC International Inc.

KPMG PEAT MARWICK LLP

New York, New York  
December 30, 1997