

Republic of the Philippines
SECURITIES AND EXCHANGE COMMISSION
SEC Building, EDSA, East Greenhills
Mandaluyong City

MARKET REGULATION DEPARTMENT

June 9, 2010

PHILIPPINE STOCK EXCHANGE INC.

PSE Center
Exchange Road
Pasig City
Fax: 634-5113

[Handwritten signature]
NO DUPLICATE

Attention: Mr. Val Antonio B. Suarez, COO

Gentlemen:

This refers to the Exchange's explanation dated 12 February 2010 to the this Department's show cause letter of 3 February 2010 on PSE's failure to inform the Commission of the imposition of penalties on listed companies for the period covering 2005 to 2008.

In its letter, PSE explained that the PSE Disclosure Department submitted to the Commission the reports on penalties imposed on participants from 2005 to April 2006. For the period covering May 2006 to 2008, the PSE admitted its failure to submit the required reports and apologized for such failure and promised to submit the required reports on monthly basis.


Be informed that the Commission in its meeting on 20 May 2010 resolved to:

1. ACCEPT the apology of PSE for its failure to submit the reports from May 2006 to 2008.
2. DECLARE PSE to have violated Section 40.4 of the Securities Regulation Code and SRC Rule 39.1 (H)(iv) for failure to promptly notify SEC of the sanction imposed on its participant Benguet Corporation, and impose on PSE the fine of PhP 100,000.00 for said violation.
3. IMPOSE on PSE a fine of PhP 100,000.00 for each year of violation from 2006 to 2009 for violation of Section 40.7 of the SRC and SRC Rule 39.1(H)(iv) of the SRC.
4. PAY the imposed fines within five (5) days from receipt hereof.

In view of the foregoing, PSE is directed to pay to the Commission the amount of PHP 500,000.00, within five days from receipt of this letter and submit compliance hereof.

PSE is likewise directed to disclose this matter in its website.

Very truly yours,

A handwritten signature in black ink, appearing to read 'Jose P. Aquino', written over a horizontal line.

JOSE P. AQUINO
Director