



BenguetCorp

September 4, 2013

PHILIPPINE STOCK EXCHANGE, INC.
PSE Center, Exchange Road
Ortigas Center, Pasig City

Attention : **MS. JANET A. ENCARNACION**
Head, Disclosure Department

Gentlemen:

Regarding the granting by the Securities and Exchange Commission (SEC) of the Company's request to pay on installment basis the monetary penalty imposed for late filing of its 2012 Annual Report (SEC Form 17-A), we would like to apprise you of the following:

- a. On May 21, 2013, a show cause letter was issued by the SEC for the Company to explain why it should not be held liable for violation of SRC Rule 17.1 (1)(A)(i) due to late filing of its 2012 Annual Report by four (4) days, resulting from mistaken interpretation of SEC Memorandum Circular No. 7, Series of 2012 re: 2013 Schedule of Filing of Annual Financial Statements. The Company followed the usual schedule of filing of Annual Report in the previous years (2009, 2010, 2011, 2012) based on the SEC registration number as required in earlier circulars. It overlooked the fact that an exception was made for listed companies in Memorandum Circular No. 7, where a different schedule was to be observed and which reverted back to the practice prior to 2009 in the filing of Annual Report.
- b. Following a SEC conference on June 24, 2013, the Company offered to pay a compromise penalty in lieu of a suspension of registration proceeding. In a letter dated July 25, 2013, the SEC advised the Company that its offer of settlement amounting to P300,000.00 was denied by the Commission. In its letter to the SEC dated July 30, 2013, the Company requested that it be allowed to pay the minimum monetary penalty under the SRC Rules of Php1,008,000.00 in staggered amounts which, the Commission granted in its letter to the Company on August 12, 2013 and received on September 3, 2013.

We trust that the foregoing complies with your requirement.

Very truly yours,

BENGUET CORPORATION

By:


REYNALDO P. MENDOZA
SVP – Legal Services/
Assistant Corporate Secretary