

**REPORT ON COMPLIANCE WITH THE CODE OF GOOD CORPORATE
GOVERNANCE FOR PERUVIAN COMPANIES (10150)**

Official Company Name:

FERREYCORP S.A.A

Year:

2019

Website:

www.ferreycorp.com.pe

**Official name of the reviewing
firm:¹**

RPJ (Register of Legal Entities):

B60001

¹ Applicable only in the event the information contained herein has been reviewed by a specialized Company (for example: an auditing or consulting firm).

METHODOLOGY:

Companies with securities listed in the Public Registry of the Securities Market are obligated to publicly disclose their good practices of corporate governance. For this purpose, they report their adherence to the principles contained in the Code of Good Corporate Governance for Peruvian Companies².

The information to be presented refers to the year ended on December 31 of the calendar year preceding its submission. Therefore, every reference to “the year” should be understood to mean the aforementioned period. The information is presented as an appendix to the company’s Annual Report according to the electronic forms established by the Superintendence of the Securities Market (SMV) to facilitate submission of the information in this report through the MVnet system.

In **Section A**, a letter of introduction from the Company, highlighting the most important advances made with regard to corporate governance during the year, is included.

In **Section B**, the degree of compliance with the principles making up the Code is disclosed. For this purpose, the report is structured according to the five sections it comprises:

- I. Shareholder’s Rights;
- II. General Shareholders’ Meeting;
- III. Board of Directors and Senior Management³;
- IV. Risk and Compliance; and,
- V. Transparency of Information.

Each principle is evaluated based on the following parameters:

- a) **“Comply or explain” evaluation:** Indicates the Company’s level of compliance with an “x”, taking the following criteria into account:

Yes: The Company fully complies with the principle.

No: The Company does not comply with the principle.

Explanation: In this field, if the answer marked is “No”, the Company must explain the reasons for which it did not adopt the principle or take action that could be considered progress toward compliance or partial adoption, as applicable. In addition, if the answer marked is “Yes”, the Company may provide information on compliance with the principle, if deemed necessary.

- b) **Supporting information:** Information that provides further details on how the Company has implemented the principle.

In **Section C**, the Company’s documents that regulate its policies, procedures or other relevant matters related to the principles being evaluated are listed.

In **Section D**, additional information not covered in the preceding sections or other relevant information the Company freely decides to mention is included, in order to give investors and different stakeholders a better understanding of the good practices of corporate governance implemented.

² The Code of Good Corporate Governance for Peruvian Companies (2013) can be found in the Orientación – Gobierno Corporativo section of the portal of the Superintendence of the Securities Market www.smv.gob.pe.

³ The term “Senior Management” refers to the CEO and other managers.

SECTION A:

Introduction Letter⁴

In Peru and abroad, Ferreycorp has a long and recognized trajectory in the field of corporate governance. The corporation is governed by elementary principles for a transparent government and for its sustainability: among them, the adoption of clear policies of the Board of Directors, of equitable treatment to the shareholders and of transparency of the information in the administration of the company; the conduction of the organization with integrity, equity and seriousness; and the development of control environments, of risk management and of compliance.

Approximately 20 years ago, the First Code of Corporate Governance for Peruvian Companies was published in our country, as a result of a public-private effort that made it possible to define key foundations for its application in Peru. Some issuers such as Ferreycorp, at that time with 40 years in the stock market, had the valuable opportunity to share their experiences in close coordination with Procapital to contribute to this initiative.

Ferreycorp's commitment is to continue implementing improvements in the area of good corporate governance, to serve its shareholders and investors every day, maintaining excellent relations with them. The corporation keeps alert to the market opinion whose expectation is to establish a direct and transparent relationship with the issuing companies in which it is interested to invest or have a position. For this reason, Ferreycorp permanently updates and improves its corporate governance practices according to world trends and, above all, according to what is required or recommended for Peruvian companies.

Good governance inspires greater confidence in investors who intend to acquire company securities, both shares and debt instruments issued locally and internationally; it increases the prestige and competitiveness of the organization; it drives its sustainable growth; it generates a feeling of pride among employees; and it contributes to its objective of creating value in the country

In 1962, the original shareholders registered the company's shares in the Lima Stock Exchange, and from that moment on measures began to be taken in relation to the equitable treatment of shareholders and governance policies that today are included in the Principles of Good Corporate Governance. This allowed the company to increase its participation in the capital market in the 1990s, as an alternative source of financing.

In 1994, Ferreycorp began an active participation in the Peruvian capital market, both in the equity and fixed income markets. In 1997, Ferreycorp made an international share issue (ADR) of US\$ 20 million, which enjoyed the preference of 50% of foreign shareholders. These events led to the optimization of internal processes to serve investors, developing capacities.

⁴ Describes the main actions implemented during the fiscal year with regard to the terms of good practices in corporate governance that the corporation considers relevant to point out, in line with the five pillars that make up the Good Corporate Governance Code for Peruvian Companies (2013): Shareholder rights, General Shareholders Meeting, Board of Directors and Senior Management, Risks and Compliance and Information Transparency.

For example, already that year, the organization had an area of Investor Relations that served them in a personalized way; in addition, telephone conferences were held in English and quarterly press reports were written. The initiatives in this field did not end, but were assumed as a long term effort: an ongoing process that requires full attention to market signals, willingness and permeability to continuously incorporate best practices in this field and that must have an active strategy from the highest levels of the corporation, the Board of Directors and the Shareholders' Meeting

It is worth noting the subsequent inclusion of Ferreycorp since 2006 in the Companies Circle, driven by the International Finance Corporation (IFC) and the Organization for Economic Cooperation and Development (OECD), composed of a leading group of leading companies in corporate governance in Latin America, which exchanges experiences in this field and shares them with other organizations.

The Good Corporate Governance code for Peruvian Companies, updated in 2013, is divided into five pillars: i) Shareholders Rights; ii) General Shareholders Meeting, iii) Board of Directors and Senior Management; iv) Risk and Compliance and v) Information Transparency, to which Ferreycorp grants maximum relevance. The corporation has established its government guidelines in accordance with national and international regulations and with other global principles, in line with the values it has fostered in its 96 years of existence. The development of good corporate governance at Ferreycorp is a path of constant improvement.

Some key activities to safeguard the rights of our shareholders are: providing them with relevant information on the corporation in a permanent manner; keep the corporate website updated with the information published to the market; as well as planning and calling shareholder meetings with the aim of achieving as much participation as possible, be it through direct or remote presence, or through powers of attorney. Likewise, internal mechanisms have been incorporated to monitor the resolutions adopted at the Shareholders' Meetings and report that through the website.

The corporation recognizes that one of the main rights of shareholders is to partake in the profits created by their investment; for this, it has a Dividend Policy, which it has fully complied with for more than 20 years. It is worth mentioning that the Annual Compulsory General Shareholders' Meeting of 2018 modified said policy to allow the payment of interim dividends.

Similarly, in order to give greater liquidity to its action, Ferreycorp has a market maker since 2016.

In addition, for the shareholders and investors to receive timely and reliable information, the corporation has an area exclusively dedicated to serving them: The Investor Relations and Securities Management, which is part of the Corporate Finance Management.

Equal treatment to shareholders

In the core of its activities, Ferreycorp contemplates the equal treatment of all its shareholders, both majority and minority, as well as local and foreign, protecting their rights equally; ensures that there is an adequate and timely dissemination of all the corporation's affairs considered relevant, following the strict guidelines of privileged information; and guarantees a strategic management of the corporation, through the effective monitoring of the Board of Directors and the definition of its responsibilities towards the shareholders.

Ferreycorp promotes active participation in the Shareholders' Meeting, the institution that evaluates and approves strategic decisions for the operation of the corporation. In this sense, it promotes that the motions in the agenda are approved by the largest number of shareholders present at the meeting or represented through powers of attorney given in advance, and seeks to increase the quorum at the annual meeting.

The corporation not only communicates to the shareholders the items on the agenda, but also provides them with a detail with the development of each of the proposals through a document called Proxy Statement, allowing them to access complete information on the items to be approved at the Meeting and, therefore, contributing to their informed vote. This document, in turn, is also published as a Fact of Importance and on the corporate website.

In this context, the Annual General Shareholders' Meeting was held on March 27, 2019, called with due notice through notices published in the newspapers El Comercio and El Peruano, via telephone, website, mail and e-mail. It had the participation of 140 shareholders, who added to those who granted powers of attorney, allowed the March 2019 Meeting to be held with a quorum that reached 74.1033% after the session began.

Thanks to the good practices regarding the call to the meeting, disclosure of the agenda and the proposals of the Board, the two main international consultants (proxy advisors) that provide recommendations for the management of votes -Institutional Shareholder Services Inc. (ISS) and Glass, Lewis & Co. recommended to investors at large that all agenda items be voted on at the March 2019 Meeting.

During this meeting, the general manager -as the person responsible for the matter- reported on the compliance and follow-up of the resolutions adopted at the Annual General Shareholders' Meeting held in March 2018. Such resolutions, in turn, had already been reported to the Board of Directors and disclosed to the market as a Significant Event, as well as published on Ferreycorp's website.

At the Shareholders' Meeting held on March 27, 2019, the audited Financial Statements, the Annual Report and the following agenda items were approved:

- Delivery of the dividend in cash, in accordance with the Dividend Policy that the company has had since 1997, which establishes the criteria for the distribution of profits. Upon recommendation of the Board of Directors, it was agreed to distribute cash dividends of S/. 121,515,385.94, equivalent to S/. 0.1245439168 per share (12.45439168%). The dividend was paid to the shareholders in June 2019.
- Modification of the Dividend Policy to allow the delivery of extraordinary dividends above the established limit.
- Delegation of powers to the Board of Directors to distribute an extraordinary dividend, under the terms of the dividend policy approved in the previous point.

Thus, the Board of Directors, at its meeting on May 15, 2019, under the exercise of such powers, agreed to distribute an extraordinary cash dividend of S/. 50,000,000.00 equivalent to S/. 0.051246151172 per share (5.1246151172%) to be paid in June 2019, together with the ordinary dividend.

- Approval of the proposal of the Board of Directors to hire the firm Gaveglio, Aparicio y Asociados Sociedad Civil de Responsabilidad Limitada, member firm of PricewaterhouseCoopers (PwC), for the financial audit of the year 2019, delegating the Board of Directors to negotiate the conditions of its hiring.

At the Nominating, Compensation, Corporate Governance and Sustainability Committee meeting held on July 22, 2019, the implementation of these agreements was reported to the Board, which will also be reported to the March 2020 Board.

The Board of Directors, at its meeting on October 30, 2019, agreed to distribute a complementary extraordinary dividend of S/ 50,000,000.00, equivalent to S/ 0.051246151172 per share (5.1246151172%), to be paid in December 2019.

Structure and functioning of the Board of Directors

The Board of Directors plays a fundamental role in the creation of value for the shareholders and in the future of the organization, since together with the Management it formulates the strategic plan of the corporation and its subsidiaries. The plurality of its opinion is highly relevant: The Board of Directors brings together different points of view derived from the diversity of the experiences, education and background of its members, through their active participation in sessions and committees.

The Board of Directors is chosen by the Shareholders' Meeting in a specific manner and through the Proxy Statement the professional career of the candidates is made known to the shareholders. The curriculum vitae, as well as the director's independence status, are published on Ferreycorp's website.

The directors not only participate in monthly meetings, but also in special committees (Audit and Risk; Nominating, Compensation, Corporate Governance and Sustainability; Innovation and Systems and Investment), chaired by independent directors. A fourth special committee, the Investment Committee, was created in November 2019 to oversee the corporation's investments.

Likewise, in May of the same year, the activity of the ad-hoc committee of the Board of Directors created to follow up on the process of selling the investment in La Positiva Vida Seguros y Reaseguros S.A.A., as well as to accompany the President and the General Management in said operation, since the sale of the shares of said company was completed in said month.

Similarly, the Board conducted, as it does every year, a self-evaluation of its performance. It should be noted that the Board's management is evaluated by an external consultant every year. The result of this evaluation was outstanding, both in terms of performance as a collegiate body and at the individual level.

In another area, it should be noted that during 2019 the Board of Directors' Regulations were modified to include new guidelines for being qualified as an Independent Director, in accordance with the parameters established by the SMV, as well as to update the definition and functions of the Board's Investment Committee.

The Board's policies and practices are defined in the Company's Bylaws and in its operating regulations, which include its responsibilities and functions, its composition and selection criteria, the induction procedure, the rules for convening and conducting

meetings, the submission of information, its evaluation and the definition of its remuneration, among other aspects.

Following a good practice implemented some years ago, in 2019, a decentralized Board of Directors was held in Ica. In addition, the members of the Board of Directors received a training for the prevention of Money Laundering and Financing of Terrorism (UIF) in February 2019 for the year 2018 and, in January 2020, for the year 2019.

The directors also participated in a training on the main policies and regulations of the corporation. Finally, the auditors made a presentation to the Board of Directors on anti-avoidance rules and final beneficiary.

Transparency and disclosure of information

Ferreycorp ensures the appropriate disclosure of information and its transparency through permanent interaction with shareholders, deploying strict procedures for the management of reserved and privileged information. In this way, it is ensured that information is presented in a precise and regular manner about all relevant matters, including the financial situation, the performance of the businesses, the market situation, the information of the economic group and the delivery of rights to shareholders, among other topics.

In response to the good practice of making different points of contact available to the market to gather information, Ferreycorp participated in several individual and group meetings with investors in 2018, many of them abroad, as well as organizing a local non-local roadshow, where he visited his main institutional investors, to whom the results and strategy of the corporation were presented in detail.

In turn, it continued with the quarterly publication of results, with the analysis and discussion of the same -both in English and in Spanish-, and with the realization of quarterly conference calls, accompanied by a webcast, where institutional investors, classifiers participated. of risk, investment banks and national and foreign analysts. These meetings counted with the participation of the General Management, Finance Management and Investor Relations Management. The company considers that the deployment of these mechanisms for the dissemination of relevant information of the company has allowed foreign funds to invest in the company and maintain its high participation in the shareholding.

Risk and compliance

Comprehensive Risk Policy

It is necessary to emphasize the development of a Comprehensive Risk Management Policy in Ferreycorp, approved by the Board of Directors, with scope to all the companies of the corporation, in Peru and abroad, to provide a global vision of the critical risks.

The General Management, through the Corporate Finance Management, periodically supervises the risks to which the company is exposed, both strategic and compliance risks as well as operational and financial risks. At the same time, the General Management of the subsidiaries coordinates with the specialized Risk Control area of Ferreycorp the risks found and the action plans to mitigate them. This area, composed of collaborators strategically trained in risk analysis, crisis and business continuity, updates the mapping of risks periodically and classifies them according to the level of criticality (critical, high, moderate and low).

During 2019, Ferreycorp's specialized Risk Control area made biannual reports to the Audit and Risk Committee of the Board of Directors about the mapping of risks in each company of the corporation and the process for their control or mitigation, determining action plans.

Likewise, the corporation has a Corporate Audit Management that reports to the Board of Directors and presents, through its Audit and Risk Committee, the annual audit plan, as well as actions and results. Its tasks are carried out exclusively, with autonomy, experience and specialization in the subjects under its evaluation and independence.

In accordance with the International Framework for the Professional Practice of Internal Auditing (MIPAI), under which the internal audit team is governed, during 2019 an external evaluation was carried out (Standard No. 1312), which was in charge of the BDO consulting firm, which granted Ferreycorp's internal audit activity the highest qualification in its field, according to the standards of the Quality Evaluation Manual of the Institute of Internal Auditors (IAI).

Ferreycorp's Corporate Audit Management presented to the Audit and Risk Committee, in 2019, the work plan for the year and reported periodically on the results of the audit in each company of the corporation.

On the other hand, Ferreycorp and its subsidiaries hire independent external auditors to issue a report that expresses their opinion on the integrity of the annual audited Financial Statements of the corporation, both individual and consolidated.

In accordance with the internal policy of the companies, these external auditors will be able to issue an opinion on the Financial Statements for five consecutive years, with the possibility of being appointed for an additional period, in case the services rendered are satisfactory and in adequate economic terms.

The hiring of the external audit firm, which is appointed by the General Shareholders Meeting, at the proposal of the Board of Directors, will depend on the evaluation made by the Audit and Risk Committee of the Board. The external auditors will perform evaluations on the effectiveness and operability of the internal control system.

Similarly, Ferreyros, Motored, Motriza, Orvisa and Unimaq require the services of independent external auditors for the audit of the System for the Prevention of Asset Laundering and the Financing of Terrorism. Their mission is to issue a report expressing their opinion regarding compliance with the regulations that govern the prevention of money laundering and financing of terrorism. Independent external auditors are hired on an annual basis, depending on the quality of the service and its economic terms. It is worth remembering that, by law, they must be different from the external auditors who audit the Financial Statements.

Policy and Compliance

In 2019, the Compliance Report was presented to the Board's Audit and Risk Committee, which included biannual progress on compliance issues. The first delivery of the report was presented to the committee in February, with information at the end of 2018; the second, in September, analyzed the results of the first half of 2019.

The report constitutes an evaluation of the degree of compliance in ten points considered critical for the business: the Compliance System of the corporation and its subsidiaries; the regulations referred to the prevention of money laundering and financing of terrorism, and its subsequent report to the Financial Intelligence Unit (UIF); the control of mining, fishing and illegal logging; the protection of personal data; contracts with the State; relations with clients and suppliers; the stock market and the disclosure of information; declaration and payment of taxes, as well as the observance of transfer pricing provisions; foreign trade regulations; and compliance with labor obligations to workers.

During the year, significant progress was made in the implementation phase of the Compliance System for the prevention of corruption in the corporation, which systematizes, organizes and implements various initiatives in this area, both existing and long-standing, as well as newly created.

In June, Ferreycorp's Board of Directors approved the Corporate Compliance Policy, which contemplates the commitment of the entire corporation -both the holding company and its subsidiary- in its fight against the commission of corruption crimes. Between July and September, the boards of Ferreyros, Soltrak, Fargoline and Ferrenergy adhered to these agreements, in order to implement in each of these companies the corporation's anti-corruption commitment. Next year, the other subsidiaries of the corporation in Peru and abroad will adhere to these agreements.

Currently, the system is composed of the Corporate Code of Ethics, the Corporate Compliance Policy and corporate standards that regulate the giving and/or receiving of gifts, conflict of interest, business with government agencies and the relationship with public officials, as well as other standards that affect the control of reputational risks and prevent corruption in business with third parties.

Likewise, there is an Ethics and Corporate Compliance Officer; a channel for complaints; and constant training processes for employees in this area.

As part of the efforts that the corporation has been making to implement a management system that prevents corruption in all its companies, Ferreyros obtained in November the "Certified Anti-Bribery Company" distinction from the Business

Association for Integrity. This recognition demonstrates the existence and good functioning of an anti-corruption regulatory system, with clear principles to promote ethical behavior, based on values, with all stakeholders. It is important to note that other companies in the corporation are preparing to apply for the Certified Anti-Bribery Company award as well.

It is worth mentioning that Ferreycorp, together with a renowned specialized consulting firm, is making important efforts to adopt in all the companies of the corporation the international standard ISO 37001: Anti-bribery Management Systems, thus showing the importance it gives to compliance issues.

For further information on this subject and on issues related to the Code of Ethics, please refer to section 2.1.2, Ferreycorp Values / Compliance System for the Prevention of Corruption and Code of Ethics.

SECTION B:

Assessment of compliance with the principles of the good governance code for peruvian companies

PILLAR I: Shareholder Rights

Principle 1: Parity treatment

Question I.1	Yes	No	Explanation:
<i>Does the corporation recognize it gives all shareholders belonging to the same class and sharing the same conditions^(*)?</i>	X		The Company has a single class of share: common share, which has the same rights and conditions.

(*) "Same conditions" refers to the particularities that distinguish shareholders, or results in them sharing a characteristic, in their relationship with the corporation (institutional investors, non-controlling investors, etc.). it must be noted that this by no means implies the use of inside information.

Question I.2	Yes	No	Explanation:
<i>Does the society promote only the existence of voting share classes?</i>	X		The company only has one class of share and each share grants its holder the right to one vote.

a. Regarding the corporation's capital, specify:

Equity capital by the end of the fiscal year	Paid-up capital by the end of the fiscal year	Total number of shares representing the capital stock	Number of voting shares
S/ 975,683,029.00	S/ 975,683,029.00	975,683,029	969,951,180

b. In case the corporation has more than one class of stock, specify:

Class	Number of shares	Nominal value	Rights ^(*)

(*) On this field, specify the particular rights of each class of stock that make it different to the rest.

Question I.3	Yes	No	Explanation:
<i>In case the corporation has investment shares, does it promote redemption policies, or voluntary Exchange of investment shares for ordinary shares?</i>		X	It does not apply; the corporation does not have investment shares.

Principle 2: Shareholder participation

Question I.4	Yes	No	Explanation:
a. Does the corporation establish the forms of share representation, and the person appointed for registering the shares in its corporate documentation?	x		The way the shares are represented is detailed in the Bylaws of the corporation, establishing that shares may be represented by certificates, book entries or any other legal means. In addition, a person has been appointed in the Internal Conduct Regulations and in the job description of the Securities Executive for registering the shares.
b. Is the share registry permanently updated?	x		Every day, the Securities Department updates all data regarding share transfers as soon as it receives information from Cavali, including the number of shares, thus keeping the registry up to date. This information is verified every month against the Cavali reports.

State how often is the share registry updated after being notified of a variation.

Frequency:	Within the first forty-eight hours	X
	Weekly	
	Others / Describe (in days)	

Principle 3: Non-dilution of participation in equity capital

Question I.5	Yes	No	Explanation:
a. Is it a policy of the corporation that proposals made by the Board with regard to corporate actions that may affect the non-dilution right of shareholders (i.e. mergers, spin-offs, equity increase, among others) shall be previously explained by the Board in a detailed report, with the independent review of a recognized, professional external adviser appointed by the Board?	x		This policy is included in the 15th article of the Board's Rules of Procedure. During the 2018 fiscal year, there were no operations that could affect the right of non-dilution of the shareholders.
a. Does the corporation have the policy of providing shareholders with the abovementioned reports?	x		The corporation has hired external consultants when it has carried out operations that could affect the right of non-dilution of the shareholders, as in the case of issues of securities, for the corporate reorganization and capital reduction, and the conclusions of these were presented to the Board of Directors. Article 15 of the Board's Rules of Procedure states the

		corresponding policy, which includes making reports available to shareholders.
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In case the corporation has carried out corporate operations under clause a) of Question I.5, and has independent directors (*), explain if in all cases:

NOT APPLICABLE

	Yes	No
Was there a positive vote from all independent directors for the appointment of an external adviser?		
Did all independent directors express clearly their approval of the previously mentioned report, and backed, if it were the case, the reasons for their unconformity?		

(*) Independent directors are those who have been selected because of their professional experience, reputation, sufficiency and economic independence and disassociation with the corporation, its shareholders or directors

Principle 4: Information and communications to shareholders

Question I.6	Yes	No	Explanation:
Does the corporation appoint the staff or means for shareholders to receive or require timely, trustworthy and truthful information?	x		<p>Notwithstanding the information responsibilities of the General Manager, and according to the article 190 of the General Business Association Law, the Corporate Finance Manager and the Investors Relationships Executive receive and answer all information requests.</p> <p>The people in charge of receiving, processing and answering information requests from shareholders are:</p> <p>Marcela Valdeiglesias - Securities Officer, in charge of answering shareholders requests, especially on shareholding, cash dividend release, participation in the Shareholders Meeting, etc.</p> <p>And, Elizabeth Tamayo Maertens – Investors Relationships Executive, in charge of handling information requests from shareholders, investors, analysts, rating agencies and public in general as well as guaranteeing the fulfillment of the Good Corporate Governance Principles, especially about information transparency matters.</p>

a. State through which means shareholders receive and/or request information about the corporation.

Means of Communication	Receive information	Request information
E-mail	X	X
Telephone	X	X
Corporate website	X	X

Post	X	X
Informative meetings	X	X
Others / Describe	Stock Market Superintendence website	

b. Does the corporation have a maximum deadline for answering information requests presented by shareholders? If the answer is Yes, how long is it?

Maximun amount of time (days)	3
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Question I.7	Yes	No	Explanation:
<i>Does the corporation have any mechanisms in place for shareholders to express their opinion on its performance?</i>	X		The definition of the mechanisms for shareholders and investors to express their opinion about the corporation's performance can be found in the Regulations of the General Shareholders Meeting.

If the answer to the previous question was Yes, describe the mechanisms the corporation has established for shareholders to express their opinion on its performance.

The Corporation has different mechanisms to receive the opinion of shareholders regarding its development: i) On the corporate website there is a link for shareholders to express their opinion, ii) The corporation has a toll-free line exclusively for shareholders through which they can speak to the executive in charge of the Securities Department; iii) Shareholders may get in touch via e-mail or phone with the person in charge of the Investors Relationships Department; iv) General Management, Finance Management, and the Investors Relationships Executive participate of meetings and conferences organized by investment banks and stockbroker agencies where they meet with investors and listen to their opinions; v) Investors may visit the offices and premises of the company; vi) The company encourages shareholders to participate in the General Meeting and invites them to make questions and comments.
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Principle 5: Dividends distribution

Question I.8	Yes	No	Explanation:
<i>a. Is the compliance with the dividend policy assessed over a defined period?</i>	X		Every year, we publish on our corporate website a table with the distribution of profits approved by the General Shareholders Meeting and the dividends to be distributed. This same information is presented in each General Shareholders Meeting, when the distribution of profits is discussed.
<i>b. Are shareholders aware of the dividend policy through the corporate website, among other means of communication?</i>	X		

a. Describe the dividend policy of the corporation that applies on the fiscal year.

Approval Date	03/27/2019
Dividend Policy	The policy states that: "The dividend to be distributed in cash will be equivalent to 5% of the

(criteria for the distribution of profits)	<p>nominal value of the shares issued at the time the meeting is called, and the amount to be distributed may reach up to 60% of the freely disposable profits of the year.</p> <p>If 5% of the nominal value of the shares issued at the time the meeting is called is less than 60% of the unrestricted earnings obtained at the end of the year, the meeting may distribute a higher cash dividend, which will be capped at 60% of the year's earnings.</p> <p>Notwithstanding the foregoing, the meeting, upon proposal of the Board of Directors, may approve a distribution of extraordinary dividends above the policy maximum, when extraordinary income is generated or when there is a relevant variation in market or business circumstances that produce an excess of liquidity.</p> <p>Likewise, the Board of Directors may propose and agree to distribute interim dividends during the corresponding fiscal year, or after the fiscal year ends, until the moment the dividend is determined. This decision will be based on the information in the financial statements showing the existence of distributable profits in the current year.</p> <p>The delivery of extraordinary dividends and the distribution of interim dividends will be made when no alternative use is contemplated for the surplus, such as payment of debt, increase in working capital or making new investments, among others. Likewise, such deliveries shall not trigger a situation of non-compliance with the obligations and financial ratios agreed with third parties, nor affect the financial capacity of the company to meet its social obligations, based on the report submitted by the general management".</p>
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- b. State the dividends in cash and shares distributed by the corporation during the current fiscal year and the previous one.

Per share	Dividends per share			
	Current fiscal year		Previous fiscal year	
	In cash	In shares	In cash	In shares
Common share	0.227036219144	-	0.1354654234	-

Principle 6: Takeover or change of control

Question I.9 -	Yes	No	Explanation:
<i>Does the corporation have policies or agreements regarding not adopting any antiabsorption mechanisms?</i>		x	The corporation does not have any policies or agreements to adopt anti-absorption mechanisms.

State if your corporation has established any of the following measures:

	Yes	No
A minimum number of shares required to become a director		X
A minimum amount of years as director in order to be appointed Chairman of the Board		X
Compensation agreements for executives//officers for any changes resulting from a takeover bid.		X
Other similar measures (describe)		

Principle 7: Arbitration to solve disputes

Question I.10	Yes	No	Explanation:
<i>a. Does the corporation's Bylaws include a mediation agreement that recognizes that any disputes among shareholders or shareholders and the Board, as well as any dispute of agreements of the GSM and of the Board by the corporation's shareholders will be solved by legal arbitration?</i>	x		The 2016 General Shareholders Meeting approved a change in the Bylaws to include an arbitration clause.
<i>b. Does that clause enable an independent third party to solve the disputes, except when an express legal reserve has been set by ordinary courts?</i>	x		The arbitration clause approved establishes that disputes will be solved by the unquestionable decision of an arbitration tribunal composed of three members. The arbitration shall be legal, and handled by the arbitration center of the Lima Chamber of Commerce or that of the Peru American Chamber of Commerce (AmchamPeru) to be chosen by the person setting forward the dispute, which will subject to the Arbitration Regulations of the above mentioned center and will take place in Lima.

In case any GSM or Board agreements have been disputed by any of the shareholders or any persons involved in the corporation during the fiscal year, state how many

Number of disputes on GSM agreements	0
Number of disputes on Board Agreements	0

PILLAR II: General Shareholders Meeting

Principle 8: Function and competence

Question II.1	Yes	No	Explanation:
Is the approval of the Board's remuneration policy an exclusive and non-delegable function of the GSM?	x		The Board's remuneration policy is established in the Bylaws of the Corporation which was approved by the GSM

State if the following functions are exclusive of the GSM; if the answer is No, explain which body is in charge of them

	Yes	No	Body
Arranging special investigations and audits	X		This is not an exclusive power of the GSM; it can also be exercised by the Board or Management.
Agreeing modifications to the Bylaws	X		
Agreeing to increase the equity capital	X		
Agreeing to distribute advance dividends	X		
Appointing external auditors	X		

Principle 9: Regulations of the General Shareholder's Meeting

Question II.2	Yes	No	Explanation:
<i>Does the corporation have Regulations for the GSM, which are binding, and whose non-compliance shall give rise to liabilities?</i>	x		The Regulations of the GSM specify that the application of both the Bylaws and the Internal Regulations of the General Shareholders Meeting are mandatory for their corresponding instances and are therefore binding, meaning that non-compliance will give rise to liabilities.

If there are GSM Regulations, specify if they establish procedures for:

	Yes	No
Calling the meeting	x	
Shareholders to add items to the agenda	x	
Providing shareholders with additional information before the meeting	x	
Development of the meetings	x	
Appointment of the members of the Board	x	
Other relevant actions (describe)		

Principle 10: Calling mechanisms

Question II.3	Yes	No	Explanation:
Beyond the calling mechanisms established by law, does the corporation have calling mechanisms that enable it to establish contact with the shareholders, particularly those that do not participate of the control or management of the corporation?	x		<p>The company prepares a letter for shareholders, a proxy statement with the agenda items, and a power of attorney template. These documents are given to shareholders, posted on the website, and sent to the SMV as an "Important Fact". The company then contacts the proxy voting team of investors in order to solve any doubts that may arise about the agenda items, and to ensure not only suitable quorum but also quality voting. In all meetings with investors, it is announced that the GSM will take place in March in order to ensure participation.</p> <p>Moreover, the person in charge of the Securities Department personally calls all shareholders and engages in following up their attendance to the meeting.</p>

a. Complete the following information for each of the Meetings that have taken place during the fiscal year:

Calling date	Meeting date	Venue of the Meeting	Type of meeting		Universal Meeting		Quorum %	Number of shareholders	Participation (%) of the total amount of shares with voting rights		
			Special	General	Yes	No			Through power of att.	Direct exercise (*)	Did not use their right to vote
MAR 2 2018	MAR 28 2018	Jr. Cristóbal de Peralta Norte 820, Monterrico, Santiago de Surco (Ferreycorp institutional site)		X		X	74.1033%	140	24.63%	49.48%	25.90%

(*) Direct exercise includes voting by any mean sor modalities that not imply representation.

a. Which means, beyond those mentioned in article 43 of the Law of Business Associations and those covered by the Important Facts and Classified Information regulations, did the corporation use to disclose the callings for the Meetings during the fiscal year?

E-mail	x	Post	x
Telephone	x	Social media	
Corporate website	x	Others / Detail	

Question II.4	Yes	No	Explanation:
<i>Does the corporation provide shareholders with all the information regarding the agenda items of the GSM, and the proposals (motions) of the agreements to be taken?</i>	X		Shareholders are provided, before the meeting, with the agenda items to be discussed and the development of the motions and documents to be approved, such as the Annual Report Minutes and Financial Statements, which are communicated as "Important Facts". At the meeting, they receive a printed copy of the Annual Report to be approved, as well as the audited Financial Statements.

Did the callings made by the corporation during the fiscal year:

	Yes	No
Did you specify where to find the information regarding the agenda items to be discussed at the meetings?	X	
Did you include agenda items such as "Other matters", "Miscellaneous" or other such terms?		X

Principle 11: Agenda items proposal

Question II.5	Yes	No	Explanation:
<i>Do GSM Regulations include mechanisms that enable shareholders to exercise their right to propose agenda items to be discussed at the GSM, and procedures in order to accept or refuse those proposals?</i>	X		The GSM Regulations establish that shareholders may contact the Chairman of the Board by letter, e-mail or Ferreycorp's website, preferably before February 15 and at the latest by the calling closing date, asking to include any matters of relevant importance that may affect the rights of shareholders. The Chairman will submit it to the Board, which will approve the calling to the General Meeting and establish the agenda items. The Board will evaluate the shareholder's requests, and if they consider they are of social interest, will proceed to include them in the agenda. In case the Board dismisses any of these requests, it will let the requesting shareholder know through a written communication of its Chairman, justifying the decision, on the day following the Board's meeting.

- a. State the number of requests to include items in the agenda of the GSM presented by shareholders during the fiscal year and their outcomes:

Number of requests		
Received	Accepted	Rejected
0	0	0

- b. In case any requests to include items in the agenda of the GSM have been dismissed during the fiscal year, state whether the corporation justified this decision to the requesting shareholders.

NOT APPLICABLE

Yes

No

Principle 12: Procedures for voting

Question II.6	Yes	No	Explanation:
Does the corporation have mechanisms that enable shareholders to vote in spite of physical distance by secure electronic or postal means, which guarantee that the person casting the vote is actually the shareholder?	x		Shareholders who do not attend the GSM may vote remotely through their custodian bank, which receive their voting instructions and represent them at the meeting. In addition, shareholders are entitled to send their powers of attorney by post where they may state their voting intentions.

- a. If applicable, state the mechanisms or means the corporation has in place for remote voting.

Voting by electronic means	x	Voting by postal means	
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- b. In case remote voting has taken place during the fiscal year, provide the following information:

Meeting date	% remote voting				% remote voting / total
	E-mail	Corporate website	Post	Others	
MAR 28, 2018				100	8.95

Question II.7	Yes	No	Explanation:
Does the corporation have corporate documents that clearly specify that shareholders may vote separately on those matters that are substantially independent, so that they may cast their votes separately?	x		The shareholders meeting regulation, in article 15, state that shareholders may vote separately on those matters that are substantially independent, so that they may cast their votes separately

State whether the corporation has corporate documents that clearly specify that shareholders may vote separately for:

	Yes	No
The appointment or ratification of the directors by voting individually for each of them.	x	
The amendment of the Bylaws, for each article, or article group that are substantially independent.	x	
Others/ Describe		

Question II.8	Si	No	Explanation:
Does the corporation enable those who represent several shareholders to cast differentiated votes for each shareholder, in order to allow them to comply with the instructions of each person being represented?	x		

Principle 13: Delegation of voting rights

Question II. 9	Yes	No	Explanation:
Does the corporation's Bylaws enable shareholders to delegate their vote to anyone?	x		

If the answer to the previous question was No, state whether the Bylaws limits the right of representation to any of the following persons:

NOT APPLICABLE

	Yes	No
Another shareholder		
A director		
A manager		

Question II.10	Yes	No	Explanation:
a. Does the corporation have in place procedures that describe the conditions, means and formalities to be complied when votes are delegated?	x		
b. Does the corporation provide shareholders with a standard letter of representation, including data on the representatives, the items the shareholder is	x		For the General Shareholders Meetings that were carried out through 2018, shareholders received a proxy statement including the agenda and a model letter of representation, with a space for each shareholder to include data on the person

delegating their vote on, and when applicable, their likely vote for each of the proposals?			representing them at the meeting, as well as the agenda items and a space to state their likely vote.
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Describe the requirements and formalities needed for a shareholder to be represented at the Meeting:

Formality (state if the corporation demands a simple letter, notarized letter, public deed or other).	Simple letter
Anticipation (how many days before the Meeting must the power of attorney be presented).	1
Cost (state whether a payment must be made to the corporation for this purpose, and how much is it).	None

Question II.11	Yes	No	Explanation:
<i>a. Does the corporation have a policy on limiting the percentage of votes delegated to members of the Board and Senior Management?</i>	x		Article 10 of the General Shareholders Meeting Regulations was amended in order to limit the percentage of votes delegated to members of the Board and Senior Management. It establishes that whenever vote representation or delegation is conferred to the Chairman of the Board, a board member, or the General Management of the corporation, they may represent an amount of shares representing a maximum of 20% of the capital. The allocation of powers of attorney will take place according to the date and time the powers of attorney are received by the corporation. In case 20% is exceeded, the corporation will establish a secondary representative for those votes, in case the shareholder did not appoint another person to that end, as specified on the representation template. For the 2017 GSMs, the power of attorney template sent to shareholders included a paragraph mentioning the limit.
<i>c. Whenever votes are delegated to members of the Board or Senior Management, does the corporation have the policy that shareholders delegating their votes should clearly state their likely vote?</i>	x		This policy has been included in the general Shareholders Meeting Regulations. The policy states that all shareholders should express their likely vote, not only those who give power of attorney to members of the Board and Senior Management.

Principle 14: Monitoring GSM agreements

Question II.12	Yes	No	Explanation:
<i>a. Does the corporation monitor the agreements reached at the GSM?</i>	x		In fiscal year 2018 the Relevance Fact published on March 28 communicating the agreements of the Meeting was followed up: approval of Financial Statements and Report, payment of dividends in cash, modification of the Dividend Policy and

		designation of the auditors. external. The company follows up on the agreements, both from the Board of Directors and from the General Management, Financial Management and Corporate Affairs Management.
b. Does the corporation issue periodical reports to the Board that are then available to shareholders?	x	Management issues a report to the Board's Appointments, Remunerations, Corporate Governance and Sustainability Committee, to inform on the progress of the agreements made at the General Shareholders Meeting, which is then published on the corporate website so shareholders may access it.

If applicable, state which is the area and/or person in charge of monitoring the agreements reached at the GSM. In case a person is in charge, specify their position and area of work.

Area in charge	General Management
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Person in charge		
Name	Position	Area
Mariela García Figari de Fabbri	General Manager	General Management

PILLAR III: Board of Directors and Senior Management

Principle 15: Board composition

Question III.1	Yes	No	Explanation:
Is the Board made up by people with different specialties and competences, who are honorable, ethical, economically independent, have enough availability and other relevant qualities for the corporation, so that there are various approaches and opinions?	x		

a) Provide the following information about the members of the corporation's Board during the fiscal year:

Name	Professional training (*)	Date		Shareholding (****)	
		Start (**)	End (***)	N° of shares	Part. (%)
Directors (excluding independent ones)					
Oscar Espinosa Bedoya	Civil Engineer, Universidad Nacional de Ingenieria; Postgraduate degrees in Engineering, Economics and Business Administration with different titles and diplomas from Harvard University, North Carolina State University, ISVE Italia, Kellogg School of Northwestern University, Institute of Economy of University of Colorado, PAD of the Universidad de Piura. He participates in 21 other boards, 16 of them of companies belonging to the economic group.	JUL 01, 1987			
Carlos Ferreyros Aspíllaga	Business Administrator, graduated from Princeton University, USA. It participates additionally in two directories, of which one is from a company that belongs to the economic group.	JAN 10, 1971			
Manuel Bustamante Olivares	Attorney, Law Faculty of the Pontificia Universidad Católica del Perú. He participates in 11 other boards, one of them of a company belonging to the economic group.	MAR 31, 2011			

Juan Manuel Peña Roca	Civil Engineer, Universidad Nacional de Ingeniería. He participates in 8 other boards, one of them of a company belonging to the economic group.	DEC 28, 1984			
Andreas von Wedemeyer Knigge	Business Administrator, Hamburg University, Germany. He studied in the Program for Management Development at the Harvard Business School and at Universidad de Piura. He participates in 19 other boards, one of them of a company belonging to the economic group.	JUL 07, 2003			
Independent Directors					
Humberto Nadal del Carpio	Economist, Universidad del Pacifico. He has an MBA from Georgetown University. He participates in 6 other boards and one of them is part of the companies that belongs to the economic group.	MAR 29, 2017			
Jorge Ganoza Durant	Geologist Engineer, New Mexico Institute of Mining and Technology. He participates in 3 other boards, one of them of a company belonging to the economic group.	MAR 29, 2017			
Gustavo Noriega Bentín	Business Administrator, Universidad del Pacifico and MBA, IESE Business School of Universidad de Navarra, Spain. He participates in 2 other boards, one of them of a company belonging to the economic group.	MAR 29, 2017			
Javier Otero Nosiglia	Economics and Administration bachelor, Universidad de Malaga, Spain. He participates in 2 other boards.	MAR 29, 2017			

(*) State whether the director participates of other Boards, specifying how many and whether they belong to the economic group of the corporation. For this purpose, use the definition of economic group included in the Indirect Property, Association and Economic Groups Regulations

(**) Corresponds to their first appointment in the corporation.

(***) To be completed only in case they have vacated the position of director during the fiscal year.

(****) Only applicable for directors whose capital stock is equal to or greater than 5% of the shares of the corporation

Percentage of shares held by directors	1.51
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State the number of directors of the corporation who belong to each of the following age-ranges:

Under 35	Between 35 and 55	Between 55 and 65	Over 65
0	2	1	6

a. State whether there are specific requirements to become Chairman of the Board, beyond those needed to be appointed director:

Yes No

If the answer to the previous question was Yes, specify those requirements.

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b. Does the Chairman of the Board have a casting vote?

Yes No

Question III.2

	Yes	No	Explanation:
Does the corporation avoid appointing deputy or alternate directors, especially because of quorum?	X		

In case there are alternate or deputy directors, specify:

Full name of alternate or deputy director	Start (*)	End (**)

(*) Corresponds to the first appointment as alternate or deputy director of the corporation

(**) To be completed only in case they have vacated the alternate or deputy director position during the fiscal year.

Question III.3

	Yes	No	Explanation:
<i>Does the corporation disclose the names of the directors, their independent status and their resumes?</i>	X		

Detail under what means the company discloses the following information of the directors:

	E-mail	Corporate website	Post	Not informed	Others / Describe
Name of directors		X			Annual Report / Other reports

Their independent status		X		Annual Report / Other reports
Resume		X		Annual Report / Other reports

Principle 16: Functions of the Board

Question III.4	Yes	No	Explanation:
<i>Is it a function of the Board:</i>			
<i>a. To approve and lead the corporation's strategy?</i>	X		
<i>b. To establish objectives, goals and plans of action including annual budgets and business plans?</i>	X		
<i>c. To control and supervise the management and be responsible for the governance and administration of the corporation?</i>	X		
<i>d. To supervise good corporate governance practices and establish the policies and measures needed in order to improve their application?</i>	X		

- a. Specify other relevant powers of the corporation's Board.
- Call the General Shareholders Meeting.
 - Establish regulations for its own operation.
 - Evaluate, approve and lead the corporate strategy, the business plan and the annual budgets of the corporation and its subsidiaries, as the main activity of the corporation is to invest on the business of its subsidiary companies, having up to a 99% of shareholding in some of them.
 - Establish the Board Committees and appoint their members, among which independent directors must be included.
 - Present every year the annual report, the general balance and the profit and loss statements to the shareholders, with recommendations on how to apply the profits.
 - Ensure the integrity of the financial statements and the accounting systems, as well as the existence of risks control systems.
 - Accept the resignations of its members and fill the vacancies in all cases stipulated by the law and the Bylaws.
 - Appoint and remove the general manager and, if it considers it is convenient or necessary, all other officers of the corporation, determining their obligations and granting or withdrawing powers with the responsibilities they consider appropriate.
 - In general, grant the powers of attorney it considers appropriate.
 - Supervise all the corporation's businesses, having the power to control all the corporation's ledgers, particularly those of its subsidiary companies.

- k). Agree the distribution of advanced dividends on account of the results of the fiscal year, whenever the General Shareholders Meeting delegates that power to the Board.
- l). Decide on all commercial, financial, and administrative matters that are convenient for achieving the corporate purposes, without any restrictions regarding amount.
- m). Alienate and or dispose of assets of the Company, as long as their book value at the time of extrication is not more than 50% of the corporation's capital.
- n). Establish security arrangements, such as personal property guarantees, mortgages, bonds, warrants, and endorsements, among others, for movable and immovable assets of the corporation in order to secure the various operations of the corporation and its subsidiaries or affiliates, as well as modifying the terms of the guarantees given and agree the adherence of the corporation to the necessary documentation for the constitution, modification and cancellation of those guarantees.
- o). Supervise compliance with the established policy for the management of confidential information, be it classified or inside information, according to the norms agreed by the corporation and the regulatory entities and bodies.
- p). Ensure compliance with the corporation's Code of Ethics, and approve its amendments and modifications.
- q). Delegate the power to execute agreements made by the Board on directors and/or officers, giving them authorization to sign all public and private documents required for the exercise of such legal representation and to carry out the processes and procedures needed to implement those agreements;
- r). Evaluate regularly its own management.
- s). Exercise other powers that appear expressly or implicitly in the Bylaws.

b. Does the Board delegate any of its functions?

Yes No

State, if applicable, which are the main functions of the Board that have been delegated, and to which body they have been delegated:

Functions	Body / Area those functions have been delegated to

Principle 17: Duties and rights of the members of the Board

Question III.5	Yes	No	Explanation:
<p><i>Are the members of the Board entitled to:</i></p> <p><i>a. Request assistance or input from experts to the Board?</i></p>	x		

b. Participate in induction programs on their powers and responsibilities and to be duly informe don the organizational structure of the corporation?	x		In the GSM of March 2017, the Board of Directors was elected for the period 2017-2020. On April 11, 2017, the induction session for new directors was held.
c. Receive remuneration for their work, which combines recognition of their professional experience and the dedication they show to the corporation with a rational criteria?	x		

In case specialized advisers were hired during the fiscal year, state whether the list of specialized advisers of the Board, who have worked during the fiscal year to help with the corporation's decision-making, has been made available to shareholders.

NOT APPLICABLE

Yes No

State, if applicable, whether any of the specialized advisers is related in any way to a member of the Board and/or Senior Management (*).

NOT APPLICABLE

Yes No

(*) For relationship purposes we apply the relation criteria included in the Indirect Property, Association and Economic Groups Regulations.

State whether the corporation carried out induction programs for the new members that entered the corporation.

NOT APPLICABLE

Yes No

- a. State the percentage representing the total amount of payments and anual bonuses given tot he directors with regard to the gross income, according to the corporation's financial statements.

Payments	(%) Gross Income	Bonuses	(%) Gross Income
Directors (excluding independent ones)	0.05%	Delivery of shares	
Independent directors	0.04%	Delivery of options	
		Delivery of money	
		Others (describe)	

Principle: Board Regulations

Question III.6	Yes	No	Explanation:
Does the corporation have Regulations for the Board that are binding and whose noncompliance shall give rise to liabilities?	x		

State whether the Board Regulations include:

	Yes	No
Policies and procedures for its operation	X	
Board's organizational structure	X	
Functions and responsibilities of the Chairman of the Board	X	
Procedures for identifying, evaluating and nominating candidates to members of the Board, proposed at the GSM	X	
Procedures in case of vacancy, cessation and succession of directors	X	
Others / Describe		

Principle 19: Independent directors

Question III.7	Yes	No	Explanation:
Is at least one-third of the Board constituted by independent directors?	x		

State which of the following conditions the corporation considers when classifying their directors as independent:

	Sí	No
Not being a director or employee of a company of the same business group, unless three or five years, respectively, have passed since the termination of that relationship		x
Not working for a shareholder whose stock ownership amounts to, or is more than, 5% of the corporation. Included in GSM Regulations	x	
Not exceeding eight consecutive years as independent director of the corporation.		x
Not having or having had within the last three years a commercial or contractual business relation, be it direct or indirect and of a significant nature (*), with the corporation or any other company of the same group. Included in GSM Regulations	x	
Not being spouse, or having any family relationship in first or second degree of consanguinity, or in first degree of affinity, with shareholders, members of the Board or the Senior Management of the corporation. Included in GSM Regulations		x
Not being director or member of the Senior Management of another company in which any director or member of the Senior Management is part of the Board.	x	
Not having been in the last eight years member of the Senior Management or employee of the corporation, of companies of the same group or of companies that own shares of the corporation. Included in GSM Regulations		x
Not having been in the last three years partner or employee of the external Auditor of any corporation of the same group.	x	
Others/ Detail	In 2019 the Board Regulations were amended to include the new SMV guidelines for qualifying as an	

independent board:

In 2019 the Board of Directors' Regulations were amended to include the new SMV guidelines for qualifying as an independent board:

- Not to be a shareholder in a percentage higher than 1% of Ferreycorp's capital stock, not to have the capacity to exercise the right to vote in such percentage, and not to have agreements that allow them to exercise the right to acquire Ferreycorp shares in such percentage.

- Not to be a director, member of the senior management or employee of Ferreycorp, of a company of its economic group or of any company which is a shareholder of Ferreycorp with a participation equal to or greater than 5% of its social capital.

This restriction does not apply in the case of an independent director who is re-elected in Ferreycorp or appointed as an independent director in any company of the group.

- Not having been a director, member of the senior management, an employee of Ferreycorp, of a company of the group or in any shareholder company of Ferreycorp with participation equal or higher than 5% of its share capital, unless 3 years have passed since the termination of that relationship.

This restriction does not apply in the case of a director who has had the condition of independent in the last 3 years

- Not having or having had in the last 3 years a direct or indirect commercial or contractual business relationship of a significant nature with Ferreycorp or any other company of the group.

- Not to be a spouse, nor to maintain a de facto union, in accordance with article 326 of the Civil Code or the norm that substitutes it, or to maintain an analogous relationship of affectivity, nor to have a kinship relationship by blood or by affinity up to the second degree, with shareholders with participation equal or superior to 5% of its capital, members of the board of directors or of the high management of Ferreycorp.

- Not to be a director or member of the high management of another company, in which some director or member of the high management of Ferreycorp is part of the Board of Directors, unless the latter is an independent director of the company.

- Not being or having been during the last 3 years a partner or employee of the company that provides external auditing services to Ferreycorp or any other company of the group.

- The director must not participate simultaneously as an independent director in more than 5 companies that have at least one value registered in the RPMV. Exceptionally, the independent director may maintain said condition in more than 5 companies with securities registered in the RPMV, in the event that all of them belong to the same economic group.

- The director must not have more than 10 continuous or alternating years during the last 15 years as an

	independent director of Ferreycorp or of any company of its economic group.
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(*) A business relation will be considered significant when any of its parts has issued invoices or payments for more than 1% of their annual income.

Question III.8	Yes	No	Explanation:
a. Does the Board state that the candidate it proposes is independent based on the inquiries it carries out and on the candidate's own declarations?	X		At the most recent Board election in 2017, the resumes of the candidates to the Board were published in the Proxy Statement. A form has been created for directors to provide information that determines their Independence condition.
b. To become independent directors, do candidates state their condition of independence to the corporation, its shareholders and managers?	X		For the March 2017 Board election, the directors signed a Code of Conduct that contained a declaration that included criteria to determine their Independence condition.

Principle 20: Board's operability

Question III.9	Yes	No	Explanation:
Does the board have a working plan that contributes to the efficiency of its functions?	x		

Question III.10	Yes	No	Explanation:
Does the corporation provide its directors with the channels and procedures needed in order to participate more efficiently of Board meetings, even in a remote manner?	x		

a. State, in regard to the Board meetings carried out during the fiscal year:

Number of sessions held	14
Number of sessions without calling (*)	0
Number of sessions in which the Chairman of the Board was not present	1
Number of sessions in which one or more directors were represented by deputy or alternate directors	0
Number of senior directors who were represented at least once	0

(*) On this field, the number of sessions that have taken place under the provisions of the last paragraph of article 167 of the Law of Business Associations must be mentioned.

a. State the percentage of assistance of directors to the Board meetings during the fiscal year.

Name	% of attendance
Óscar Espinosa Bedoya	93%
Carlos Ferreyros Aspíllaga	93%
Manuel Bustamante Olivares	93%
Juan Manuel Peña Roca	93%
Andreas Von Wedemeyer Knigge	93%
Jorge Ganoza Durant	93%
Humberto Nadal del Carpio	93%
Gustavo Noriega Bentín	93%
Javier Otero Nosiglia	100%

b. State how long before the Board meeting are directors provided with all the information about the points to be discussed at the meeting.

	Under 3 days	Between 3 and 5 days	More than 5 days
Non-confidential information			X
Confidential information			X

Question III.11	Yes	No	Explanation:
a. Does the Board carry out at least once a year an objective assessment of the performance of its members, and of itself acting as a body?	x		
b. Is self-assessment alternated with assessments made by external advisers?	x		An external adviser was hired for the evaluation of the Board's performance for the 2016 fiscal year. The Board evaluation by external advisers is done every two years; it will be performed again on 2018

a. State whether the Board's performance has been assessed during the fiscal year.

	Yes	No
Acting as body	X	
Assessment of its members	X	

If the answer to the previous question was Yes for any of the fields, provide the following information for each assessment

Assessment	Self-assessment		External assessment		
	Date	Published (*)	Date	Entity in charge	Published (*)
	DEC 18, 2018	No	NOV 19, 2019	PCR	No

(*) Answer Yes or No, to state whether shareholders have been informed about the assessment.

Principle 21: Special committees

Question III.12	Yes	No	Explanation:
a. Does the Board create special committees to focus on the analysis of the most relevant aspects for the corporation's performance?	X		
b. Does the Board approve the Regulations for each of the special committees it creates?	X		
c. Do independent directors chair special committees?	X		Three of the four special committees are chaired by independent directors. These are: Nominating, Compensation, Corporate Governance and Sustainability Committee; Audit and Risk Committee; and Innovation and Systems Committee.
d. Are budgets assigned to the special committees?		x	

Question III.13	Yes	No	Explanation:
Does the corporation have an Appointments and Remunerations Committee in charge of appointing candidates to become members of the Board, which are proposed at the GSM by the Board, as well as approving the Senior Management's system of remunerations and incentives?	X		The functions of the Appointments, Remunerations and Corporate Governance and Sustainability Committee include receiving and processing directors appointments, as well as suggesting a remuneration policy

Question III.14	Yes	No	Explanation:
Does the corporation have an Auditing Committee that supervises the efficiency and suitability of the system of internal and external control of the corporation, the corporation's auditing work or the independent auditor, as well as the compliance with the legal and professional independence	x		The Auditing and Risks Committee meets with internal and external auditors.

regulations?			
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a. State whether the corporation also has in place the following special committees:

	Yes	No
Risks Committee	X	
Corporate Governance Committee	X	

b. In case the corporation has special committees, provide the following information about each committee:

Committee name:	Appointments, Remunerations, Corporate Governance and Sustainability Committee
Creation date:	JAN 26, 2005
Main functions:	<p>a). Reviewing the progress of the organizational development programs through reports on the management structure and human resources programs.</p> <p>b). Reviewing the reports presented by the management on recruitment and selection programs, performance management, wage policy, training and development among others, and draft recommendations accordingly, taking into account all the information they have on different business practices.</p> <p>c). Reviewing reports on the hiring of the main executives, the wage scale of management and executive positions, and on the supervision the General Management carries out on its performance.</p> <p>d). Ensuring the effectiveness of governance practices it adheres to, proposing or approving improvements for the corporation's governance.</p> <p>e). Reviewing the self-assessment of the Principles of Good Corporate Governance presented in the Annual Report of the Corporation.</p> <p>f). Approving the policy of information through the Internal Norms of Conduct and taking a stand, whenever necessary, on the classification of certain facts as "Important Facts" and Inside or Classified Information.</p> <p>g). Identifying the possible sources of conflict of interests among the management, directors and shareholders, as well as supervising the management's monitoring of such matters.</p> <p>h). Receiving and processing the nomination of directors.</p> <p>i). Suggesting a policy and procedures for the remuneration of</p>

	the Board.		
	j). Approve Social and Environment Responsibility strategy and monitor its execution.		
	k). Approve resources assignment whenever needed.		
Members of Committee (*): Names	Dates		Position in committee
	Start (**)	End (***)	
Humberto Nadal del Carpio	Apr 26, 2017		Chairman
Óscar Espinosa Bedoya	Jan 26, 2005		Regular Member
Carlos Ferreyros Aspíllaga	Jan 26, 2005		Regular Member
Andreas von Wedemeyer Knigge	Apr 26, 2017		Regular Member
Jorge Ganoza Durant	Apr 26, 2017		Regular Member
% of independent directors in the committee			40%
Number of sessions during the fiscal year			3
Has delegated faculties according to the article 174 of the Law of Business Associations			Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>
The committee or its chairman participate in the GSM			Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>

Committee name:	Auditing and Risks Committee		
Creation date:	Jan 26, 2005		
Main functions:	<p>a). Proposing the appointment of external auditors in coordination with management. Knowing the working plan of the external auditor and having periodical meetings to be aware of the development of their work, as well as making recommendations at the end of the review, to ensure the integrity of the accounting systems through correct external auditing.</p> <p>b). Reviewing and analyzing periodically the financial statements of the corporation as well as the external auditor's reports.</p> <p>c). Being aware of the work the internal auditor has carried out during the year, and receiving quarterly reports on their advances and the implementation of corrections and improvements.</p>		
Members of Committee (*): Names	Date		Position in committee
	Start (**)	End (***)	
Javier Otero Nosiglia	Apr 26, 2017		Chairman
Óscar Espinosa Bedoya	Jan 26, 2005		Regular Member

Carlos Ferreyros Aspíllaga	Jan 26, 2005		Regular Member
Andreas von Wedemeyer K.	Jan 26, 2005		Regular Member
Juan Manuel Peña Roca	Aug 31, 2016		Regular Member
Gustavo Noriega Bentín	Apr 26, 2017		Regular Member
% of independent directors in the committee			33%
Number of sessions during the fiscal year:			4
Has delegated faculties according to article 174 of the Law of Business Associations:			Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>
The committee or its chairman participate in the GSM			Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>

The following committee has met since 2015:

Committee name:	Innovation and Systemas Committee
Creation date:	08/27/2014
Main functions:	<p>a). Contributing towards creating and strengthening the innovation strategy of the corporation, in line with its long-term development.</p> <p>b). Giving the Board's support to the creation of corporate innovation processes and providing them with the resources they need.</p> <p>c). Supporting actions aimed at mitigating technological and information security risks.</p> <p>In particular it has the following functions:</p> <p>a). To review management reports on the corporation's innovation and technology strategies, as well as those of its subsidiaries, which must be clearly in line with the goals of the business and the improvement of competitiveness.</p> <p>b). To receive reports from the management on the implementation of the innovation plan in different areas of the business and on the technological projects portfolio.</p> <p>c). To make recommendations to the Board for the allocation of resources and actions required for the optimum implementation of the innovation plan and of the technological project portfolio.</p> <p>d). To provide advice to the Board for the compliance of its responsibilities on technological matters, providing</p>

	them with reports which analyze and review the technological and information security risks as well as proposing actions to mitigate them.		
Members of Committee (*): Names	Date		Position in committee
	Start (**)	End (***)	
Jorge Ganoza Durant	Apr 26, 2017		Chairman
Óscar Espinosa Bedoya	Aug 27, 2014		Regular Member
Manuel Bustamante Olivares	Aug 27, 2014		Regular Member
Humberto Nadal del Carpio	Apr 26, 2017		Regular Member
Gustavo Noriega Bentín	Apr 26, 2017		Regular Member
% of independent directors in the committee			60%
Number of sessions during the fiscal year:			2
Has delegated faculties according to the article 174 of the Law of Business Associations:			Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>
The committee or its chairman participate in the GSM			Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>

Name of the committee:	Inversion Committee
Date of creation:	03/27/2019
Main functions:	<p>a). Reviewing the portfolio and ideas of new businesses and validating the alignment between these initiatives and the growth strategy of the corporation,</p> <p>b). Supervise financing strategies for new investments</p> <p>c). The allocation of relevant or unbudgeted resources for the evaluation and portfolio analysis of new businesses,</p> <p>d). To contribute with the management in the detection and analysis of new businesses and acquisitions.</p> <p>e). Analyzing the return on investment in the years following acquisitions or implementation of new businesses.</p> <p>f). Propose to the board of directors divestments due to the lack of alignment with the strategy, not offering the expectation of growth and profitability, or other reasons that could be determined by the committee.</p> <p>g). Recommend the communication strategy for investments made, to be made or to be divested.</p>
Members of the committee (*):	Date Position in committee

Names:	Start (**)	End (***)	
Manuel Bustamante Olivares	11/26/2019		President
Óscar Espinosa Bedoya	11/26/2019		Regular Members
Andreas von Wedemeyer K.	11/26/2019		Regular Member
Humberto Nadal del Carpio	11/26/2019		Regular Member
Javier Otero Nosiglia	11/26/2019		Regular Member
% of independent directors in the committee			40%
Number of sessions during the fiscal year:			1
Has delegated faculties according to the article 174 of the Law of Business Associations:			Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>
The committee or its chairman participate in the GSM			Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>

(*) Provide information on the people who are or have been part of the committee during the fiscal year.

(**) Corresponds to the first appointment as member of the committee of the corporation.

(***) To be completed only in case they have ceased to be members of the committee during the fiscal year.

Principle 22: Code of Ethics and conflicts of interests

Question III.15	Yes	No	Explanation:
<i>Does the corporation have measures in place to prevent, detect, manage and expose any conflicts of interests that may arise?</i>	x		Detailed in the chapter on conflict of interest of the Code of Ethics. In addition, there is a Corporate Standard on Conflicts of Interest that applies to both directors and collaborators in their business relationships, within or outside the fulfillment of their duties towards clients, suppliers, shareholders, interested parties and third parties.

Specify, if applicable, the area and/or person responsible for follow-up and control of possible conflicts of interests. If there is a person in charge, specify their position and work area.

Area in charge	Corporate Affairs Management
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Person in charge		
Name	Position	Area
Eduardo Ramírez del Villar	Corporate Affairs Manager – Ethics and Compliance Officer	Corporate Affairs

Question III.16 / Compliance	Yes	No	Explanation:
a. Does the corporation have a Code of Ethics (*) that comprises ethical criteria and professional responsibility,	X		The corporation has a Code of Ethics that is published and provided to all of the corporation's employees through the Intranet; it is part of the

including how to handle possible conflicts of interests, and whose compliance is mandatory for the corporation's directors, managers, officials and all employees(**)?		induction process for new personnel. The Code of Ethics is mandatory for all directors, managers, officials and employees.
b. Does the Board or General Management approve training programs for Code of Ethics compliance?	X	General Management approved the publication of the Code of Ethics in the corporate Intranet so that it is available for all the corporation's employees. It was also included as a discussion topic in the induction process for new employees. In 2019, the annual online training course was held on the different topics related to the compliance system, which covers the Code of Ethics, the corporate compliance policy and its complementary rules, among others. This course was aimed at all the corporation's employees, with the purpose of making known its content and practical application in their daily work.

(*) The Code of Ethics can be part of the Internal Business Conduct Guidelines.

(**) The term "employees" is applicable to all persons that have a work relationship with the corporation, regardless of their regime or work system.

If the corporation has a Code of Ethics, specify the following information:

The Code of Ethics is available to:

	Yes	No
Shareholders	X	
Other persons to whom it is applicable	X	
General public	X	

- a. Specify the area and/or person responsible for follow-up and control of the Code of Ethics. If a person is in charge, specify their position, work area and to whom they report.

Area in charge	Corporate Affairs Management
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Person in charge			
Name	Position	Area	Reports to
Eduardo Ramírez del Villar	Corporate Affairs Manager – Ethics and Compliance Officer	Corporate Affairs	General Management

- b. Is there a record of Code of Ethics non-compliance cases?

Yes No

- c. Specify the number of Code of Ethics non-compliance cases detected reported during the fiscal year.

Number of non-compliances	16
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Question III.17	Yes	No	Explanation:
a. Does the corporation have mechanisms in place to allow reporting illegal or unethical behavior, in such a way that the anonymity of the complainant is guaranteed?	x		The corporation has designated an official that is in charge of ensuring the compliance of the Code, the Ethics and Compliance Officer, to whom the directors, employees or any other person must report immediately any event, situation or behavior that breaches the Code. During 2017, the Ethics channel has been reinforced with the implementation of new channels such as an e-mail box, a dedicated phone line, the intranet and a physical mailbox.
b. Does the corporation have mechanisms in place to allow reporting illegal or unethical behavior, in such a way that the anonymity of the complainant is guaranteed?	x		The Code of Ethics specifies that when complaints are related to accounting issues, to General Management or to any director, they must be presented to the Boards' Auditing and Risks Committee or directly to the Board.

Question III.18	Yes	No	Explanation:
a. Is the Board responsible to follow-up and control possible conflicts of interests that may arise within the Board?	x		
b. In case the corporation is not a financial institution, is it established as a policy that the Board members are prohibited from receiving loans from the corporation or any company from the group, except when explicitly authorized by the Board?	x		Article 10 of the Board Regulation is related to the salary of the Board members and specifies that during the current period it is possible to arrange advance payments. In case the advance payments exceed the annual allowance, or when they are given for a period that exceeds the following Board allowance, they will be considered a loan and thus must be approved by the Appointments, Remunerations and Corporate Governance and Sustainability Committee.
c. In case the corporation is not a financial institution, is it established as a policy that the Senior Managers are prohibited from receiving loans from the corporation or any company from the group, except when explicitly authorized by the Board?	x		The Board has approved a regulation through which it delegates approval of loans for Senior Management to its Chairman and to the General Manager.

- a. Specify the following information for Senior Managers that are shareholders of the corporation with a 5% or higher participation.

NOT APPLICABLE

Name	Position	Number of shares	Participation %
No Senior Manager has a 5% or higher participation			

Percentage of shares held by Senior Management	
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b. Specify if any members of the Board or of Senior Management is spouse or parent in first or second degree of any shareholders, other directors or Senior Managers:

NOT APPLICABLE

Name	Related to:			Name of shareholder / director / manager	Relationship type (**)	Additional Information (***)
	Shareholder (*)	Director	Senior Mgmt			
No member of the Board or of Senior Management satisfies this condition						

(*) Shareholders with 5% participation or greater.

(**) For relationship purposes, we apply the relation criteria included in the Indirect Property, Association and Economic Groups Regulations.

(***) If there exists a relationship with any shareholder, specify their participation percentage. If the relationship is with a manager, specify their position.

c. In case any member of the Board holds or has held any management role in the corporation during the fiscal year applicable for this report, specify the following information:

NOT APPLICABLE

Name	Management role held	Peiord in Management role	
		Start (*)	End (**)
No member of the Board has held a management position			

(*) Corresponds to the first appointment to a management within the corporation

(**) To be completed only if the person left the management role during the fiscal year

d. In case any member of the Board or of Senior Management has had any important (according to its amount of nature) commercial or contractual relationship with the corporation during the fiscal year, specify the following information:

NOT APPLICABLE

Name	Relationship type	Brief description
No member of the Board of Senior Management satisfies this condition		

Principle 23: Operation with parties

Question III.19	Yes	No	Explanation:
a. Does the Board have procedures and policies to assess, approve and disclose certain operations between the corporation and related parties, as well as to learn about commercial, personal, direct or indirect relationships that directors have between themselves or with the corporation, suppliers, clients and other stakeholders?	x		<p>Ferreycorp has procedures and policies at Board level to assess, approve and disclose certain operations between the corporation and related parties, as well as to disclose about commercial, personal, direct or indirect relationships that directors have between themselves or with the corporation, suppliers, clients and other stakeholders.</p> <p>1. There is a formal definition of parties that have a relationship with or within the corporation.</p> <p>2. Transactions between related parties, according to that definition, have been identified and disclosed during the year being validated. In addition, corporate rules related to transfer prices between related companies, to loans to Ferreycorp's related companies and to the granting of guarantees to Ferreycorp's subsidiaries, have been published.</p>
b. In case of operations of special importance or complexity, is the intervention of external, independent consultants considered for the assessment?	x		

- a. If the answer to part a) of Question III.19 was Yes, specify the areas of the corporation responsible for managing operations between parties for the following matters:

Matter	Area in charge
Assessment	An external consultant creates a report of transfer prices, in coordination with Corporate Finance Management.
Approval	Ferreycorp General Management
Disclosure	Board of Directors

<p>b. Specify the procedures to approve transactions between related parties</p> <p>We consider market value prices and a report of transfer prices between the corporation and its subsidiaries.</p>

- c. Specify the operations that have been carried out during the fiscal year, which are important due to their amount or subject matter, between the corporation and its related parties.

Name or social denomination of related party	Relationship nature ^(*)	Operation type	Amount (PEN)
Ferreyros S.A.	Subsidiary, 99.99%	Rent of premises	27,342,780
Ferreyros S.A.	Subsidiary, 99.99%	Business support	3,379,755
Ferreyros S.A.	Subsidiary, 99.99%	Refundable expenses	2,793,395
Ferreyros S.A.	Subsidiary, 99.99%	Interest on loans granted	2,212,986
Ferreyros S.A.	Subsidiary, 99.99%	Rent of premises	2,088,998
Unimaq S.A.	Subsidiary, 99.91%	Interest on loans granted	1,744,546
Soltrak S.A.	Subsidiary, 99.36%	Rent of premises	1,246,522
Ferreyros S.A.	Subsidiary, 99.99%	TPI Services	1,158,749
Motriza S.A.	Subsidiary, 99.00%	Interest on loans granted	1,081,976
Fargoline S.A.	Subsidiary, 99.91%	Interest on loans granted	1,006,473
Equipos y Servicios Trex	Subsidiary, 100.00%	Interest on loans granted	876,410
Ferreyros S.A.	Subsidiary, 99.99%	Business support	854,140
Motored S.A.	Subsidiary, 99.99%	Interest on loans granted	653,637
Soltrak S.A.	Subsidiary, 99.99%	Business support	616,474
Orvisa S.A.	Subsidiary, 99.37%	Interest on loans granted	598,758

(*) For relationship purposes, we apply the relation criteria included in the Indirect Property, Association and Economic Groups Regulations.

- d. Specify if the corporation sets limits to operations with related parties:

Yes No

Principle 24: Senior Managements functions

Question III.20 / Compliance	Yes	No	Explanation:
a. Does the corporation have a clear policy of separation of duties between the Board's management or governance, Senior Management's functions and General Manager's leadership?	x		
b. Are different persons appointed as General Manager and Chairman of the Board of the	x		

corporation?			
c. Does Senior Management have enough autonomy to carry out its assigned duties, within the framework of the policies and guidelines defined by the Board, and under their control?	x		
d. Is General Management responsible for complying with, and ensuring compliance with, the policy of providing information to the Board and its directors?	x		
e. Does the Board annually assess the performance of General Management according to well-defined standards?	x		
f. Does the General Management compensation contain fixed and variable components that consider the corporation's results, based on taking risks in a cautious and responsible manner, and in the achievement of goals outlined in the corresponding plans?	x		

- a. Specify the following information related to the General Manager and management team's compensations (including bonuses)

Position	Compensation (*)	
	Fixed	Variable
General Manager and management team	0.33%	0.10%

(*) Specify if the percentage that corresponds to the total amount of anual compensations of members of Senior Management as compared to the level of gross income, according to the corportation's financial statements.

- b. If the corporation grants bonuses or reparations different from those determined by law to Senior Management, specify the way in which there are paid.

	General Manager	Managers
Shares granting	No	No
Options granting	No	No
Money granting	Yes	Yes
Others / Describe		

- c. If the compensation contains a variable component, specify the main criteria used to determine it.

The variable component is determined, firstly, based on the company's results and then considering the employee's performance. It takes into account aspects such as goal achievement, impact on value generation, contribution to continuous improvement and processes, as well as elements of leadership, interpersonal relations and communication skills.

d. Specify whether the Board assessed General Management's performance during the fiscal year.

Yes No

PILLAR IV: Risk and Compliance

Principle 25: Risk management system framework

Question IV.1	Yes	No	Explanation:
a. Does the Board approve an integral risk management policy according to its size and complexity, promoting a risk management culture within the corporation, from the Board and Senior Management to all employees?	x		Yes, this policy defines the framework for integral risk management and guarantees its implementation in Ferreycorp and all its subsidiaries. It is reviewed every two years or when it is deemed necessary to make updates, according to the risk management guidelines, standards and best practices
b. Does the integral risk management policy cover all companies within the group and does it provide a global view of critical risks?	x		The risk policy is a corporate one and covers all companies within the corporation

Does the corporation have a risk management delegation policy that defines the risk limits that can be managed at each Company level?

Yes No

Question IV.2	Yes	No	Explanation:
a. Does General Management handle the risks to which the corporation is exposed, and provides the information to the Board?	X		Yes, through the Board's Auditing and Risks Committee.
b. In case a Risk Committee or a Risk Management does not exist, is General Management responsible for the risk management system?	X		The responsibility to follow up and handling risks belongs to Corporate Finance Management, for which a Risks Executive, in charge of monitoring and presenting to the Board's Auditing and Risks Committee (which approves the integral risk policy and monitors the main risks to business objectives) has been appointed. In addition, Internal Audit Management has established a

		control system. Both systems are presented to the Board, directly or through its Auditing and Risks Committee
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Does the corporation have a Risk Manager?

Yes No

If the answer to the previous question was Yes, specify the following information:

Name	Period in position		Reports to
	Start (*)	End (**)	
Elizabeth Guardamino	Jan 06, 2017		The Risks Executive is in charge of following up corporate risks; she reports to Corporate Finance Management and to the Auditing and Risks Committee.

(*) Corresponds to the first appointment within the corporation.

(**) To be completed only if the person left the role during the fiscal year.

Question IV.3	Yes	No	Explanation:
Does the corporation have an internal and external control system, and does the Board supervise its efficiency and suitability?	X		

Principle 26: Internal Audit

Question IV.4	Yes	No	Explanation:
a. Is the internal auditor dedicated exclusively to performing audits, with autonomy, experience and specialization in the domain areas and Independence for the follow-up and the assessment of the efficiency of the risk management system?	X		
b. Does the internal auditor have the functions to continuously assess if the financial information generated or recorded by the corporation is valid and trustworthy, and to verify the efficiency of the compliance with standards?	X		Internal Audits in Ferreycorp: independent area of the corporation that continuously analyzes, assesses and controls the policies, procedures, practices and activities that comprise the corporation's internal control system.
c. Does the internal auditor directly report to the Audit Committee the plans, budgets, activities, progresses, results, and actions?	X		

a. Specify if the corporation has an independent area dedicated to internal audits.

Yes No

If the answer to the previous question was Yes, specify the area to which internal reports within the corporation's hierarchical organization:

Reports to:	The internal auditor reports to the Chairman of the Board and regularly makes presentations to the Board's Auditing and Risks Committee.
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a. Specify if the corporation has a Corporate Internal Auditor

Yes No

Specify the main responsibilities of the internal auditor and if he/she performs other duties other than internal auditing.

i) Manages internal and information systems audits, in the main premises, branches, mining and subsidiaries ii) Assesses the internal control system for money and asset laundering, according to current SBS (Banks and Assurance Superintendence) financial intelligence unit regulations, presenting the final report to the compliance officer iii) Regularly reports to Senior Management and Management Committee the results of the internal audits activities iv) Considers the reviews performed by external auditors to develop work plans v) Creates a report for each performed audit, that contains the control deviations detected and the agreed suggestions with the audited area to correct the deviations, among others.

Question IV.5	Yes	No	Explanation:
Does the Board appoint and dismiss the internal auditor based on proposals of the Audits Committee?	X		Article 14 of the Board's and Board Committees' Internal Regulation specifies that the Board has the power to appoint, assess and dismiss the internal auditor, according to recommendations of the Auditing and Risks Committee. Likewise, Article 23 of the same Regulation specifies that one of the duties of the Auditing and Risks Committee is to propose to the Board an internal auditor when a change is required.

Principle 27: External audits

Question IV.6	Yes	No	Explanation:
Does the General Shareholders Meeting, upon request from the Board, assign an auditing firm or an independent auditor that is clearly independent from the corporation?	X		The Board, aware of the recommendations that arise from the new Principles of Good Corporate Governance for Peruvian Companies, proposes that the General Shareholders Meeting assigns the auditing firm for the period, delegating to the Board the negotiation and approval of the contractual conditions.

a. Does the corporation have a policy for assigning the external auditor?

Yes No

b. If the auditing firm has performed other services different from account audits, specify if the corresponding contract was informed to the General Shareholders Meeting, including the percentage that the billing of those services represent when compared to the total billing of the auditing firm to the Company.

Yes No

c. Do the persons or entities from the auditing firm provide services to the corporation other than account auditing?

Yes No

If the answer to the previous question was Yes, specify the following information related to additional services provided by persons or entities from the auditing firm during the fiscal year.

Name or legal name	Servicios adicionales	% of compensation (*)
Gaveglio, Aparicio y Asociados sociedad Civil de Responsabilidad Limitada, a member firm of PricewaterhouseCoopers (PWC)	Adoption of new IFRS	5.9%
	Revision under the scope of Rule XVI (anti-elusiveness)	3.4%

(*) Billing of additional services over billing of auditing services.

d. Specify if the auditing firm assigned different teams in case additional services, other than account auditing, were provided.

Sí No

Question IV.7	Yes	No	Explanation:
a. Does the corporation have a renewal policy for its independent auditor or auditing firm?	x		The Company policy is that the same auditing firm can review the financial statements for up to five consecutive years; this can be extended for an additional period if the provided services were satisfactory and adequate in economic terms; in that case, a more comprehensive assessment must be done by the Board's Auditing and Risks Committee and the Board. The partner, the auditor responsible for the work and the members of the external audit team must be regularly changed. The auditing firm to be hired is assigned by the General Shareholders Meeting.
b. If the renewal policy defines larger renewal periods, is the work team from the auditing firm changed at least every five years?	x		In line with the external auditors renewal policy, the General Shareholders Meeting approved the hiring of Gaveglio, Aparicio y Asociados Sociedad Civil de Responsabilidad Limitada, a member firm of PricewaterhouseCoopers (PwC) for the 2016 financial statements audit and it was selected again in the March 2017 Meeting for the 2017 financial statements audit

Specify the following information for the auditing firms that have provided services to the corporation during the last five years.

Registered name of the auditing company	Service	Period	Remuneration (US\$)
Gaveglio, Aparicio y Asociados sociedad Civil de Responsabilidad Limitada, member firm of PricewaterhouseCoopers (PWC)	Audit of financial statements	2019	91.44%
	Adoption of new IFRS Revision under the scope of Rule XVI (anti-elusiveness)	2019	
	Audit of financial statements	2018	66.88%
	Transfer pricing studies Review of income tax returns Adoption of new IFRS Advice to subsidiary	2018	
	Audit of financial statements	2017	60%
	Transfer pricing studies Review of income tax returns IFRS adoption diagnosis	2017	
	Audit of financial statements	2016	68.87%
	Transfer pricing studies Review of income tax returns	2016	
	Medina, Zaldívar, Paredes & Asociados S.C.R.L.	Audit of financial statements	2015
	Audit of financial statements	2014	100.00%
Dongo-Soria Gaveglio y Asociados Sociedad Civil, member firm of Price Waterhouse Coopers	Accounting advice	2014	
	Training in IFRS		
Deloitte & Touche S.R.L.	Tax advice	2016	
	Tax and transfer pricing advice	2015	
	Tax advice	2014	
KPMG Asesores sociedad Civil de R.L.	Tax advice	2015	
	PPA for Trex acquisition	2014	

(*) Include all types of services, such as expert opinions for financial information, accounting assessment, operational audits, systems audits, tax audits and other services.

(**) From the total amount paid to the auditing firm for all concepts, specify the percentage that corresponds to financial audits services.

Question IV.8	Yes	No	Explanation:
<i>In the case of economic groups, is the external audit the same for the whole group, including offshore subsidiaries?</i>	X		

Specify if the auditing firm hired to dictate the financial statements of the corporation for the fiscal year subject of the present report did also dictate the financial statements for other companies of your economic group.

Yes No

If the answer to the previous question was Yes, specify the following information

Legal name of the companies in the economic group
Ferreyros S.A. Orvisa S.A. and subsidiaries Unimaq S.A. Motored S.A. Fargoline S.A. Forbis Logistics S.A. Soltrak S.A. Inti Inversiones Interamericanas Corp. And subsidiaries Trex Latinoamérica and subsidiaries Motriza S.A. Ferrenergy S.A.C.

PILLAR V: Information Transparency

Principle 28: Information policy

Question V.1	Yes	No	Explanation:
Does the corporation have an information policy for shareholders, investors, other stakeholders and the market in general, in which it defines in a formal, integral and orderly way the guidelines, standards and criteria that will be applied for handling, compiling, developing, classifying organizing and distributing the information that the corporation generates or receives?	X		

a. If applicable, specify if according to your information policy the corporation distributes the following:

	Yes	No
Corporation objectives	X	
Board and Senior Management members	X	
Shares structure	X	
Economic group description	X	
Financial statements and annual report	X	

Others / Describe	
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b. Does the corporation have a corporate website?

Yes No

The corporate website includes:

	Yes	No
A specific section about corporate governance or relationship with shareholders and investors that includes a Corporate Governance Report	x	
Important events	x	
Financial information	x	
Bylaws	x	
General Shareholders Meeting Regulation and information about meetings (attendance, minutes, others)	x	
Board composition and Regulation	x	
Code of Ethics	x	
Risk policy	x	
Social Responsibility (community, environment, others)	x	
Others/ Describe		

Question V.2	Yes	No	Explanation:
Does the corporation have an investor relations office?	x		

In case an investor's relationship office exists, specify the person in charge.

Person in charge of investors' relationships office	Elizabeth Tamayo
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In case an investor relations office does not exist, specify which is the unit (department or area) or person in charge of receiving and handling the request for information of the corporation's shareholders and public in general. If a person is in charge, specify their charge and work area.

Area in charge	
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Person in charge		
Name	Position	Area

Principle 29: Financial Statements and Annual Report

If there are exceptions in the external auditor's report, have these been explained or justified to the shareholders?

NOT APPLICABLE, THERE ARE NO EXCEPTIONS

Yes

No

Principle 30: Share structure information and agreements between shareholders

Question V.3	Yes	No	Explanation:
Does the corporation disclose the ownership structure, taking into account the different classes of shares and, if applicable, the joint participation of a given economic group?	x		Ferreycorp has a single class of share, the Common Share, and reports the structure in accordance to current regulation, identifying particular shareholders with a 4% or higher participation.

Specify the composition of the corporation's share structure at the closing of the fiscal year.

Ownership of shares with right to vote	Number of owners (at fiscal year close)	Participation percentage
Less than 1%	2,494	38.86%
Between 1% and 5%	12	36.85%
Between 5% and 10%	4	24.29%
Higher than 10%	0	0%
Total	2,510	100%

Ownership of shares without right to vote (if applicable)	Number of owners (at the closing of the fiscal year)	Participation percentage
Less than 1%		
Between 1% and 5%		
Between 5% and 10%		
Higher than 10%		
Total		

Ownership of investment share (if applicable)	Number of owners (at the closing of the fiscal year)	Participation percentage
Less than 1%		
Between 1% and 5%		
Between 5% and 10%		
Higher than 10%		

Total		
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Percentage of shares in portfolio as compared to social capital:

0.59%

Question V.4	Yes	No	Explanation:
Does the corporation disclose information about agreements or pacts between shareholders?			There have not been any agreements or pacts between shareholders.

a. Does the corporation keep a record of current pacts between shareholders?

Yes No

b. In case there was any agreement or pact between shareholders that was informed to the corporation during the fiscal year, specify their subject matter.

Election of Board members	
Voting rights at assemblies	
Restrictions to free transferability of shares	
Changes in the corporation's Articles of Incorporation or charter	
Others /Describe	

Principle 31: Corporate governance report

Question V.5	Yes	No	Explanation:
<i>Does the corporation disclose the adopted standards on corporate governance in an annual report, whose content is responsibility of the Board, based on a prior report from the Auditing Committee, the Corporate Governance Committee or, if applicable, an external consultant?</i>	x		The corporation discloses the standards adopted on corporate governance in the Annual Report.

a. Does the corporation have mechanisms in place for the internal and external disclosure of corporate governance practices?

Yes No

If the answer to the previous question was Yes, specify those mechanisms.

The corporation discloses the corporate governance practices through its website, its intranet, its standards and procedures, its Annual Report, its events and presentations to investors, and when it participates in tenders.

SECTION C:

Corporation Document's Contents

Specify in which of the following corporation documents these subjects are regulated:

		Principle	Bylaws	Internal Regulations (*)	Manual	Others	Not regulated	Not applicable	Document Name (**)
1.	Policy for payment or exchange of non-voting right shares	1						X	
2.	Method to record the rights of share ownership and who is responsible of recording	2	X		X	X			
3.	Procedures for selection of external consultant to give independent opinion on the Board's proposals for corporate operations that may affect the shareholders' non-dissolution right	3		X					
4.	Procedure to receive and handle the requests for information and opinions of shareholders	4	x	X					
5.	Dividends policy	5				X			
6.	Politics or agreements to avoid adopting anti-takeover mechanisms	6						X	
7.	Arbitration agreement	7	X						
8.	Policy to select corporation directors	8	X	X					
9.	Policy to assess compensations of the corporation directors	8	X						
10.	Mechanism to make available to shareholders information related to the contents of the General Shareholders Meeting agenda and agreed proposals	10		X					
11.	Means used by the corporation to call meetings, additional to those established by law	10		X					
12.	Additional mechanisms for shareholders to propose agenda items to be discussed at the General Shareholders Meeting	11		X					
13.	Procedures to accept or dismiss shareholders' proposed agenda items to be discussed at the General Shareholders Meeting	11	X	X					

14.	Mechanisms to allow remote participation of shareholders	12		X					
15.	Procedures for shareholders' differential voting	12		X					
16.	Procedures for vote delegation	13		X					
17.	Requirements and formalities for a shareholder to be represented in a Meeting	13	X	X					
18.	Procedures for vote delegation to Board or Senior Management members	13		X					
19.	Procedures to follow-up the General Shareholders Meeting's agreements	14		X					
20.	Minimum and maximum number of directors to be included in the corporation's Board	15	X	X					
21.	Duties, rights and functions of the corporation's directors	17	X	X					
22.	Types of bonuses that the Board receives for accomplishment of the corporation's goals	17						X	
23.	Hiring policy for consultancy services for directors	17							
24.	Induction policy for new directors	17	X	X					
25.	Special requirements to be appointed independent director	19		X					
26.	Criteria for assessment of performance of the Board and its members	20							
27.	Policy to determine, follow-up and control possible conflicts of interests	22				X			
28.	Policy to define the procedure to assess, approve and disclose operations between related parties	23				X			
29.	Responsibilities and duties of the Chairman of the Board, Executive President, General Manager and other Senior Management members	24	X	X					
30.	Criteria to assess performance of Senior Management	24		X					
31.	Policy to set and assess Senior Management's compensations	24		X					
32.	Integral risks management policy	25			X				
33.	Responsibilities of the internal auditor	26			X				

34.	Policy for assigning external auditor, determining contract duration and criteria for renewal	27				X			
35.	Policy for information disclosure and communication to investors	28		X	X				

(*) Includes GSM Regulation, Board Regulation and others published by the corporation.

(**) Specify the document name, except in the case of the corporation Bylaws.

SECTION D:

In addition, the corporation describes below other relevant issues in its field:

Transactions between related companies

Ferreycorp and its subsidiaries carry out commercial and financial transactions among themselves, for which it has a transfer pricing standard between companies of the corporation. According to this standard, market prices must be considered, both in the margins for product sales between companies and in the charges for corporate services and shared services, rentals and interest collection for loans. Such prices are set, according to the mechanisms approved by the auditing firm in charge of preparing the transfer pricing report, determining lower and upper quartiles for gross margins charged and for interest rates.

During 2017, the transfer pricing consultant was changed in order to have a complementary opinion on the subject; likewise, we have continued to regulate this issue. During 2018, the Corporate Standard on Transfer Pricing between Ferreycorp's related companies was updated.

Likewise, it presented the transfer pricing reports to the National Superintendence of Tax Administration (Sunat).

Rotation of the company validating the report on compliance with the Principles of Good Corporate Governance

According to the new rules of the Lima Stock Exchange (BVL) that established that the firm validating the Corporate Governance Questionnaire should be rotated after three years, Ferreycorp hired MC&F as validator for the review of the report of the year 2015 and 2016.

For the validation of the Corporate Governance Questionnaire for fiscal years 2017 and 2018, Ferreycorp changed its validator and hired Pacific Credit Rating (PCR). The validation resulted in a 100% score.

Participation in the Companies Circle

For more than a decade, the corporation has been a member of the Companies Circle of the Latin American Corporate Governance Roundtable (Companies Circle), an OECD and IFC initiative that seeks to positively influence other companies by sharing corporate governance practices. The Companies Circle is composed of seven leading companies and agents of change in corporate governance in the region.

In this way, the members of the Companies Circle continue to contribute to the corporate governance and sustainability agenda in the region and promote the importance of good practices as drivers of value creation in organizations.

Good Corporate Governance Awards

- Company with best corporate governance practices, winner of The Key to the Lima Stock Exchange for the seventh year. This distinction, created by the Lima Stock Exchange more than a decade ago, considers compliance with the Principles of Good Corporate Governance, the liquidity of the stock and being among the top five companies in the "La Voz del Mercado" ranking.
- Ferreycorp occupied the third place in the ranking "La Voz del Mercado" 2019, presented by Ernst & Young (EY) and the BVL⁵
- Ferreycorp's shares, with more than 2,500 shareholders from Peru and abroad, integrated the Good Corporate Governance Index (IBGC) for twelve consecutive years.
- Ferreycorp was recognized with the fourth place in the Merco Responsabilidad y Gobierno Corporativo ranking, which summoned more than 4,000 polled

people at a national level. Likewise, it was distinguished as leader of the Industrial category, in this prestigious monitor of corporate reputation.

These distinctions ratify the corporation's commitment to its stakeholders to maintain a transparent, reliable and sustainable company, and it is convinced that these good practices impact on the generation of value, by reducing risks and costs, and by creating competitive advantages.

At the same time, it renews its commitment to continue not only with the adoption of best practices, but also to share the road traveled. Finally, the corporation permanently participates in forums and instances to promote the development of the Peruvian capital market.

⁵The study that gives rise to the ranking is the result of a survey applied by Kantar Millward Brown Peru, in which capital market specialists rated the corporate governance of 37 companies on the Lima Stock Exchange. The ranking is composed by the companies of the S&P/BVL Peru General Index at 95% +- 2.5% of the stock market capitalization; the companies that presented themselves to the recognition of Good Practices of Corporate Governance, organized by the Lima Stock Exchange and EY Peru; and companies referred by the institutional investors consulted.